

2020 – the beginning of a new journey for Resurs

ANNUAL AND SUSTAINABILITY REPORT 2020

“We will become a more data-driven and tech-oriented financial company by offering the most innovative services and products in both online shopping and physical stores, creating business and customer value as well as value for shareholders.”

Nils Carlsson, CEO Resurs Holding AB

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Resurs's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), as adopted by the EU. Resurs also applies the relevant sections of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's regulations and general guidelines on Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25 and all applicable amendments), and the Swedish Financial Reporting Board's recommendation RFR 1. Supplementary Accounting Rules for Groups. The Swedish Anti-corruption Institute's (IMM) Code on Code on Gifts, Rewards and other Benefits. Solid: IFRS and Solvency II standards, ISO.

Resurs Holding in brief

Resurs Holding (Resurs), which operates through its subsidiaries Resurs Bank AB and Solid Försäkring AB, is a leader in retail finance in the Nordic region, offering payment solutions, consumer loans and niche insurance products. At the end of 2020, the Group had 722 employees and a loan portfolio of SEK 30.9 billion. Resurs is listed on Nasdaq Stockholm.



MORE THAN 6 MILLION CUSTOMERS IN OUR DATABASE

Resurs helps companies and private individuals with lending, saving and payments. With more than 40 years of experience in the retail sector, Resurs makes shopping online and in stores quick, easy and secure. Resurs has built a customer base of slightly more than 6 million private customers in Sweden, Norway, Denmark and Finland while focusing on the customer experience.

LISTED ON NASDAQ STOCKHOLM LARGE CAP

Resurs has been listed on NASDAQ Stockholm Large Cap since April 2016. Resurs Bank was granted a banking licence in 2001 and is supervised by the Swedish Financial Supervisory Authority.

PAYMENT SOLUTIONS

The Payment Solutions business segment comprises the retail finance, credit cards and factoring areas.

Within retail finance, Resurs is the 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 credit cards that enable retail finance partners to promote their own brands. Lending amounted to SEK 11.0 billion (11.4) at the end of 2020. The Factoring area primarily focuses on invoice factoring and invoice discounting for small and mid-sized companies.

CONSUMER LOANS

Consumers in the Consumer Loans business segment are offered unsecured loans. A consumer loan is normally used to finance larger purchases. Consumer Loans also helps consumers to consolidate their loans with other banks, in order to reduce their monthly payments or interest expense. Resurs's outstanding consumer loans amounted to SEK 19.9 billion (19.9) at the end of 2020.

INSURANCE

Non-life insurance is offered within the Insurance business 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 Travel, Security, Roadside assistance/extended car warranties (Motor) and Product insurance. Solid partners with leading retail chains in various sectors, and has about 2.3 million customers across the Nordic region.

Significant events in 2020

SHOPPA LAGOM

Resurs was the first partner of Alektum Group's Shoppa Lagom initiative that aims to raise awareness and help more individuals to have sustainable private finances.

New CEO

Nils Carlsson became CEO of Resurs in June.



Newcomer of the year

Resurs was named "Newcomer of the year" in Employer Branding at the Universum Awards.

Sustainable Finance

Resurs initiated an in-depth analysis that focused on the impact of and compliance with EU regulations.

Actions in response to COVID-19

In addition to carefully following the authorities' general recommendations, Resurs made extensive adjustments to its operations with a focus on its employees' health, in order to ensure that a high degree of service could be maintained for its customers and partners. Actions taken include:

- A crisis management team and continuity plan were formed early on to facilitate rapid decision-making and ensure that operations continued.
- Offices were divided into physically separate zones, including working from home.
- Clear recommendations to avoid meeting in person and only travel in exceptional cases.

Other actions in response to COVID-19

- The decision was made during the spring to delay the Annual General Meeting until 17 June.
- A decision was also made to refrain from issuing dividends during the 2020 calendar year, in accordance with the regulatory authorities' positions and recommendations.
- An extra credit provision of SEK 75 million was in the first quarter of 2020 due to COVID-19, in accordance with IFRS 9. The credit provision remained unchanged during 2020.

The transformation journey began

Resurs's transformation journey began during the fourth quarter with the creation of a more efficient Nordic organisation. As a result of the changed organisational structure Resurs reduced its personnel by 70 positions, which entailed nonrecurring costs of SEK 22 million. The company also conducted a review of its balance sheet and identified an impairment requirement of SEK 48 million, of which SEK 38 million related to capitalised IT investments. Total nonrecurring costs incurred through the transformation journey amounted to SEK 70 million during the year.

BBB-

Nordic Credit Rating (NCR) confirmed Resurs Bank's credit rating of BBB- and the outlook was revised to stable as Resurs Bank outperformed NCR's expectations due to lower credit losses and an improved net interest margin in the second quarter of 2020.

New and expanded partnerships

Mekonomen Group chose Resurs Bank as a partner for card and payment solutions in the entire Nordic market. Gekås Ullared chose Resurs Bank as a partner for a new card and payment solutions concept. Resurs began partnerships with a total of 75 new e-commerce players during the year.



Mekonomen

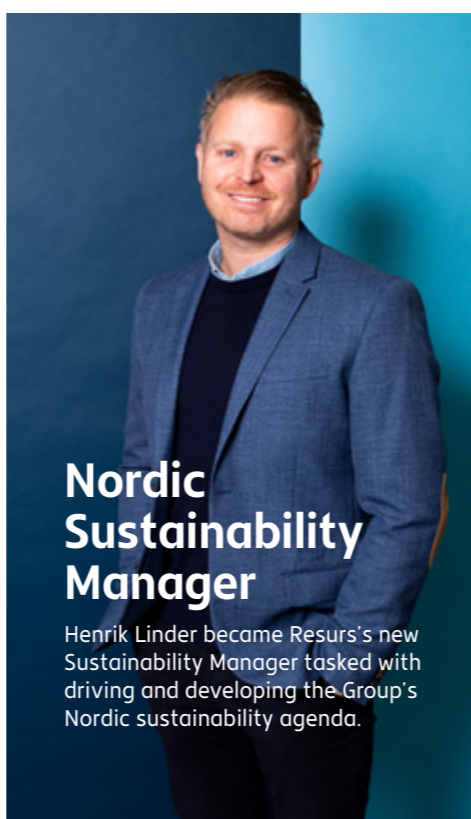
2021 Career Company of the Year and a spot on the Allbright Foundation's green list

Resurs was named a Career Company for the second year in a row. Career Companies is a distinction for employers that offer young talent opportunities for professional growth. Resurs continued to be one of Sweden's most gender-balanced listed companies according to the Allbright Foundation's green list.



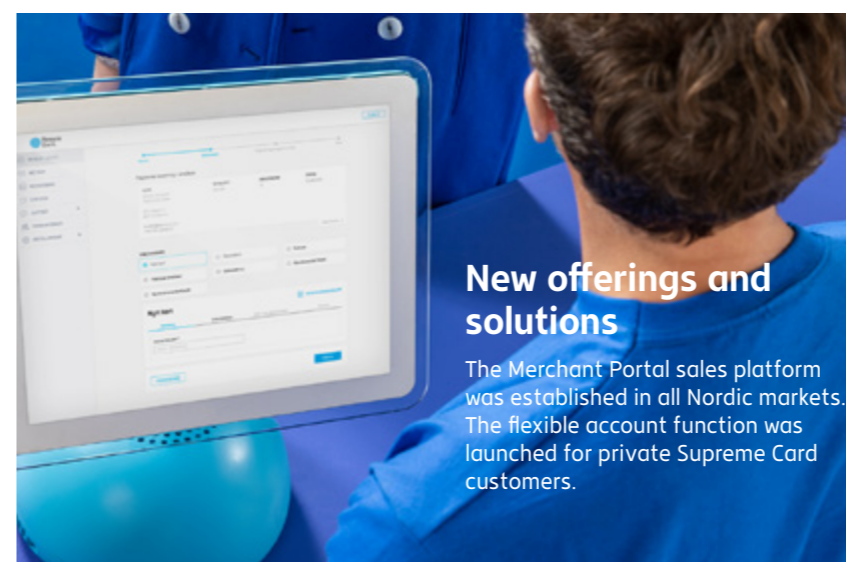
Nordic Sustainability Manager

Henrik Linder became Resurs's new Sustainability Manager tasked with driving and developing the Group's Nordic sustainability agenda.



New offerings and solutions

The Merchant Portal sales platform was established in all Nordic markets. The flexible account function was launched for private Supreme Card customers.



High confidence shown by the market

During the fourth quarter Resurs issued bonds and extended its ABS financing, a confirmation of the Group's strength given the current market situation.

Financial performance in brief

Operating profit*

SEK 1,431 million

C/I ratio excluding Insurance*

38.6%

Credit loss ratio*

2.5%

Percentage employed women total in the Group

52%

* 2020 included nonrecurring costs of SEK 145 million, of which SEK 70 million in the fourth quarter related to the transformation journey and SEK 75 million was for the extra credit provision made in the first quarter.

elon

Elon partners with Insurance

Insurance started a partnership with Elon and its 350 appliance stores and online sales in Sweden, during the year.

2020 was the beginning of a new journey for Resurs

2020 will most likely be associated for a long time with the advance of the coronavirus pandemic and its far-reaching consequences for society, people and the economy. Of course this global challenge also affected Resurs in various ways during the year. At the same time, I believe that we will remember 2020 as the starting point for something new and positive. To continually be on the move and proactively adapt the business to new circumstances has been fundamental to Resurs's success over the years, and it remains critical to ensuring a competitive, sustainable and profitable business with a high rate of growth in the long term. To be more specific, this means that given today's global and market conditions, we must become more technology-oriented and data-driven in our efforts to respond to the degree of digital maturity possessed by our Nordic customers. Therefore we began Resurs's transformation journey in the autumn with the objective of advancing our position and becoming a leading financial Nordic tech player while maintaining a clear sustainability perspective.

One of the first steps was to design an organisational structure and Group management with a sharper Nordic focus in order to better capitalise on synergies and create the right prospects for data-driven development along with a more agile and dynamic work method. At the same time, we embarked on a

transition project in which we reviewed our combined skills throughout the entire organisation, which resulted in a need for the exchange of skills and a workforce reduction of about 10 per cent. In order to create both new and expanded income streams as well as rationalise costs, we are planning to make extensive investments for business-driven IT projects and technology solutions, including increasing the share of our cloud-based systems over the next few years. In 2021, we intend to present new financial targets and also hold a Capital Market Day at which we will present our transformation journey, future market position and strategy for achieving the new financial targets in more detail.

RESURS'S THREE BUSINESS SEGMENTS

For the year as a whole, it was primarily demand in Payment Solutions that varied greatly between different industries and markets, largely as a result of the restrictions imposed to reduce the spread of contagion in physical stores. The Danish and Norwegian markets were more affected by lockdowns than the Swedish and Finnish markets. However, a broad diversification in Nordic retail gave us important resilience and an ability to offset industries with falling demand with other industries that performed relatively better. For example, the building materials sector, home electronics and the retail sector for furniture and home

decoration experienced a sizeable influx of customers and growing sales. During the year, we continued to develop our e-commerce offering, which was well received by the market among both existing and new partners. In 2020 we added 75 new e-commerce players. During the year, we expanded our partnership with Mekonomen Group to cover the entire Nordic market, and entered into a strategic partnership with Gekås Ullared, with the mission to drive the next step of their digitisation journey through a new concept for card and payment solutions.

The performance of Consumer Loans was relatively stable despite our deliberate measures to introduce more restrictive risk-reducing credit assessment along with new direct marketing regulations and an interest rate cap in certain markets. Resurs's smallest business segment, Insurance, once again displayed proof of high profitability with a 13 per cent increase in technical result due to factors including higher sales and profitability in the Motor segment. During the fourth quarter Insurance started a partnership with Elon, with 350 appliance stores and online sales in Sweden.

SUSTAINABLE CREDIT LENDING IS THE FOUNDATION OF OUR BUSINESS

An important performance measure that I want to highlight is that our credit losses were stable, amounting to 2.5 per cent for the year, excluding the extra credit provision of SEK 75 million made during the first quarter of this year. Our long-standing experience in the credit market gives us the knowledge we need to manage various market conditions, and our credit losses have remained in the 2-3 per cent range since the early 1990s. The stability of our credit losses should be viewed against the background of general uncertainty about customers' solvency due to the impact of the pandemic. It also provides good understanding of how we view our responsibility as a creditor. While responsible lending must always take precedence over volume, we view the ability of private individuals to



We began Resurs's transformation journey in the autumn with the objective of advancing our position and becoming a leading financial Nordic tech player while maintaining a clear sustainability perspective.

"Our approach is to perform a credit check that ensures that the customer is not borrowing more than their personal finances allow."

take out loans or use credits as essential for a well-functioning society. Our approach is to perform a credit check that ensures that the customer is not borrowing more than their personal finances allow, so that we stand for lending that is sustainable for both the customer and Resurs. One effect of this philosophy is that we also periodically limit our lending growth, which was particularly true in 2020. In order to reduce risks associated with new lending, Resurs introduced more restrictive credit assessment in all Nordic markets early in 2020. This affected lending growth negatively, since it meant rejecting the loan applications with greater risk.

NOW WE'RE MOVING OUR SUSTAINABILITY AGENDA UP TO THE NORDIC LEVEL

Our sustainability efforts are based on the UN Global Compact, which Resurs signed in 2018. This means that we continue to take responsibility for operating our business sustainably based on these ten principles. During the year we created the new position of Nordic Sustainability Manager which is charged with driving and developing Resurs's Nordic sustainability agenda. We also began the process of analysing the impact of the EU Action plan on Sustainable Finance from both strategic and risk perspectives, as well as ensuring compliance. Ensuring that our climate and environment-related risks are also integrated into our business strategy, governance, risk management and reporting will also be an important step in our internal work.

Our sustainability efforts were also aided by several external partnerships including Alektum Group's Shoppa Lagom initiative, which aims to spread awareness that helps more people in society keep their finances healthy. The initiative is completely in line with Resurs's long experience of offering payment and financing solutions where profitable retail and sustainable private finances go hand in hand. Shoppa Lagom is not a campaign to refrain from shopping, but rather about each individual finding the right level to ensure healthy private finances.

HIGH CONFIDENCE SHOWN BY THE CAPITAL MARKET AND A DIVIDEND TO SHAREHOLDERS

In line with our strategy of long-term diversified financing, we extended our ABS financing with JP Morgan Chase Bank during the fourth quarter. We applied the same strategy to our non-performing loans by selling receivables for a gross amount of slightly more than SEK 500 million. The sale reduced our capital requirements and positively impacted liquidity, but ultimately had a neutral effect on earnings. Being able to carry out these transactions, given the market conditions, shows the confidence that the capital market has in Resurs.

In accordance with the Swedish Financial Supervisory Authority's recommendations in December, the Board proposes a dividend of 25 per cent of the net profit for 2019 and 2020 in spring 2021, corresponding to SEK 2.68 per share. The dividend policy is unchanged and the Board's intention is to pay the remaining predicted dividend in autumn 2021.

My first six months as CEO of Resurs have been extremely intense and eventful. I am impressed by how quickly the business was able to change and adapt to meet both external challenges and internal change processes in these exceptional times. This gives us self-confidence now as we look ahead and switch focus in order to strengthen Resurs's competitiveness and deliver growth in the long term with an even clearer sustainability approach. We will become a more data-driven and tech-oriented financial company by offering the most innovative services and products in both online shopping and physical stores, creating business and customer value as well as value for shareholders.

Helsingborg, March 2021

Nils Carlsson
CEO, Resurs Holding AB

“Ensuring that our climate and environment-related risks are also integrated into our business strategy, governance, risk management and reporting will also be an important step in our internal work.”

Resurs' 2020 financial targets and outcomes

2020 included nonrecurring costs of SEK 145 million, of which SEK 70 million in the fourth quarter related to the transformation journey and SEK 75 million for the extra credit provision made in the first quarter.

Annual lending growth

OUTCOME	MID-TERM TARGET
-2%	>10%

Resurs's target for total lending is annual organic growth of over 10 per cent. Lending growth amounted to -2 per cent for 2020, while lending increased by 2 per cent in constant currencies. Lending growth was 11 per cent in constant currencies, excluding the Norwegian market and NPL sale completed during the fourth quarter. Resurs took action at an early stage of COVID-19 to introduce deliberate austerity measures in credit lending in Consumer Loans in order to ensure continued high control of the risk level, which reduced the risk in new lending in all markets, with the associated declining lending volumes. The Norwegian market remained challenging in 2020, while at the same time there were signs at the end of the year that the efforts made to develop more attractive offerings have been positively received.

Risk-adjusted NBI margin, excluding Insurance

OUTCOME	MID-TERM TARGET
8.2%	10-12%

Resurs's target for the risk-adjusted NBI margin, excluding Insurance, is to be 10-12 per cent. In 2020 the risk-adjusted NBI margin was 8.2 per cent. The lower margin was mainly due to mix effects in Payment Solutions where many of Resurs's retail finance partners managed relatively well during the pandemic, with unchanged, and in some cases higher, demand. At the same time, these partnerships produced lower margins, which negatively impacted the overall NBI margin. The lower margin was also due to a higher credit loss ratio, which is an effect of the previous higher growth in lending and the extra credit provision of SEK 75 million made in the first quarter of 2020.

Dividend

OUTCOME	MID-TERM TARGET
64%	AT LEAST 50% OF PROFIT FOR THE YEAR

Resurs's target is to distribute at least 50 per cent of profit for the year to shareholders. The company is following the regulatory authorities' recommendations and positions on restrictions for banks and holding companies of banks to pay any dividends. In accordance with the Swedish Financial Supervisory Authority's statement in December 2020, and after consultation with the Authority, the Board proposes that the Annual General Meeting resolve to pay a dividend corresponding to 25 per cent of the Group's total net profit for 2019 and 2020. The proposed dividend amounts to a total of SEK 536 million, corresponding to SEK 2.68 per share. The company's dividend policy was unchanged and the remainder of the predicted dividend is intended to be paid in the fourth quarter of 2021 on the condition that the regulatory authorities' recommendations or positions are not extended or changed. During the period that it is not possible to understand the consequences of the ongoing pandemic, the Board intends to pay 50 per cent of the Group's net profit in dividends from earnings from 2020.

C/I ratio excluding Insurance and adjusted for nonrecurring costs

OUTCOME	MID-TERM TARGET
38.6%	<40%

Resurs's target is to lower the cost/income ratio, excluding Insurance, adjusted for nonrecurring costs, to under 40 per cent. For 2020 the cost/income ratio was 38.6 per cent, thanks to digitisation and our ability to adapt the business to new circumstances.

Common Equity Tier 1 ratio

OUTCOME	MID-TERM TARGET
15.1%	>11.5%

Resurs's target is that the Common Equity Tier 1 ratio will exceed 11.5 per cent and that the total capital ratio will exceed 15 per cent. The total capital ratio was 17.4 per cent. The Common Equity Tier 1 ratio at the end of the year was 15.1 per cent, which was well above both the target and the regulatory capital ratio requirement.

Return on equity (RoTE) adjusted for nonrecurring costs

OUTCOME	MID-TERM TARGET
26.1%	ABOUT 30%

Resurs's target return on equity (RoTE) excluding intangible assets is approximately 30 per cent. The RoTE for 2020 amounted to 26.1 per cent, given a Common Equity Tier 1 ratio according to the Board's target and dividends deducted from the capital base. This is lower than in previous years, primarily due to lower income.

In 2021, the company intends to present new financial targets and also hold a Capital Market Day at which Resurs's transformation journey, future market position and strategy for achieving the new financial targets will be presented in more detail.

Three compelling reasons to invest in Resurs

The market for payment and financing solutions is growing continually, and at the end of 2020 total lending in the Nordic consumer credit market amounted to more than SEK 815 billion.

#1 A SUSTAINABLE NORDIC BUSINESS MODEL WITH A RETAILING LEGACY

Resurs is a leader in the growing Nordic consumer credit market, with slightly more than 6 million customers in its customer database today. Resurs was founded by retailers for retailers, and its business model is therefore based on retail experience. Resurs's offering of attractive retail finance solutions and flexible payments makes a major contribution to higher purchasing power, a greater influx of customers both in stores and online, and stronger customer loyalty. There are important synergies between Resurs's business segments, with the customer database serving as a hub and generating significant opportunities for cost-efficient cross-selling. The foundation of our payment and financing solution offerings is that they are based upon sustainable credit lending, which is also the core of Resurs's business model. With sustainable credit lending, we will lay the foundation for smart and secure loans, thereby contributing to sustainable business that meets an existing demand while creating value for all parties involved. The stability of Resurs's credit losses and customers' unchanged payment patterns in 2020, the year of the pandemic, should be viewed against the background of general uncertainty about customers' solvency. It also provides good understanding of how Resurs views its responsibility as a creditor.

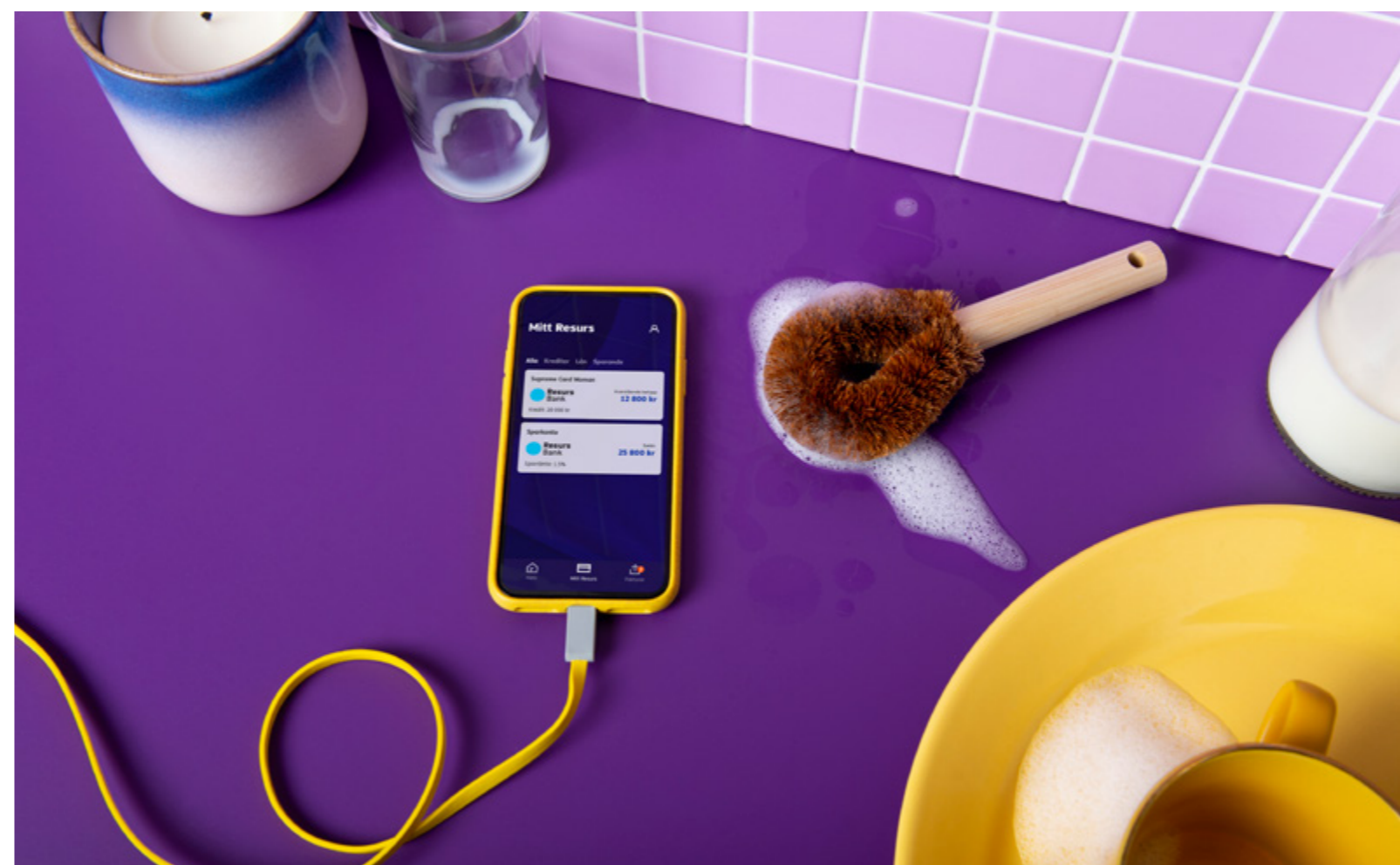
#2 DEVELOPING UNIQUE SOLUTIONS FOR THE RETAIL OF THE FUTURE

Innovation plays a vital role in Resurs's competitiveness, and the race to become an even more data-driven and technology-oriented company is moving even faster thanks to the transformation journey which has now begun. Resurs's solutions enable modern business concepts that meet customers' digital service needs. The list of Resurs's partners is continually growing, thanks to the value generated by Resurs's efficient payment solutions. For example, Resurs began partnerships with 75 new e-commerce players during the year.

The Group is continuously adding new products and services to its product portfolio to support the Nordic business of its retail finance partners and benefit customers through a quick, simple and secure customer experience. Continuing AI development is a priority, particularly in view of the technology's potential to identify existing customers' behaviours with high precision. This in turn generates activities and offerings that are customised and suited to specific customer needs.

#3 AN ATTRACTIVE DIRECT YIELD THANKS TO HEALTHY PROFITABILITY

Resurs's stable returns are driven by the Group's range of small and medium-sized loans with relatively short maturities, low customer acquisition costs and effective marketing. Small and medium-sized loans with short maturities offer attractive pricing and lower risk. Based on the foundation of sustainable credit lending, Resurs has successfully developed and expanded its loan portfolio, which has been the main contributor to the strong growth in total operating income that was generated during the year. Resurs's business model has delivered significant income even during more turbulent years. For 2020, this meant an operating profit of SEK 1.3 billion, and SEK 1.4 billion excluding nonrecurring costs, which will benefit Resurs's shareholders. In accordance with the Swedish Financial Supervisory Authority's recommendation, the Board proposes a dividend of 25 per cent of the net profit for 2019 and 2020, corresponding to SEK 2.68 per share. The dividend policy is unchanged and the Board's intention is to pay the remaining predicted dividend in autumn 2021.



Proactive in a changing world

Increased digitisation, widespread demands for sustainability, new and stricter regulations, changing shopping habits and customer behaviours – a world in constant change demands an ability to continually adapt and reinvent oneself. An understanding of how these trends affect the prospects and potential for creating customer and business value is fundamental.



SUSTAINABILITY IS IMPORTANT AS THE WORLD TRANSITIONS

There are high expectations for companies to operate sustainable businesses defined by responsible business decisions, long-term value creation, regulatory compliance and transparency. Above all, stricter legal requirements, international commitments and stakeholder pressure are the drivers of the new business models and innovative solutions that are rapidly emerging to accelerate the pace of change. For Resurs, it is a matter of course to pursue sustainable business where responsible credit lending is fundamental. The purpose of responsible credit lending is to encourage sound consumption, for private finances that are balanced and sustainable both today and in the long run.



DIGITISATION IS CHANGING THE PLAYING FIELD

Rapid digital advances that enable always-available products and services have fundamentally changed how people interact, communicate and consume today. Established financial entities and emerging fintech firms are battling for customers, with offers of simple savings, payment and credit solutions that improve the customer experience. It is important for retail to meet digital consumers' demands for services that facilitate quick and easy purchases regardless of sales channel.

Resurs has learned through solid long-term experience how important retail finance solutions and flexible payment are for increasing customer purchasing power and consumption, attracting customers to stores or e-commerce and strengthening customer loyalty. With its transformation journey now under way, Resurs is accelerating the pace of its transition to becoming a more data-driven and technology-oriented company that is focused on developing innovative and relevant products and solutions for both customers and partners.



AI – THE TECHNOLOGY OF THE FUTURE WITH A HUGE IMPACT TODAY

In a world with access to vast amounts of data, it is important to understand how this data can be used to create the optimal customer experience for each individual. Using AI to perform adaptive and predictive analyses based on large amounts of data presents significant opportunities. Resurs is undertaking several business-driven AI initiatives that focus on identifying specific behaviours by existing customers with a high degree of precision. These initiatives are designed to develop customised activities and offerings according to specific customer needs, as well as to include additional data to streamline credit lending at the same credit risk and credit level.



OPEN BANKING HELPS IMPROVE CUSTOMER VALUE

Technological advances and changes in the regulatory landscape have created a new environment for the financial sector. Open Banking as a phenomenon is based on the introduction of the payment services directive PSD2 and new views on customer information. Under Open Banking, a bank must share account information with a third party at the customer's request. This has paved the way for the emergence of many new solutions for saving, investing and borrowing with various banks and financial services companies. It also means that new players that want to offer financial services may do so, since the customer is the one who decides to whom to disclose their data. Therefore the player that owns the interface and interacts with the customer in their daily life is in an important position in building the customer relationship. Many new business opportunities to develop new products and services are arising in this area, where Resurs continually strives to strengthen its position.



COMPLIANCE WITH NEW REGULATIONS

Regulations ensure the stability of the financial system and stronger consumer protection in the financial market. PSD2 and GDPR are examples of regulations that have entailed important changes in the form of stronger consumer protection and greater privacy. As a result of this European body of regulation, several new national legal requirements have been passed including interest rate caps, which have affected Resurs's operations in the Nordic countries in various ways. For a responsible business such as Resurs, harmonisation of regulations and the potential for more uniform Nordic credit lending is a positive prospect, since it will add predictability and enable advance planning as conditions change. It is also important for Resurs to continue to carefully monitor developments, be proactive and link its business solutions to the new regulations as it adapts.

Stimulating dialogues that build relationships and values

Resurs conducts an ongoing and responsive dialogue with its stakeholders in order to quickly identify their expectations and changing needs. An extensive understanding of the issues that are of concern significantly helps the company to act in a way that builds relationships and creates business value.

In a changing world, an ongoing dialogue with stakeholders is critical for quickly perceiving their rapidly evolving needs. The stakeholders considered to have the greatest impact by or on Resurs's operations are retail finance partners, customers, employees and owners. The stakeholder dialogue, which is held continually through multiple channels, provides

valuable insights into their expectations and demands for Resurs. In addition, this dialogue provides valuable input into how to design new or updated products and services to best meet specific needs. For more information on the stakeholder dialogue and relevant issues, see page 122.



Oskar Gibas Hjertquist
Business Developer, Mekonomen Group

It's important for us to have satisfied customers who come back, and offering easy and flexible payment and financing solutions is a key part of building customer loyalty. The things that stand out in our relationship with Resurs are their understanding of our business, their responsiveness to our wishes and their commitment to implementing our ideas using innovative solutions that create a positive shopping experience. This is also a major reason that we chose to scale up our partnership with Resurs in 2020, and why they now provide card and payment solutions for our entire Nordic market.

We have high expectations for Resurs, especially when it comes to providing responsible and sound credit lending. The partner we are associated with for financing services must consistently engage in credit lending that does not risk either our customers' private finances or workshops' ability to be paid for their services.



Per Hednert
Customer Acquisition Director, Memira

Memira's primary mission is to help people find a greater level of freedom without glasses or contact lenses. Financing should never be an obstacle. Instead it should enable more people to be treated for near-sightedness, farsightedness, astigmatism and presbyopia through laser and other eye surgery. This requires a financing solution that shows transparent and easy to understand pricing for the monthly cost, provided by a responsible creditor. We feel that Resurs shows a good understanding of our business and provides a high level of service since customers are able to apply for credit quickly and easily online.

We've compared Resurs a few times over the years - but we've seen every time that their offering suits us and our customers the best.



Susanne Holmström
CEO, NetonNet



It should be possible for everyone to use home electronics by making it is easy and cheap as possible - this is why NetOnNet was founded in 1999, and it has been the mission of our business ever since. Today NetOnNet is a prominent retailer, which Google has named the number one omni-player in the Nordics and Bearing Point has placed at number two in its ranking of 2021 digital leaders. Sometimes the ability to obtain financing is a requirement for the customer to complete a purchase from us, which is why we have worked with Resurs to develop various financing offerings for invoice payments, instalments and our NetOnNet as well as our On+Mastercard.

We've continually improved customer satisfaction by focusing on the shopping experience, and with Resurs's help we can offer simple and flexible payment and financing for home electronics. We also work hard to link online and in-store shopping in order to provide customers with a consistent shopping experience. It's important to have a partner in this process who is curious and at the cutting edge of innovation in retail and financing, and who is driven by the same passion for retail and the customer experience as we are. We also have high expectations for Resurs when it comes to pursuing a transparent sustainability agenda that focuses on responsible credit lending and on viewing customer privacy as a natural part of a good customer relationship.



A strong position in the Nordic consumer credit market

The Nordic consumer credit market has a wide array of credit offerings in the three main categories of retail finance, credit cards and consumer loans. At the end of 2020, the Nordic consumer credit market accounted for total outstanding loans of approximately SEK 815 billion.

The Nordic consumer credit market 2020

RETAIL FINANCE: A financing solution in physical stores and e-commerce. When the customer chooses the retail finance solution to finance a purchase, the bank pays the store immediately and the customer has the opportunity to make a partial payment to the bank. For Resurs the average loan is approximately SEK 1,700.

CREDIT CARDS: Credit cards that are used to defer payments and pay by instalments.

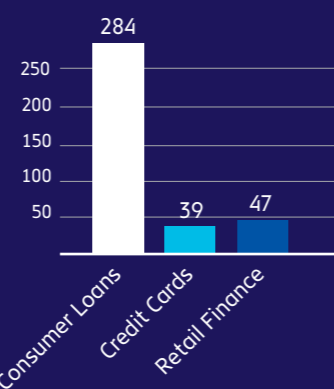
CONSUMER LOANS: An unsecured loan is ordinarily for amounts from SEK 10,000 to 500,000. Consumer loans are used, for example, to finance larger purchases, extend existing loans, consolidate small unsecured loans or to finance general consumption. For Resurs the average loan is approximately SEK 108,000.

RESURS'S MARKET SHARE

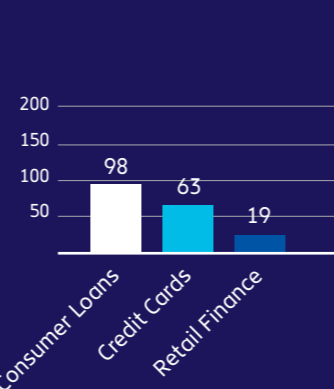
	Consumer Loans	Credit Cards	Retail Finance
Sweden	3.1%	3.5%	10.2%
Norway	5.3%	0.4%	5.9%
Denmark	2.1%	0.7%	28.3%
Finland	3.8%	0.2%	6.9%

SIZE OF THE NORDIC MARKET 2020 BY MAIN CATEGORY

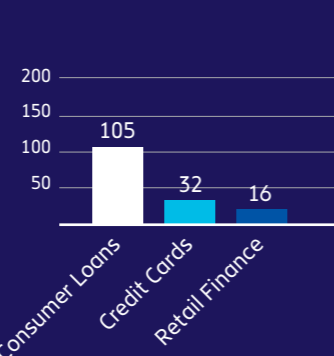
SWEDEN
SEK billion



NORWAY
SEK billion



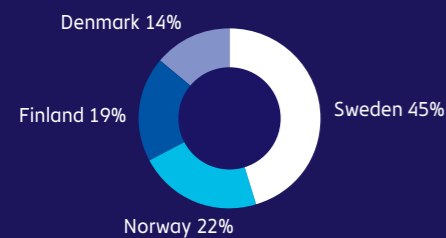
FINLAND
SEK billion



DENMARK
SEK billion

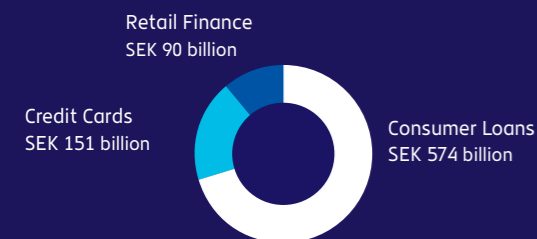


DISTRIBUTION BY COUNTRY



TOTAL LENDING

Total lending SEK 815 billion

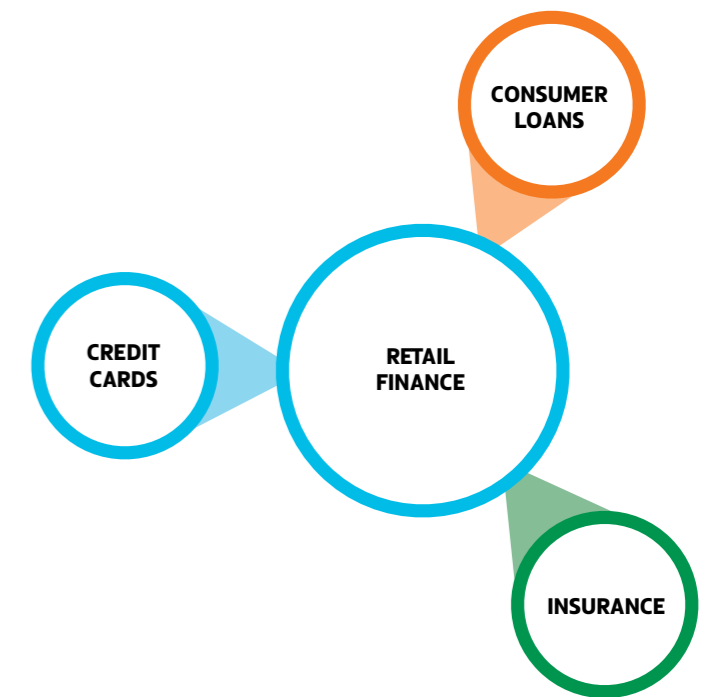


A successful business model

The core of Resurs's business model is the services offered to retail finance partners who operate in the retail sector. Attractive financing solutions for both online and offline stores build customer loyalty and increase the repurchase rate.

Added value is created for the consumer through higher purchasing power and opportunities for flexible repayment options. Significant synergies are created among the three business segments, primarily through the potential for cross-selling and the complementary offerings that can be offered to customers already in Resurs's database.

With the customer database as a common denominator, Payment Solutions, Consumer Loans and Insurance develop innovative products and services that meet specific customer needs and market conditions.



Resurs's three business segments

PAYMENT SOLUTIONS

Payment Solutions comprises the retail finance, credit cards and factoring areas. 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, such as Supreme Card, as well as cards that enable retail finance partners to promote their own brands. The Factoring area primarily focuses on invoice factoring and invoice discounting for small and mid-sized companies. At the end of 2020, lending to the public amounted to SEK 11.0 billion (11.4).

CONSUMER LOANS

Consumer Loans offers unsecured loans. These consumer loans are normally used to finance larger purchases. Consumer Loans also helps consumers to consolidate their loans with other banks, in order to reduce their monthly payments or interest expense. At the end of 2020, lending to the public amounted to SEK 19.9 billion (19.9).

INSURANCE

Insurance offers non-life insurance through the subsidiary Solid Försäkring AB. The focus is on niche coverage, with the Nordic region as the main market. The non-life insurance operation is divided into Product, Security, Motor and Travel. The company partners with leading retail chains in various sectors. At the end of 2020 the number of customers in the Nordic region amounted to approximately 2.3 million (2.3).

Strategic priorities 2020

DEDICATED TO DEVELOPING THE PARTNERS' BUSINESS CONCEPTS

Resurs continues to successfully cultivate new and existing partnerships through close cooperation, responsiveness and an ability to customize solutions for shopping online and in stores. Resurs lays the groundwork for converting visiting consumers to buyers and loyal customers. The list of Resurs's partners is continually growing, thanks to the value generated by Resurs's efficient payment solutions. For example, Resurs began partnerships with 75 new e-commerce players in 2020. In addition, the updated Merchant Portal created additional value for retail partners through the ability to present sale statistics in real time regardless of sales channel. Resurs's solutions enable modern business concepts that meet customers' needs and expectations for digital services.

THE BEST POSSIBLE CUSTOMER EXPERIENCE THROUGH IN-DEPTH CUSTOMER KNOWLEDGE

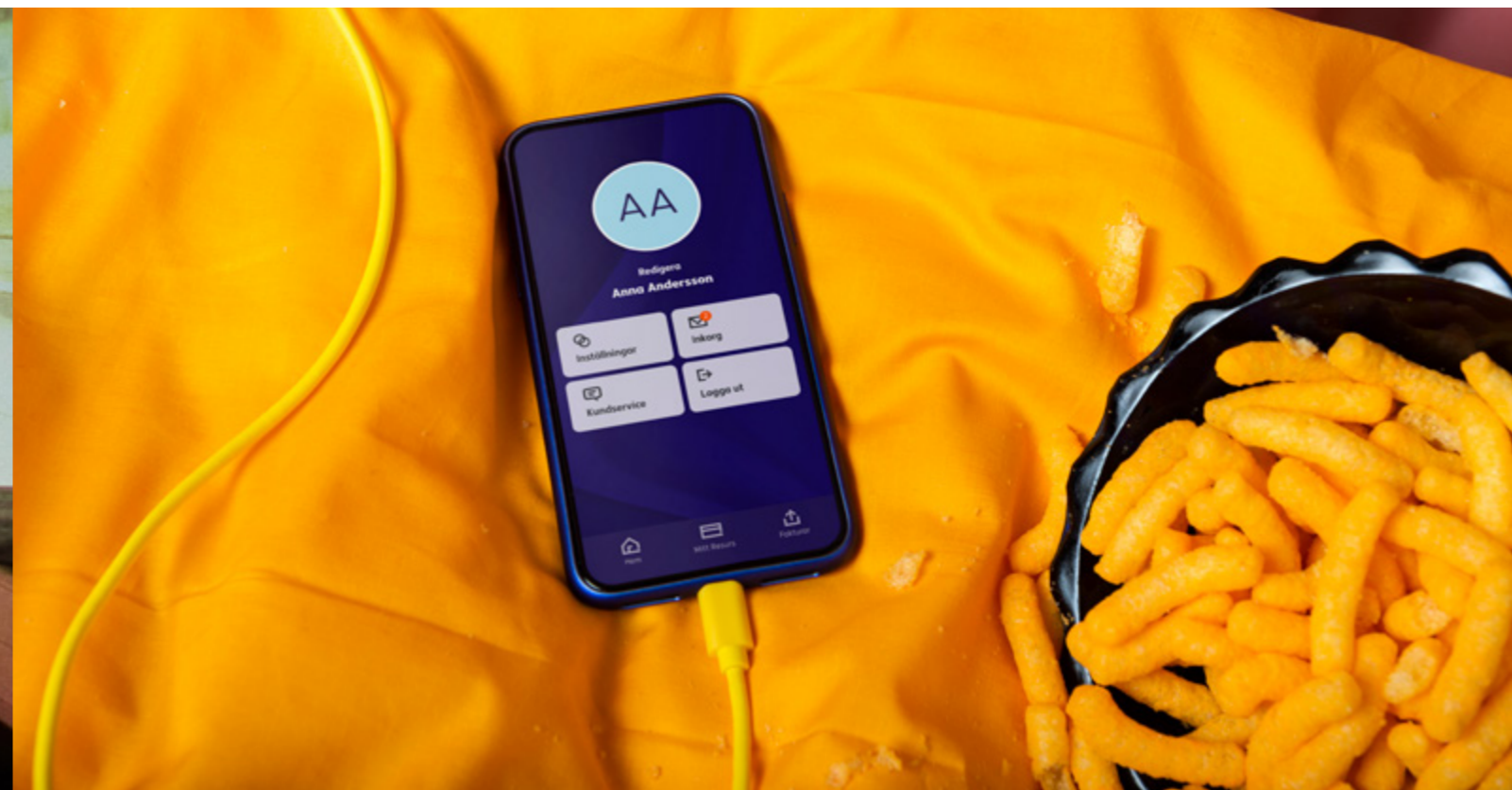
Resurs's customer database serves as the foundation of customer communication by collecting the information on customers' credit card usage, payment patterns and credit history needed to build in-depth customer knowledge. This information is also a requirement for responsible credit lending with a high level of service and for creating a convenient and positive customer journey. As always, the aim is to provide customers with a positive experience: it should be easy and secure to deal with Resurs, regardless of whether a customer is using us for borrowing, saving or payments.

THE TRANSFORMATION JOURNEY TOWARDS A MORE TECHNOLOGY-ORIENTED AND EFFICIENT ORGANISATION

Through the transformation journey that is under way, Resurs is taking important steps to become a leading fintech player with a clear sustainability perspective. We aim to become more data-driven and technology-oriented, for example, by increasing our share of cloud-based systems. This initiative will enable us to deliver innovative products and services in the long term that create easy and secure customer journeys in all of the Nordic markets. The company is investing heavily in IT while creating a more agile and efficient organisation with a clear Nordic focus.

SUSTAINABLE CREDIT LENDING FOR GREATER COMPETITIVENESS AND A STRONGER BRAND

With responsible and sustainable credit lending, we are laying the foundation for smart and secure loans, thereby contributing to sustainable business for all parties involved. This is also a requirement to earn the trust of customers and others, and to create business value through greater competitiveness and a stronger brand. The recruitment of a business-driven sustainability manager at the Nordic level is a strategically important part of the transformation journey that has now begun, as well as for clearly showing our ambition for sustainable credit lending and ensuring that the sustainability perspective is thoroughly integrated throughout our operations.



Responsible business that builds customer and business value

Sustainable credit lending is the core of Resurs's business, and involves a financial services offering that is sustainable both today and in the long term – for individuals, for Resurs and for society at large. Based on this foundation, all aspects of the operations that Resurs conducts are to be characterised by business ethics, social and environmental responsibility.

The most important sustainability topics for the business were identified in dialogue with Resurs's core stakeholders – partners, customers, employees, owners and investors. The sustainability topics that are most important for Resurs to work on, monitor and report on are: Responsible credit lending, Employees, Diversity and Equal Opportunity, Customer Privacy, Anti-Corruption, Social Responsibility and the Environment. An in-depth description of the materiality analyses and stakeholder dialogue can be found on page 124-125.

By coordinating resources on these sustainability topics, the aim is in every way possible to help maximise the positive values that the business creates for

partners, customers, employees and owners. Resurs also has a responsibility to minimise its operating risks through proactive sustainability work, robust processes, regulatory compliance and a high level of business ethics.

Respect for human rights is fundamental
Resurs operates in a well-regulated market that is governed by a number of laws and regulations that incorporate human rights in many ways. Since operations are concentrated in the Nordic countries, there is also clear national legislation based on European and international conventions. Therefore Resurs's exposure to risks associated with human rights is considered low.

The Group's ability to take responsibility and make a difference is primarily a matter of engaging in responsible credit lending and safeguarding customers' privacy, along with social commitment based on the needs in the local community.

Resurs has been a signatory of the UN Global Compact, whose ten principles include human rights and labour, since 2018. Resurs's Code of Conduct clarifies the Group's position on such issues as anti-discrimination, working conditions, forced labour, child labour, political activities, freedom of association and the right to collective agreements.

RESURS WANTS TO

Inspire others to make sustainable choices

Resurs wants to encourage a sustainable lifestyle and enable people to make decisions that lead to a higher level of sustainability.

Be a responsible company that supports customers, partners and society

Resurs's commitment to sustainability is a priority, and it endeavours to have a positive impact on its partners, customers and society.

RESURS'S RESPONSIBILITY

As an employer

Resurs actively supports equal opportunity, equal treatment, diversity, a good work environment, development opportunities, involvement and a meaningful work life.

As a company in the region

Resurs is devoted to an inclusive society where everyone should have the opportunity to realise their potential. Resurs wants to contribute to health and active participation, and focuses on supporting young people and new entrants to the labour market.

As a company in the industry

Resurs adopts a long-term approach and works responsibly, focusing on the customer. Environmental aspects and human rights are other important areas that are considered in all decisions.

UN SUSTAINABLE DEVELOPMENT GOALS

The following six goals were identified as being possible for Resurs to affect and contribute to through its operations:



Goal 3 Good health and well-being:

Good health is a fundamental condition for people's ability to reach their full potential and contribute to society. Resurs takes responsibility for people and society by, for example, sponsoring sports clubs that create environments in which children and young people are able to grow and develop. Read more on page 22-27 and 32-33.



Goal 4 Quality education:

The basis of Resurs's commitment to society is to work towards an inclusive society, which it achieves through a number of initiatives that support education for you people and new entrants to the labour market. Read more on page 32-33.



Goal 5 Gender equality:

Resurs carries out dedicated work to develop workplaces that are characterised by equality, equal opportunity and diversity. Read more on page 22-27.



Goal 8 Decent work and economic growth

Resurs wants to help create jobs and growth in countries where it conducts its operations. Ensuring compliance with labour rules and principles is fundamental, as is ensuring that workplaces are safe, inclusive and secure. Read more on page 20, 22-27 and 32-33.



Goal 10 Reduced inequalities:

It is a given for Resurs to offer a healthy and inclusive workplace, where differences are embraced and where all personnel have the same conditions and opportunities for individual development. All employees should feel that their job duties provide them with many opportunities for growth. Read more on page 22-27 and 32-33.



Goal 12 Responsible consumption and production:

Fundamental to Resurs's sound and sustainable credit lending is performing credit checks that combat over-lending and ensure a loan level that is in line with the borrower's private finances. Read more on page 32-33 and 28-31.

WE SUPPORT



Global Compact

Resurs has been a signatory of the UN Global Compact and its ten principles since 2018. The sustainability report also constitutes this year's report to the UN Global Compact, the Communication on Progress (CoP).



Sustainable employees: fundamental to performance and profitability

For Resurs, it is a matter of course to offer an equal opportunity, healthy workplace characterised by many opportunities for individual professional development. Safeguarding the employees' jobs and health was a priority in 2020, and Resurs took measures to reduce the risk of spreading COVID-19.

In many ways, 2020 was dominated by the advance of the global coronavirus pandemic. Resurs's responsibility, as an employer and as a company, was to help reduce the spread of infection and to quickly adjust its operations to meet the national recommendations that were continually introduced during the year. To keep operating safely was both business-critical and fundamental. Resurs chose to activate its crisis management team and continuity plan early on, in order to facilitate rapid decision-making. The most important was a recommendation that as many employees as possible should work from home. Physically separated zones were introduced in the offices for the other. One somewhat unexpected beneficial development was that the necessary physical distancing was a likely cause of the decline in sick leave figures during the year.

RESURS IS BUILDING AN ORGANISATION FOR THE FUTURE

Resurs began its transformation journey during the year, and one of the first steps was to create a more efficient organisation.

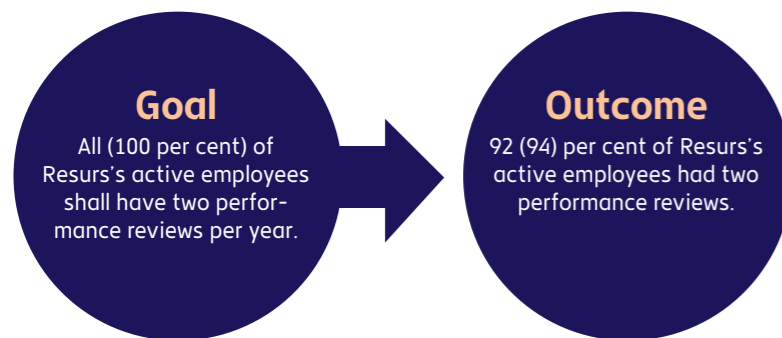
In order to strengthen Resurs's focus on the Nordic region, a more centralised organisation was launched and representatives from the company's business lines and operational areas joined Group Management. The reorganisation should be viewed as an important part of the process of making the Group more data-driven and technology-oriented, which necessitates some degree of skills exchange. Therefore the combined skills to be found within the organisation were reviewed during the year, resulting in a reduction in a staff by about 70 positions in the Nordic operation as a whole.

A FOCUS ON SUSTAINABLE LEADERS AND EMPLOYEES

Sustainable and committed leadership is always central, and for a large number of our employees living with uncertainty and working from home, this was more important than ever in 2020. All of Resurs's leaders worked to keep up morale by holding regular status update meetings and paying keen attention to everyone's state of health. The Let's GROW and Let's CHANGE leadership programmes had to be put on hiatus due to the necessity of maintaining physical distance. A series of targeted digital training sessions were held instead, focusing on remote leadership given the presence of COVID-19 and leading change due to the notification of redundancies under way.

The Winningtemp digital employee survey tool, where employees can report their experiences of their work situation, leadership and commitment in real time, enables timely tracking of signs of stress and ill-health. Additional questions

Resurs began its transformation journey during the year, and one of the first steps was to create a more efficient organisation.

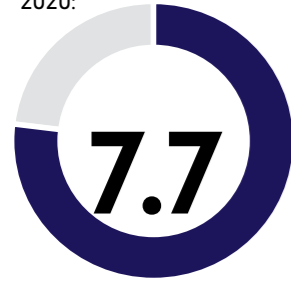


Driven Open Innovative Trustworthy

Resurs's values shall guide and lead our daily efforts.

Winningtemp

Resurs temperature 2020:



Winningtemp index 7.4

96%

Healthy presence 2020

were added to the tool in 2020 in order to measure employees' perceptions of how Resurs was managing the pandemic situation as an employer. The responses indicated that employees generally felt that the current situation was being managed responsibly and that the flow of information from senior management was transparent. They also felt that the structure for working from home was working smoothly. In addition, many people stated that the presence and accessibility of their leaders gave them a sense of security.

The target is for employees' overall perception of their work environment to exceed Winningtemp's index*. The index for 2020 was 7.4 on a scale from 1 to 10, and the Group's score was 7.7 (7.6) with a response rate of 80 (78) per cent. The target for attendance within the Group is at least 96 per cent. The figure for attendance within the Group in 2020

was 96 (95) per cent, which was encouraging against the background of the pandemic.

There is a rehabilitation programme for cases of reduced fitness for work or a return to work after a long sickness absence. Employees must receive assistance and support through early, coordinated rehabilitation measures in order to regain their work ability with the aim of being able to return fully or partially to work.

CONTINUOUS TRAINING THROUGH DIGITAL CHANNELS

The digital portal Resurs Academy Online Training features everything from mandatory courses on the Code of Conduct, anti-corruption, money laundering and the environment to courses in banking regulations. Complementary courses were added during the year, intended to achieve the Group's objectives on its transformation journey. These include a

* The tool includes a comparative index comprising the organisations that use the tool.



Resurs CHRO Eva Brike was nominated for the HR Director of the Year award by employer branding specialist Universum.

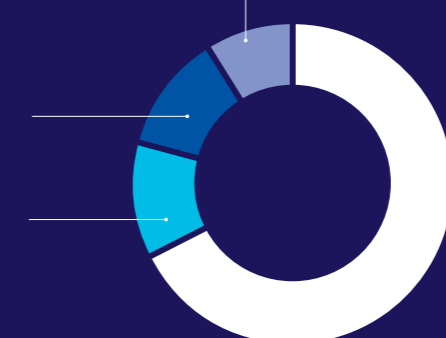
Resurs had 722 (750) employees at the end of 2020.

722

8% Percentage of employees in Finland

11% Percentage of employees in Norway

11% Percentage of employees in Denmark



70% Percentage of employees in Sweden



The mentees in Resurs High Potential Program gather in a digital workshop.

basic course to enhance expertise in the applications, potential and risks of AI. Resurs also converted its introduction training for new employees to a digital version.

The portal also provides managers, HR and course owners with a statistical basis to ensure that employees take part in the training courses during the year. In 2020 an average of 400 courses/month were completed on the portal.

INTERNAL MOBILITY ENCOURAGED

All employees should feel that their work duties at Resurs provide them with many opportunities for growth. Therefore Resurs encourages its employees to actively apply for new positions in the Group. This has generally led to internal mobility, with 21 (28) per cent of advertised positions filled by internal resources

in 2020. As part of Resurs's talent management efforts, a second session of the Resurs High Potential mentorship programme began during the autumn. Employees from the entire Nordic organisation were encouraged to apply. The seven mentees who were selected after an internal application process were then matched with suitable executive mentors in order to encourage skills development and synergies.

Resurs was named 2021 Career Company of the Year**, which recognises employers who offer development opportunities for young talent, for the second year in a row. Resurs was also named "Newcomer of the year" in Employer Branding at the 2020 Universum Awards.

** For more information, visit karriarforetagen.se/karriarforetag-2021/

Resurs was named Career Company of the Year, which recognises employers who offer development opportunities for young talent, for the second year in a row.

Share of female employees

52%

Share of female managers

46%

DIVERSITY AND EQUALITY HAVE BEEN ON THE AGENDA FOR A LONG TIME

Employees with diverse backgrounds, genders and experiences enrich the business in many ways, making Resurs a more creative, profitable and efficient organisation. In Resurs's view, if the diversity of society is reflected in the makeup of the workforce, additional valuable customer benefit can be created.

Resurs's target for an operation with equal gender balance is 40/60. In 2020 the share of female employees amounted to 52 (55) per cent, while the share of female managers amounted to 46 (43) per cent. The share of female board members amounted to 50 (37) per cent. Resurs's gender equal organisation is also receiving public attention, such as a continued placement on AllBright's green list of Sweden's most gender equal listed companies.

Resurs has zero tolerance for discrimination and sexual harassment. Counteracting them and supporting an inclusive workplace in every way must be a given at Resurs. The annual salary survey carried out within the Group is intended to identify and establish that salaries are determined on objective grounds. The 2020 survey resulted in small salary adjustments to ensure that there are no non-objective salary differences between men and women for comparable professional groups.

SIGNIFICANT RISKS ASSOCIATED WITH RESURS'S DIVERSITY AND EQUAL OPPORTUNITY EFFORTS

Identified risk	Consequence for	Management of risks
Unfair allocation of salaries and benefits.	<ul style="list-style-type: none"> Employee commitment and willingness to develop. The Group's work environment. Resurs's brand and trustworthiness as an employer and a bank. 	HR Specialist Sustainability, Diversity and Health. Compensation and benefit manager. Employee surveys.
Shortcomings in diversity and equal opportunity.	<ul style="list-style-type: none"> Employee commitment and willingness to develop. The Group's work environment. Resurs's brand and trustworthiness as an employer and a bank. 	Guidelines for diversity and equal treatment. Diversity plan. Gender equality targets. Training efforts.
Injustices that affect daily operations, financial situations, the Group's reputation.	<ul style="list-style-type: none"> Employee commitment and willingness to develop. The Group's work environment. Resurs's brand and trustworthiness as an employer and a bank. 	Work environment training for managers. The Group's Code of Conduct. Policy against victimisation. Whistle-blower function. Risk database for risk reporting that is available online to all employees.

GRI 102-41

A total of 89 (88) per cent of the Group's employees had a collective agreement in 2020. All (100 per cent of) employees have the right to decide whether they want to be represented by a trade union.

GENERAL GENDER AND AGE DISTRIBUTION IN THE GROUP

Gender distribution	Percentage of employees
Men	48%
Women	52%
Age distribution	Percentage of employees
<30	32%
30 - 50	54%
>50	14%
Total	100%

Average age within the group

37 (36)

FORMS OF EMPLOYMENT

Percentage of Fixed term	Percentage of Until further notice
8%	92%

GENDER AND AGE DISTRIBUTION OF BOARD MEMBERS AND MANAGERS

Number of Board members and senior executives 31 Dec 2020	Number	Men
Board members	8	50%
CEO and other senior executives	10	70%

Age distribution on the Board	Percentage
<30	0%
30 - 50	25%
>50	75%
Total	100%

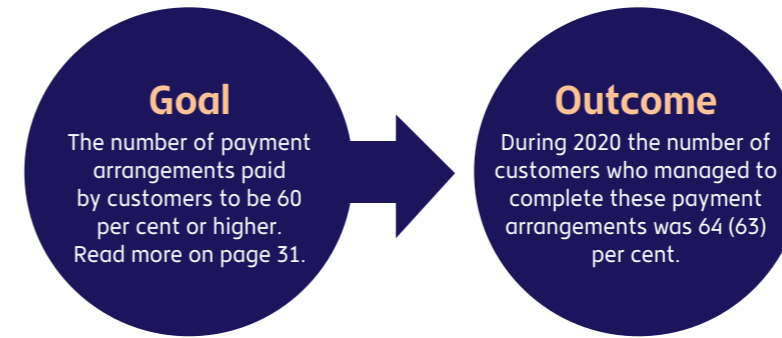
CEO and management	Percentage
<30 years	0%
30 - 50 years	60%
>50 years	40%
Total	100%

Stefan Noderen, Head of Credit & NPL and Petra Byhmer Corporate Communications Officer.



Sustainable and responsible credit lending

Responsible credit lending is the core of Resurs's business model. With responsible credit lending, Resurs will also lay the foundation for smart and secure loans, thereby contributing to sustainable business for all parties involved.



The option for private individuals to take out loans or use credits is essential for a well-functioning financial ecosystem and society. Resurs responsibility as a creditor entails preventing over-indebtedness by performing a credit check that ensures that the customer is not borrowing more than their personal finances allow. In other words, credit lending that is sustainable for both the customer and Resurs. Resurs's responsibility also entails acting in pace with events around the world, which was especially

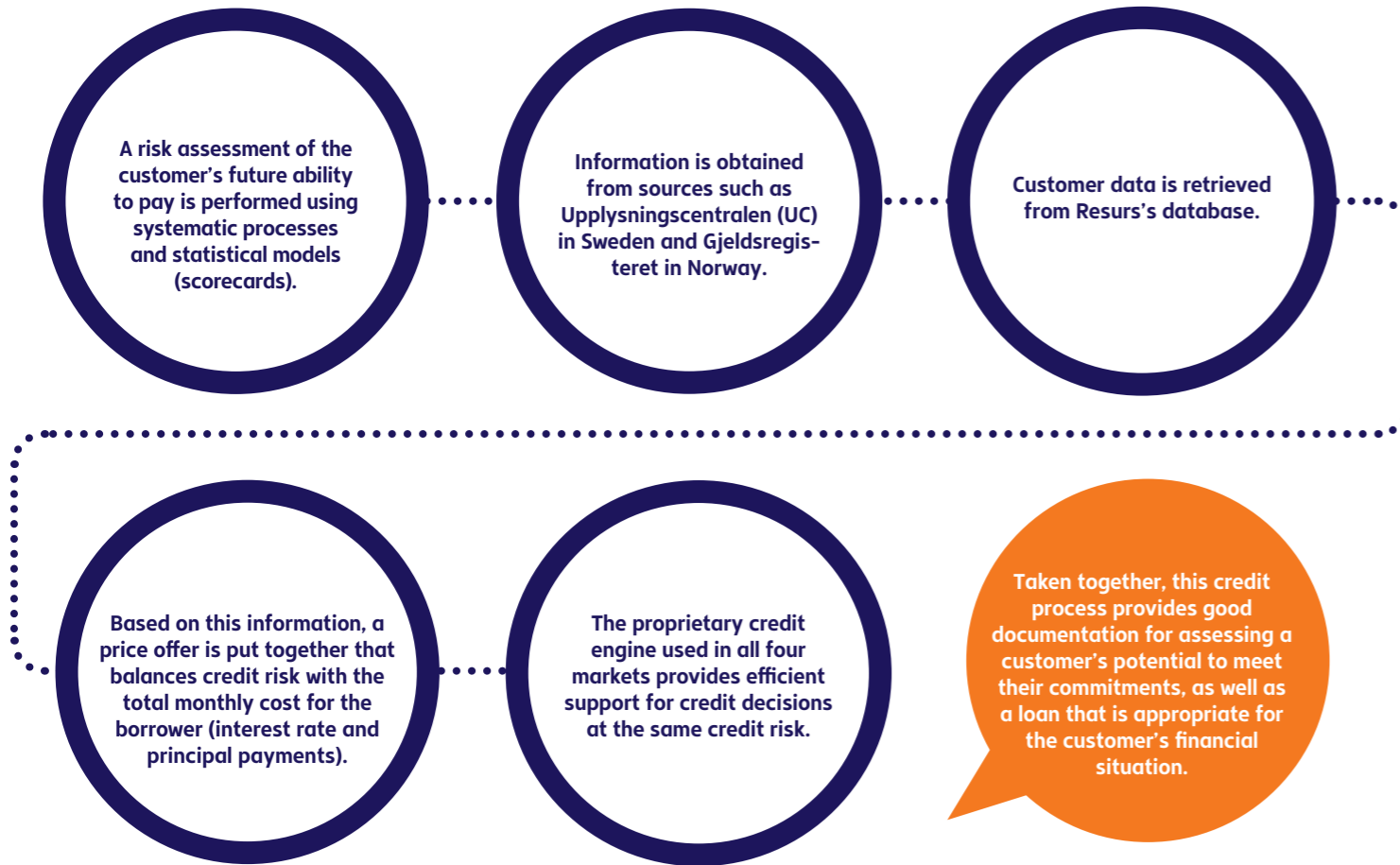
important in a year like 2020. In order to reduce risks associated with new lending, Resurs introduced a more restrictive credit assessment in all Nordic markets at the very beginning of the coronavirus pandemic. This affected growth negatively, since it meant rejecting the loan applications with greater risks. Resurs also chose to meet customers' needs for forbearance to a greater extent, and offered customised payment plans in consultation with customers.

A JOINT EFFORT TO ENCOURAGE BALANCED PERSONAL FINANCES
 During the year, Resurs became a partner of Alektum Group's Shoppa Lagom initiative, which aims to spread awareness that helps more people in society achieve healthy finances. The initiative is completely in line with Resurs' long experience of offering payment and financing solutions where profitable retail and sustainable private finances go hand in hand. Shoppa Lagom is not a campaign to refrain from shopping, but rather



RESURS OPERATES IN A STRICTLY REGULATED MARKET

Credit lending to consumers requires a licence and is supervised by the Swedish Financial Supervisory Authority. This requires proper order and controls, along with robust internal systems and processes. The systematic credit process that is the basis for all decisions can be generally described as follows:



about each individual finding their "lagom", or the right level, thus ensuring that their private finances are sustainable in the long term.

EMPLOYEES' SKILLS ARE CRITICAL

Employees with the right skills and training, along with a meticulous credit process, are crucial to responsible credit lending. Their ability to grant credit is regulated at five authorisation levels linked to different amount limits, according to the logic that the higher the authorisation level, the higher the requirement for training and experience. The internal training takes place on a continual basis. It is based on the Group's credit policy, current legislation, Swedish Financial Supervisory Authority regulations and guidelines and instructions and criteria for credit lending.

A PROACTIVE EFFORT TO MINIMISE CREDIT RISK

Transparent and easily accessible information are fundamental to ensuring that the borrower is aware of the financial consequences of the loan agreement they sign. Everyone loses when a case is transferred to a collection company. The individual, who suffers from negative consequences for their personal finances: Resurs, since every cancelled loan has a negative impact on profitability; and the brand, since a lower degree of trust in the credit lending business as a whole is something that could damage trust in Resurs in the long term.

As part of the process of minimising debt collection transfers, Resurs follows

and analyses changes to its customers' risk profiles and contacts customers at who are at higher risk through missing a payment, for example. Every market has several dedicated debt collection teams tasked with contacting, assisting and informing customers who are behind on their payments.

Strengthening customer relationships in general also consists of offering new technical payment solutions such as Swish, payment links via SMS, e-invoices and mobile BankID, in order to make it as easy as possible for the customer to pay their invoice or receive a reminder about a missed payment.

FOLLOWING UP THE RESPONSIBLE CREDIT LENDING PROCESS

Sustainable credit lending is based on the existence of a meticulous credit lending process which then facilitates the assessment of the borrower's ability to pay (over time). It is also crucial to achieve a balance in the next stage where proactive measures to help customers meet their commitments do not cause hidden credit risks to build up within the bank.

Reporting the percentage of payment arrangements arrived at with customers experiencing payment difficulties, which the customers are still subsequently able to manage, produces a quality score for Resurs's sustainable and responsible credit lending, as well as its ability to analyse its customers' financial situations. During 2020 the number of customers who managed to complete these payment arrangements was 64 (63) per cent.



RISKS

Identified risk	Consequence for	Management of risks
Customer has insufficient repayment capacity.	<ul style="list-style-type: none"> The customer's case is transferred to an external debt collection company. Lost revenue. Damage to Resurs's brand. 	Dedicated debt collection teams tasked with preventing a case from being transferred to debt collection companies at an early stage.
Resurs contributes to increased indebtedness in society.	<ul style="list-style-type: none"> Reduced customer base. Damage to Resurs's brand. 	Analysis of the customer's future payment ability and current loan situation. Credit is only granted if customers, on good grounds, can be expected to fulfil their commitments.



Social commitment to make a difference

Social commitment is important to Resurs, which is devoted to promoting an inclusive society by supporting young people and new entrants to the labour market. Since it was not possible to hold in-person meetings during the year, Resurs turned to digital channels instead.



Techella, a regional network that encourages female talent in IT and tech.



Resurs has a strong sense of social commitment, which is expressed primarily through organisations and initiatives that aim to help people take control over their lives and their futures. During the year, Resurs became the first company to become a partner of Alektum Group's Shoppa Lagom initiative that aims to spread awareness that helps more people in society keep their finances healthy. Resurs sees the partnership as a part of its ongoing efforts to highlight the importance of sustainable credit lending, both as a basis for secure and smart loans and as a focus area for its sustainability activities.

VOLUNTEERING DESPITE THE PANDEMIC

Resurs donates eight volunteer hours per employee every year; these employees then have the opportunity to devote some of their paid working hours to local volunteer work. The volunteer work should primarily emphasise supporting young people and new entrants to the labour market, through measures such as mentoring and tutoring young people, for example in cooperation with the non-profit organisation Drivkraft in Helsingborg. The hope is that the Group's clear position will inspire employees to become more involved in their communities.

The Group did not engage in as many initiatives during the year as a consequence of COVID-19, since many activities require meeting in person. However the social commitment activities that could be converted to digital channels, such as mentoring, were held as planned. Resurs did not achieve its goal for the year, but the Group views the

fact that 8 (57) employees chose to volunteer as a sign of enhanced digital skills.

PLAYING AN IMPORTANT ROLE IN SOCIETY AS A SPONSOR AND PARTNER

Resurs has a long tradition of involvement as a sponsor in local communities. Resurs Friends is a year-old internal sponsorship

fund that enables Swedish employees to apply for sponsorship to local clubs or organisations. Resurs has also continued as the main partner of A Sustainable Tomorrow in Helsingborg, a conference on sustainability and the future. A Sustainable Tomorrow is an arena where attendees from the business community, the public sector, civil society and academia gather to form partnerships and networks with the aim of accelerating regional sustainability efforts. Resurs engaged in a new partnership during the year with Foo Café in Malmö, an independent forum and meeting place to learn, create and share IT skills that aims to provide a potential entry path into the IT sector. Resurs Bank and Solid Försäkring are also members of Techella, a regional network that encourages female talent in IT and technology.

Resurs initiated a review of its strategies and guidelines for sponsorships and partnerships during the year. Resurs's ambition was for every commitment to more clearly reflect its role as a partner of society and its responsibility to spread awareness that helps more people in society keep their finances balanced.



“We have been able to rapidly adapt to the current situation by meeting virtually. We focus on homework help and it works great!”

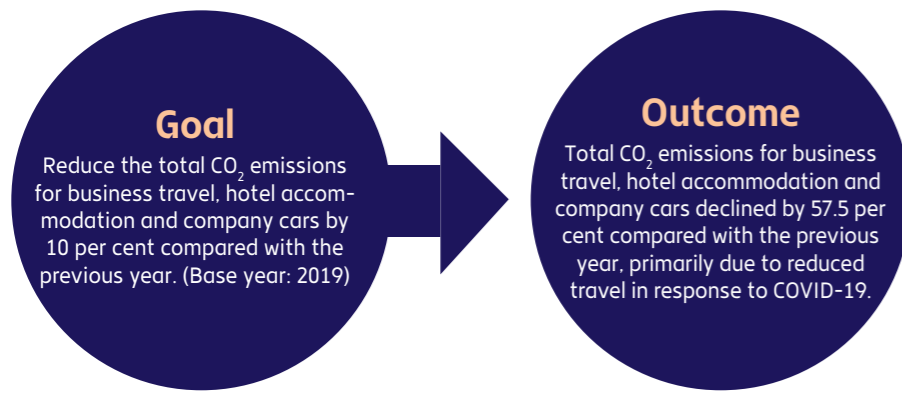
DURGAM ABDUL AMIR



One club that has received support from Resurs Friends is FC Helsingborg F06/07.

At the start of the year, a group of boys from Engelholm volleyball club born in 2006 and 2007 went on their first tournament, supported by Resurs Friends.





Conscious choices for the environment

The negative environmental impact created by the business is primarily made by business travel and the use of company cars, as well as purchased energy from fossil sources. Making more active choices enables a gradual reduction in CO₂ emissions.

The advance of the coronavirus pandemic led to significantly less travel in the Group than during a more typical year, which naturally helped reduce CO₂ emissions. At the same time, the Group began several initiatives to raise awareness that everyone's travel choices do actually make a difference. These included an online travel reservation system that clearly showed the climate impact of the chosen means of travel and hotel chain, as well as a new travel policy under which train travel is the recommended means, and airline flights must always be approved by an immediate supervisor to be reserved. The purchase of electric vehicles and installation of 15 charging stations in the employee car park at the Helsingborg office were also approved.

The business's environmental impact also includes electricity consumption by its office premises. As a guideline, it is appropriate to use of the energy mix that is available in each country and, to the greatest extent possible, choose

renewable electricity. The objective is for all electricity used in the Group to come from renewable sources. For 2020, all (100 per cent) of the electricity purchased for the Swedish, Norwegian and Finnish offices came from renewable sources verified through guarantees of origin.

IN-DEPTH ANALYSIS OF THE IMPACT OF CLIMATE CHANGE

The materiality analysis, which is the basis of the priorities set in sustainability efforts, identified that the business's primary impact relates to sustainability topics concerning social and business ethics, while it has less of an impact related to environmental issues such as climate impact, energy consumption, procurement and material use. As an operator in the Nordic consumer credit market, the Group has limited opportunities to actively direct capital to sustainable options. At the same time, it is Resurs's responsibility to learn more about the indirect effects of climate

change that might arise in the future and thus have an impact on the business, along with the environmental impact caused by the business. Therefore a process began during the year involving an in-depth analysis of these issues along with defining the scope of the impact of the EU Sustainable Finance regulation on Resurs's business. This analysis will also contribute to efforts to integrate climate and environment-related risks and opportunities into the Group's business strategy, governance, risk management and reporting.

SMALL BUT IMPORTANT STEPS TOWARDS REDUCED ENVIRONMENTAL IMPACT

It is a priority to make conscious environmental choices when purchasing, for example, for the shared staff spaces in order to reduce food waste and the amount of packaging.

Resurs Academy Online Training offers a mandatory environmental course in order to increase general awareness of how every action large or small is important. A total of 84 (89) per cent of employees took the environmental course in 2020.

The digital services initiative is a way to reduce paper consumption and therefore the share of digital post is continually increasing. A total of 63 (57) per cent of all post* in the Nordic region was sent via digital channels in 2020.

Resurs Academy Online Training offers a mandatory environmental course in order to increase general awareness of how every action large or small is important.

* The post from Resurs Bank Norden includes all notifications sent from the bank's accounting system.



FINANCING OF ENERGY SOLUTIONS WITHIN RETAIL FINANCE

In the energy solutions area, Resurs turns to partners that offer climate-smart solutions for the home to private individuals, such as the installation of solar cells, electric vehicle charging stations and air heat pumps. Resurs's offering of financing with an easy and flexible payment solution was well received. The Group's ambition for the future is to expand its partnerships to gradually meet more needs in the Nordic market; these partnerships belong to the category of sustainable investments.

100%

For 2020, all of the electricity purchased for the Swedish, Norwegian and Finnish offices came from renewable sources.

SIGNIFICANT RISKS ASSOCIATED WITH ENVIRONMENT AND CLIMATE

Identified risk	Consequence for	Management of risks
Climate risk – Resurs's direct impact.	Damage to Resurs's brand and trustworthiness as an employer and a bank unless the company reduces greenhouse gas emissions that contribute to climate change.	Sustainability policy, and guidelines in the following areas: <i>Business travel:</i> separate travel policy, CO ₂ monitoring. <i>Purchasing:</i> Procurement specialist. Code of Conduct Suppliers. <i>Electricity consumption:</i> Choosing renewable electricity wherever possible.
Climate risk due to, for example, changed laws, changed demand for products and services, changed customer behaviour or other structural changes that take place to transition to a climate-neutral economy.	Resurs's long-term operations, for example, through lost income, a smaller customer-base, tarnished reputation and potentially higher credit losses.	The Risk Committees identify, monitor and proactively address potential risks and follow up on previously identified risks and approved actions. Continuous stakeholder dialogue. The Sustainable Finance project was started in 2020 to map and analyse both physical risks and transition risks in Resurs's operations, to develop and improve its ability to effectively identify, govern, manage, measure and follow up.

A focus on privacy

Protecting personal information and the privacy of every customer is a natural part of all customer relationships. Resurs’s customer privacy procedures are based on proper compliance with laws and internal rules that stipulate how customer data is to be protected and how it may be used.

In recent years, the European GDPR and PSD2 Directive have dominated much of the work related to customer privacy. With the new legislation, consumer protection has been strengthened and important customer value has been added as every individual has gained greater power over how their personal data may be shared among financial entities. Since the regulations overlap to some degree, while new practices including transfer to third countries are continually evolving, Resurs continues to follow developments closely in order to ensure proper compliance. The Data Protection Officer (DPO) plays a vital role here, by being involved in every process in which personal data is processed in order to ensure that this data is processed on a legal basis and that required security measures have been taken. The DPO’s duties also include continually training employees

and keeping them informed, in order to ensure a high degree of awareness of the importance of customer privacy, as well as satisfactory expertise in how personal data may be processed in practice.

MINIMISING RISK THROUGH MORE EXPERTISE, PROPER MANAGEMENT AND CONTROL

Management and control are critical tools in the risk management process. Resurs engages in proactive risk and incident management in order to ensure a satisfactory level of protection of information and personal data throughout the operation. Resurs also employs comprehensive control systems that flag abnormal transactions and cash flows, along with internal authorisation levels for managing information and performing services. It should always

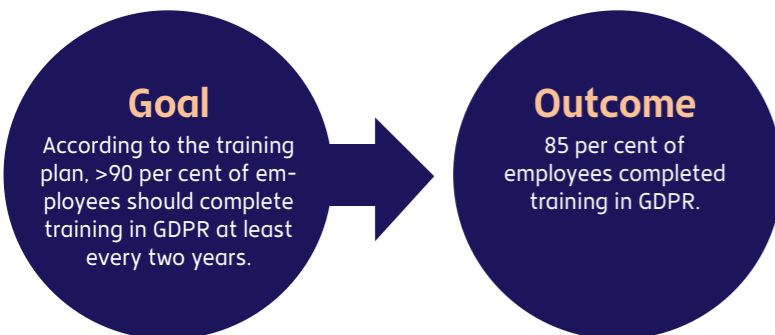
be straightforward for employees to act properly, and therefore providing easy access to the latest versions of policies and guidelines is a priority, along with ongoing training to ensure that employees are familiar with regulations and generally raising awareness of risk. According to the training plan, all active employees must complete online training in GDPR at least every other year.

A total of 85 per cent of employees completed the course in 2020.

In 2020, six breaches relating to customer privacy were reported as personal data breaches to the Swedish Authority for Privacy Protection and the Danish Data Protection Agency. The assessment was that the damage from the reported breaches was limited.

1.3 per cent of all complaints to Solid and Resurs in 2020 were classified as personal data incidents.

Resurs engages in proactive risk and incident management in order to ensure a satisfactory level of protection of information and personal data throughout the operation.



SIGNIFICANT RISKS ASSOCIATED WITH RESURS'S CUSTOMER PRIVACY

Identified risk	Consequence for	Management of risks
Operational information risks and shortcomings in IT systems.	Processing of customers' personal information. General information security. Resurs's reputation as a banking operation.	The Group's policies and guidelines for information security in line with extensive industry requirements. Data security under the new European GDPR legislation. Employees' ability to report through the Group's proactive risk database.
Changes in the organisation or products and their impact on information security.	Customer relationships and the trustworthiness of the offering. Internal work procedures and division of responsibilities.	Each Group company's Compliance and Risk Control function. The Risk Committee takes a proactive approach to identifying risks in the business. Procedure for approving significant changes in existing products, services, markets or the business operations.

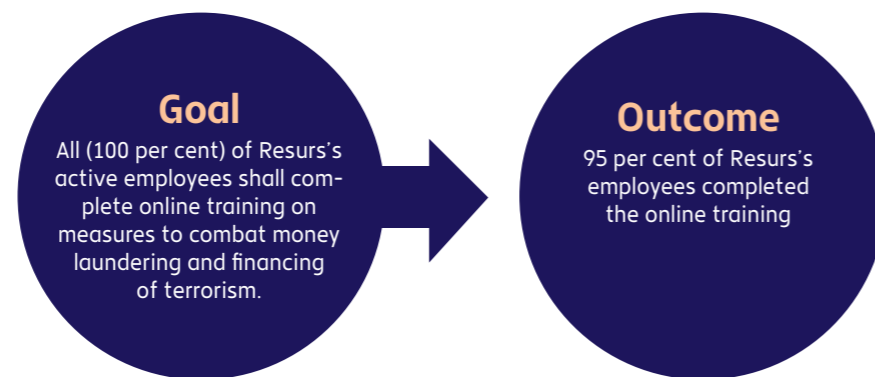
Zero tolerance for all forms of corruption

Resurs has a long-term systematic prevention programme for all employees in order to combat all forms of corruption. The Code of Conduct, monitoring cash flows and a comprehensive control system are crucial tools to minimise the risks.

Resurs's zero-tolerance position on corruption is based on the philosophy that it undermines democracy, warps competition, makes a level playing field for business more difficult and benefits organised crime. Corruption results in serious legal and reputational risks. The operation is primarily exposed to corruption through fraud, money laundering and financing of terrorism as well as bribery. The risks in the four countries where Resurs operates are similar, but its exposure increases along with the size of its market share and customer base in each country. For Resurs, proper conduct from a business ethics standpoint throughout the operation is also required to deserve continued trust.

THE CODE OF CONDUCT PROVIDES FUNDAMENTAL GUIDELINES

Combating all forms of corruption is a top priority issue, and the Group's CEO and management bear overall responsibility for preventive efforts and for ensuring that resources, processes and control systems are in place. Resurs's position is set in its Code of Conduct, which applies to all employees, people with senior positions and Board members. All employees have access via the intranet to the Code of Conduct, which is available in Swedish, Finnish and English, and its associated policies and guidelines. Resurs has three levels of control functions, the three lines of defence, to manage corruption risks in the operation and ensure that the Group is doing business and entering into business relationships based on value creation and ethically proper grounds. For more information on applicable control levels,



see page 57. In addition, Resurs internal audit function is performed by an external resource.

MONITORING TRENDS AND PATTERNS IS CRITICAL TO PROACTIVE EFFORTS

Trends, patterns and cash flows are proactively monitored on an ongoing basis to prevent exploitation of the business for ends such as money laundering and financing of terrorism. There are clear reporting procedures for suspicious patterns and transactions. The external business world is also monitored in cooperation with groups such as the Swedish Bankers' Association, the Swedish Police Authority and other credit card issuers in order to share experience and knowledge about money laundering and fraud in the banking sector. In addition, there are internal reporting procedures for employees in the event of threats or incidents in a customer relationship, along with an established allocation of responsibility for the subsequent process.

AN ANONYMOUS CHANNEL FOR WHISTLE-BLOWERS

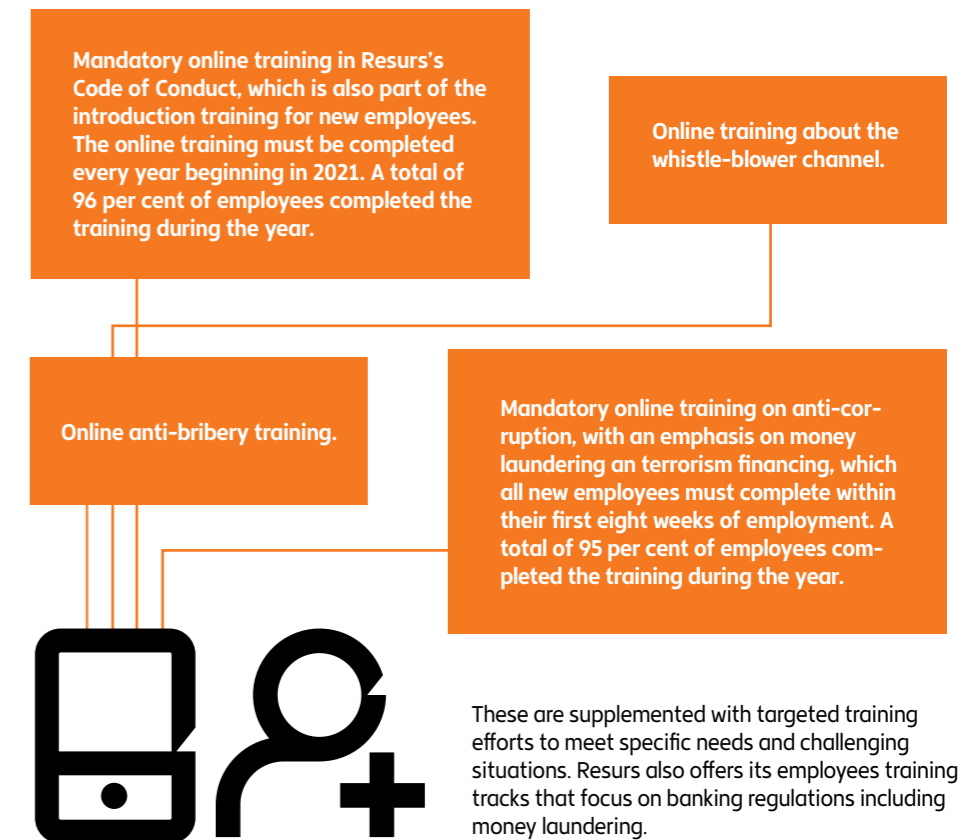
Employees who wish to anonymously report an improper occurrence or who have been subjected to threats may use the whistle-blower function, which can be reached easily via the intranet start page. Informants may choose to remain anonymous and can thus never be traced. The recipients of whistle-blower cases are Corporate Compliance Counsel, CHRO and Legal Counsel Norden. An initial assessment is performed as to whether the case meets the criteria for a whistle-blower case, which is subsequently escalated internally or possibly externally depending on the type of case. An internal training course on the whistle-blower function is available to all employees at Resurs Academy Online Training.

One case was reported via Resurs's whistle-blower function in 2020. The case was closed since there was no description of what occurred.

KNOWLEDGE IS CRITICAL IN THE FIGHT AGAINST CORRUPTION

It is critical for employees to have knowledge and awareness of exposure to the risk of corruption and of reporting procedures. Several online courses are available at Resurs Academy Online Training to provide support and guidance in combating corruption and perceiving warning signs. Some of these courses are mandatory for all employees. All senior executives were informed of or completed online courses focusing on anti-corruption during the year.

Educational opportunities via Resurs Academy Online Training



These are supplemented with targeted training efforts to meet specific needs and challenging situations. Resurs also offers its employees training tracks that focus on banking regulations including money laundering.

SIGNIFICANT RISKS ASSOCIATED WITH RESURS'S ANTI-CORRUPTION EFFORTS

Identified risk	Consequence for	Management of risks
Receiving an improper bribe.	Loss of corporate and social gain.	Anti-bribery policy. Resurs's three control bodies for risk management and independent review. Anti-bribery training.
Ambiguity in the meaning of the terms corruption and anti-corruption.	Uncertainty among employees about right vs. wrong actions.	Group-wide anti-corruption training through Resurs Academy. Resurs's Code of Ethics and Code of Conduct.
Observation of improper action that is not addressed.	Damage to Resurs's brand. Loss of corporate and social gain.	Legal and Anti-Corruption Compliance Officer. Resurs's three control bodies for risk management and independent review. Whistle-blower function.

1) Management of Resurs's sustainability efforts, see pages 122-123.

The Share

Resurs Holding's share was listed in April 2016, and is traded on the Large Cap segment of Nasdaq Stockholm. The year-end market capitalisation was SEK 9.0 billion.

TURNOVER AND TRADING

The ticker symbol is RESURS and the ISIN code is SE0007665823. A total of 229.9 million shares (160.3) were traded on Nasdaq Stockholm in 2020, with an approximate value of SEK 9.8 billion (9.1). An average of 912,219 shares (641,020) were traded per trading day, representing an approximate value of SEK 39 million (36).

On 31 December 2020, Resurs Holding had 27,795 shareholders (25,830), according to Euroclear, of whom 717 (806) were Swedish financial and institutional investors, 26,417 (24,453) were individual investors and 633 (571) were foreign owners. The ten largest owners accounted for 50.5 per cent (56.7) of the votes and capital.

The highest price paid in 2020 was SEK 61.60 (62.50), and the lowest was SEK 27.54 (50.05). The closing price for Resurs Holding's share on 30 December 2020 was SEK 45.00, corresponding to a market capitalisation of approximately SEK 9 billion.

SHARE CAPITAL AND CAPITAL STRUCTURE

Resurs Holding's share capital on 31 December 2020 amounted to SEK 1,000,000.

Source: Modular Finance Monitor. Compiled and processed data from sources including Euroclear Morningstar and Swedish Financial Supervisory Authority.

The number of shares was 200,000,000 ordinary shares. According to the Articles of Association, the share capital should range between a minimum of SEK 500,000 and maximum of SEK 2,000,000, distributed between a minimum of 100,000,000 and maximum of 400,000,000 shares.

Resurs Holding's Articles of Association contain a record day provision and the company's shares are registered with Euroclear Sweden AB, which means that Euroclear Sweden AB manages the company's share register and records every shareholder. All shares carry equal rights to the company's profit and to any surplus arising from possible liquidation.

DIVIDENDS

The company is following the regulatory authorities' recommendations, positions and restrictions for banks and holding companies of banks to pay any dividends. In accordance with the Swedish Financial Supervisory Authority's statement in December 2020, and after consultation with the Authority, the Board proposes that the Annual General Meeting resolve to pay a dividend corresponding to 25 per cent of the Group's total net profit for 2019 and 2020.

The proposed dividend amounts to a total of SEK 536 million, corresponding to SEK 2.68 per share. The company's dividend

policy was unchanged and the remainder of the predicted dividend is intended to be paid in the fourth quarter of 2021 on the condition that the regulatory authorities' recommendations or positions are not extended or changed. During the period that it is not possible to understand the consequences of the ongoing pandemic, the Board intends to pay 50 per cent of the Group's net profit in dividends from earnings from 2020.

SHARE BUYBACK

The Annual General Meeting in June 2020 resolved to authorise the Board to acquire own shares on the stock exchange for the period until the next Annual General Meeting. The authorisation to buy back shares encompasses up to 5 per cent of all of the shares in the company. This mandate was not utilised due to the regulatory authorities' recommendations, positions and restrictions.

INSTITUTIONS AND ANALYSTS FOLLOWING RESURS

ABGSC, Carnegie, Pareto Securities and Kepler Cheuvreux follow the Resurs Holdings share on an ongoing basis. At the end of 2020, three institutions had a buy recommendation and one institution had a neutral recommendation for the Resurs Holding share.

THE TEN LARGEST SHAREHOLDERS WITH DIRECT OWNERSHIP

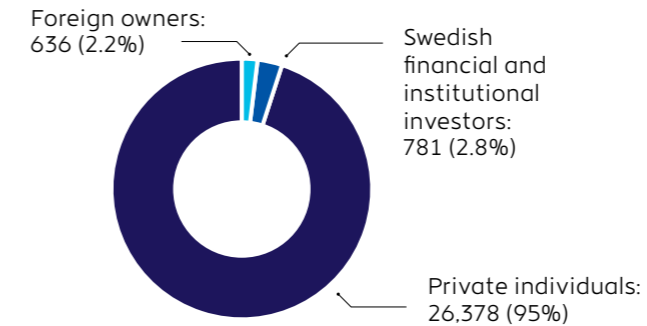
ON 31 DEC 2020*

	PERCENTAGE OF SHARE CAPITAL
Waldakt AB (Bengtsson family)	28.9%
Erik Selin	3.1%
Avanza Pension	3.1%
Länsförsäkringar Fonder	2.8%
Handelsbanken Fonder	2.6%
Norges Bank	2.5%
Swedbank Robur Fonder	2.1%
Vanguard	2.0%
SEB Fonder	1.8%
Nordnet Pensionsförsäkring	1.6%
Total	50.5%

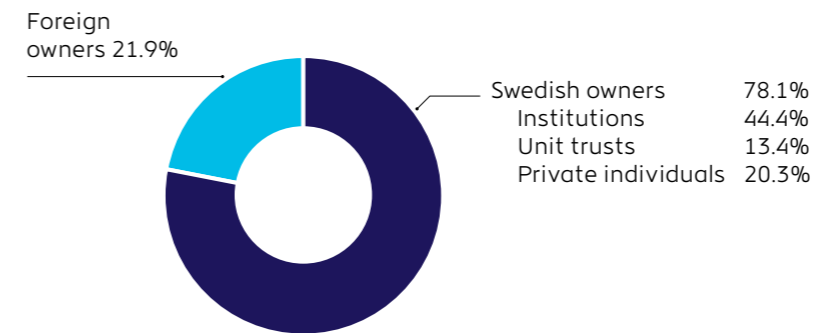
* Information on indirect holdings through companies, etc. may not be available in certain cases.

NUMBER OF OWNERS

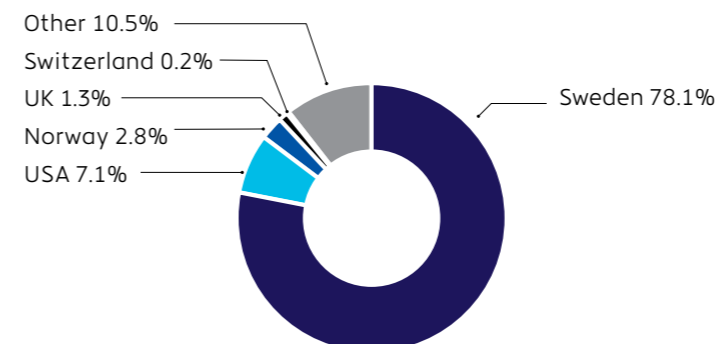
Totalt 27,795



SHARE CAPITAL



GEOGRAPHICAL ALLOCATION



229.9

million shares in total were traded in 2020

9.8

billion in share value were traded in 2020

27,795

shareholders on 31 Dec 2020

SEK **61.60**

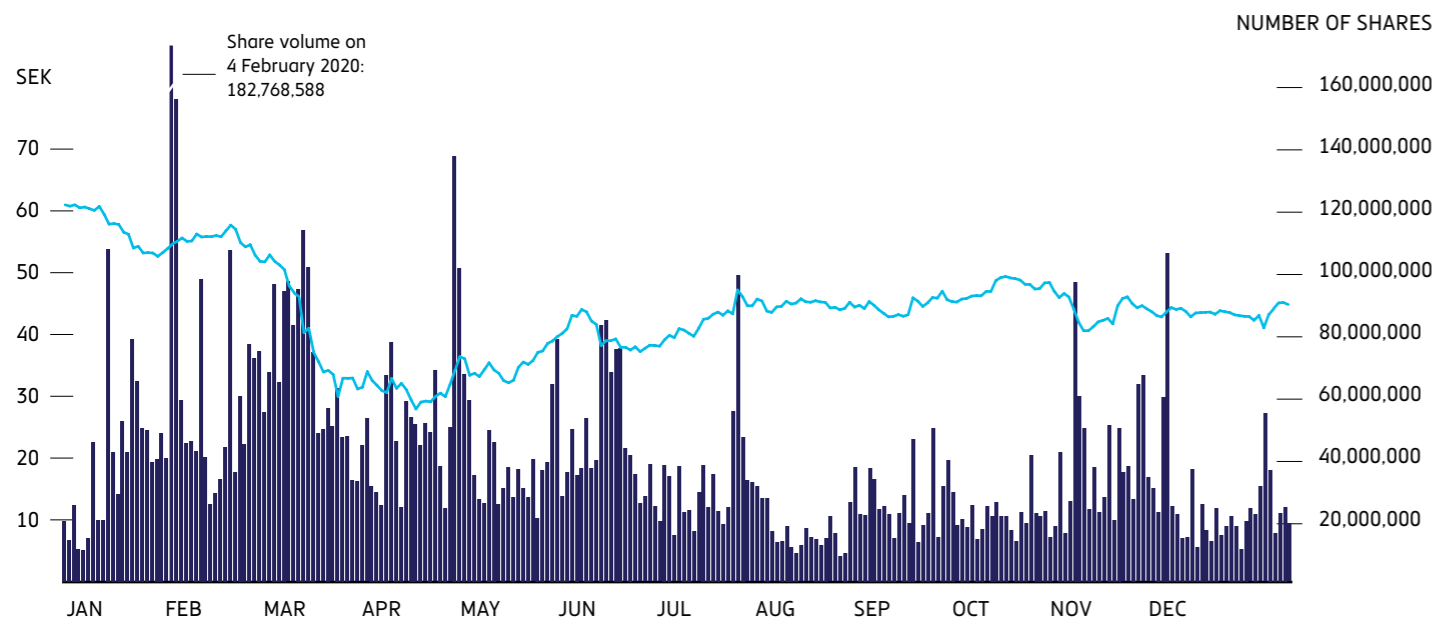
highest price paid in 2020

SEK **27.54**

lowest price paid in 2020

SEK **2.68**
per share in dividends

RESURS SHARE PERFORMANCE 2020



Board of Directors' Report and financial statements

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Board of Directors' Report

The Board of Directors and CEO hereby present the Annual Report and consolidated financial statements for Resurs Holding AB (publ), Corporate Identity Number 556898-2291, for the financial year 1 January 2020 to 31 December 2020.

Company overview

Resurs Holding, which operates through its subsidiaries Resurs Bank Aktieföretag with its subsidiaries, and Solid Försäkrings Aktieföretag, is a leader in the consumer credit market in the Nordic region, offering payment solutions, consumer loans and niche insurance products. Resurs has established itself as a leading partner for sales-driven financing, payment and loyalty solutions in retail and e-commerce. Resurs Bank has had a banking licence since 2001 and is under the supervision of the Swedish Financial Supervisory Authority. Resurs Group primarily operates in Sweden, Norway, Denmark and Finland.

Resurs has divided its operations into three business segments, based on the products and services offered: Payment Solutions, Consumer Loans and Insurance. The three segments differ in nature.

Payment Solutions delivers finance, payment and loyalty solutions that drive retail sales, credit cards to the public and factoring. Consumer Loans focuses primarily on lending to private individuals. Insurance includes the wholly owned subsidiary Solid Försäkrings Aktieföretag, active within consumer insurance.

FINANCIAL TARGETS

These targets are presented in their entirety below, together with the outcomes for 2020. The company intends to present new financial targets and hold a Capital Market Day in 2021.

Performance measures	Mid-term target	Outcome 2020
Annual lending growth	more than 10%	-2%
Risk-adjusted NBI margin, excl. Insurance	about 10-12%	8.2%
C/I before credit losses excl. Insurance and adjusted for nonrecurring costs	under 40%	38.6%
Common Equity Tier 1 ratio	more than 11.5%	15.1%
Total capital ratio	more than 15%	17.4%
Return on equity (RoTE) adjusted for nonrecurring costs ¹⁾	about 30%	26.1%
Dividend ²⁾	at least 50% of profit for the year	n/a ²⁾

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) A provision of 50% of the Group's 2020 earnings has been made as a predicted/proposed dividend when calculating the Group's capital base. Refer also to Note G4, Capital adequacy analysis. In accordance with the Swedish Financial Supervisory Authority's statement in December 2020, parts of this dividend will be considered at the Annual General Meeting in April, and the remainder will be considered at an Extraordinary General Meeting as soon as allowed by recommendations and positions of the regulatory authorities.

EXCEPTIONAL NONRECURRING COSTS

2020 included nonrecurring costs of SEK 145 million, of which SEK 70 million in the fourth quarter related to the transformation journey and SEK 75 million for the extra credit provision made in the first quarter. Earnings in 2019 were charged with an extra credit provision of SEK 35 million in Norway.

INCOME

The Group's operating income declined 2 per cent to SEK 3,613 million (3,679). The relatively lower income was mainly due to the decline in Norway, and mix effects in Payment Solutions where many of Resurs's retail finance partners managed relatively well during the pandemic, with unchanged, and in some cases higher, demand. At the same time, these partnerships produced lower margins, which negatively impacted the overall NBI margin.

Net interest income fell 1 per cent to SEK 2,859 million (2,902), with interest income amounting to SEK 3,259 million (3,311) and interest expense to SEK -400 (-409). Fee & commission income amounted to SEK 186 million (223) and fee & commission expense to SEK -64 million (-60).

EXPENSES

Costs increased 2 per cent to SEK -1,472 million (-1,447), and excluding nonrecurring costs the expenses fell 2 per cent due to continuing good cost control. Viewed in relation to the operations' income, the cost level (excluding Insurance and

nonrecurring costs) continued to improve and amounted to 38.6 per cent (39.0).

Credit losses totalled SEK -854 million (-669) and the credit loss ratio was 2.7 per cent (2.3). Excluding nonrecurring costs, credit losses totalled SEK -779 million (-634) and the credit loss ratio was 2.5 per cent (2.1). Credit losses increased both in absolute terms and as a percentage of lending, which was an effect of the previously higher growth in lending. The risk-adjusted NBI margin was 8.2 per cent (9.4), and excluding nonrecurring costs the margin amounted to 8.4 per cent (9.5).

PROFIT

Operating income decreased 18 per cent to SEK 1,287 million (1,563). Excluding nonrecurring costs, operating profit fell 10 per cent, mainly due to lower income. Net profit for the period amounted to SEK 954 million (1,216). Tax expense for the period amounted to SEK -333 million (-346) and the tax expense rate for the year was 25.9 per cent (22.2).

Segment reporting

PAYMENT SOLUTIONS

The Payment Solutions segment comprises retail finance, factoring and credit cards. In retail finance, Resurs is the leading partner for sales-driving finance, payment and loyalty solutions to chain stores and e-commerce companies across the Nordic region. Credit cards includes Resurs's own credit card, Supreme Card.

Lending to the public on 31 December 2020 declined 4 per cent to SEK 10,994 million (11,426). Excluding currency effects, lending declined by 1 per cent.

Operating income amounted to SEK 1,409 million (1,529), down 8 per cent compared with the year-earlier period. Operating income less credit losses amounted to SEK 1,147 million (1,317). The risk-adjusted NBI margin declined to 10.2 per cent (12.0), attributable primarily to changes in the customer mix and a higher credit loss ratio.

Credit losses increased both in absolute terms and as a percentage of lending, which was mainly an effect of the extra credit provision made in the first quarter as a result of the expected future effects of COVID-19.

CONSUMER LOANS

Consumers in the Consumer Loans segment are offered unsecured loans. These consumer loans are normally used to finance larger purchases. Consumer Loans also helps consumers to consolidate their loans with other creditors, in order to reduce their monthly payments or interest expense.

Lending to the public on 31 December 2020 was largely unchanged at SEK 19,865 million (19,919). Excluding currency effects, lending increased by 4 per cent.

Operating income for the period increased 3 per cent to SEK 1,999 million (1,943). Operating income less credit losses totalled SEK 1,406 million (1,486), and the risk-adjusted NBI margin amounted to 7.1 per cent (8.0). The trend in the risk-adjusted NBI margin was mainly due to the performance of the Norwegian market and lower margins due to higher average loans with lower credit risk.

Credit losses increased both in absolute terms and as a percentage of lending, which was mainly an effect of the extra credit provision made in the first quarter as a result of the expected future effects of COVID-19 and historically high growth in lending.

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.

Premium earned, net, increased 2 per cent compared with the year-earlier period to SEK 913 million (898). This increase was attributable to the Security and Motor business lines.

Operating income declined 2 per cent to SEK 219 million (225). The decrease was primarily an effect of lower income in the Travel business line, as well as the drastically reduced market value in the share and bond portfolios in March, which partially recovered up until December. Total net expense from financial transactions for the year amounted to SEK -1 million (19). Income from non-life insurance operations increased SEK 14 million compared with the year-earlier period.

The technical result increased 13 per cent compared with the year-earlier period to SEK 117 million (104), primarily due to growth in the Motor and Security business lines, improved profitability in the Motor and Product business lines and good cost control.

Operating profit fell SEK 5 million or 4 per cent to SEK 120 million (125) year-on-year. The total combined ratio improved to 88.2 per cent (89.6).

Payment Solutions

SEKm	Jan-Dec 2020	Jan-Dec 2019	Change
Lending to the public at end of the period	10,994	11,426	-4%
Operating income	1,409	1,529	-8%
Operating income less credit losses	1,147	1,317	-13%
Risk-adjusted NBI margin, %	10.2	12.0	
Credit loss ratio, %	2.3	1.9	

Consumer Loans

SEKm	Jan-Dec 2020	Jan-Dec 2019	Change
Lending to the public at end of the period	19,865	19,919	0%
Operating income	1,999	1,943	3%
Operating income less credit losses	1,406	1,486	-5%
Risk-adjusted NBI margin, %	7.1	8.0	
Credit loss ratio, %	3.0	2.4	

Insurance

SEKm	Jan-Dec 2020	Jan-Dec 2019	Change
Premium earned, net	913	898	2%
Operating income	219	225	-2%
Technical result*	117	104	13%
Operating profit	120	125	-4%
Combined ratio, %	88.2	89.6	

* Further information on technical results can be found in Solid Försäkring's 2020 Annual Report.

BALANCE SHEET AND CASH FLOW

FINANCIAL POSITION

The Group's financial position is strong and on 31 December 2020 the capital base amounted to SEK 5,367 million (5,071) in the consolidated situation, comprising the Parent Company, Resurs Holding, and the Resurs Bank Group. The total capital ratio was 17.4 per cent (16.3) and the Common Equity Tier 1 ratio was 15.1 per cent (13.6).

Due to COVID-19, the authorities decided in spring 2020 to reduce the regulatory minimum capital requirement in the countercyclical capital buffer. This entails a total reduction of about 1.8 percentage points to 0.2 per cent for Resurs.

Lending to the public amounted to SEK 30,858 million (31,345) on 31 December 2020, representing a decrease of just under 2 per cent and excluding currency effects an increase of 2 per cent. The specification of lending on 31 December 2020 was as follows: Sweden 49 per cent, Norway 21 per cent, Denmark 13 per cent and Finland 17 per cent. The weaker lending performance was the result of lower lending in Norway, increased sales of non-performing loans and a weaker NOK.

In addition to capital from shareholders and bond investors, the operations are financed by deposits from the public. The Group is working actively on various sources of financing to create and maintain diversified financing for the long term.

On 31 December 2020, deposits from the public totalled SEK 24,692 million (24,409). The bank has deposits in SEK, NOK and EUR. Financing through issued securities totalled SEK 6,297 million (7,672). Liquidity remained extremely healthy and the liquidity coverage ratio (LCR) was 288 per cent (264) in the consolidated situation. The minimum statutory LCR is 100 per cent. Lending to credit institutions on 31 December 2020 amounted to SEK 4,150 million (4,129). Holdings of treasury and other bills eligible for refinancing, as well as bonds and other interest-bearing securities, totalled SEK 3,446 million (3,048). Bonds of a nominal SEK 1,300 million were issued under Resurs Bank's MTN programme in 2020. In the autumn, the bank also extended its ABS financing (securitisation of consumer loans) with JP Morgan Chase Bank with a financial framework of SEK 2 billion. The Group has a high level of liquidity for meeting its future commitments.

Intangible assets amounted to SEK 1,895 million (2,063), and primarily comprised the goodwill that arose in the acquisition of Finaref and Danaktiv in 2014 and yA Bank in 2015.

CASH FLOW

Cash flow from operating activities amounted to SEK 1,479 million (1,014) for the period. Cash flow from deposits amounted to SEK 934 million (3,624) and the net change in investment assets totalled SEK -491 million (-783). Cash flow from investing activities for the year totalled SEK -68 million (-103) and cash flow from financing activities was SEK -1,391 million (-372).

SEASONAL EFFECTS

Resurs's operations may be influenced by seasonal effects since the propensity to borrow increases at times such as summer holidays and the Christmas shopping period.

COVID-19

An extra forward-looking credit provision of SEK 75 million was made in the first quarter of 2020 to meet potential higher credit losses, in addition to the model-based reserves, in accordance with IFRS 9. It remains difficult to assess the effects of COVID-19 on Resurs's operations.

The company has not yet noted any negative trend in customers' payment patterns. We continue to believe that the risk of default could be negatively affected, which has been taken into consideration in the extra credit provision. Uncertainty about the future declined, but remains high as regards rising unemployment and the risk of lower solvency, but the overall assessment is that no additional credit loss reserves need to be made at present due to COVID-19.

Resurs took action at an early stage of COVID-19 to introduce temporary austerity measures in credit lending in Consumer Loans in order to ensure continued high control of the risk level, which reduced the risk in new lending in all markets, with the associated declining volumes. In addition to this, new lending in Finland was primarily negatively affected by interest limitation and direct marketing regulations that were temporarily introduced in early Q3 2020. The direct effect on the Group's earnings was mainly related to the decline in the travel industry, which in turn has negatively impacted and is expected to continue to impact credit card income negatively, while lower factoring activity resulted in lower commissions. Overall, Insurance was only marginally impacted during the quarter, even though the segment's smallest business line of Travel was negatively affected.

EMPLOYEES

In 2020, the average number of employees in the Nordic region was 745 (747). Most of Resurs's business activities are conducted

by employees at Resurs Bank's head office, which includes centralised accounting, legal, risk management, marketing, HR and IT functions. In addition to the aforementioned centralised functions, Resurs has employees who address customer and business-related matters at a national level. The company employs the services of external suppliers for certain support functions, including marketing and IT/operations. In terms of IT/operations, the external supplier manages IT services including storage/data centres, support services and telecommunication.

Variable remuneration earned in 2020 is linked to both quantitative and qualitative goals for employees who sell payment protection insurance in accordance with the Swedish Financial Supervisory Authority's Insurance Distribution Directive (IDD). The Group has ensured that all goals related to variable remuneration for 2020 can be reliably measured. The Group has noted that employees who can independently make decisions in credit matters cannot have targets linked exclusively to sales that they can influence through credit decisions, to prevent employees in this personnel category from exercising influence on the Group's risk level. In the Group's assessment, the level of risk applied must be well in proportion to the Group's earnings capacity. The Group annually conducts an analysis aimed at identifying employees whose duties have a significant influence on the company's risk profile.

REMUNERATION OF RESURS'S SENIOR EXECUTIVES

The Board has established a remuneration policy in accordance with Swedish Financial Supervisory Authority's FFFS 2011:1 Regulations regarding remuneration structures in credit institutions and investment firms, recently updated through FFFS 2020:30.

The Board has instituted a Remuneration Committee, which is responsible for preparing significant remuneration decisions, and the bank has a control function which, when appropriate and at least annually, independently reviews how the bank's management of remuneration matters corresponds to the regulatory framework.

The Chairman and members of the Board are paid the fees resolved by the Annual General Meeting. Remuneration of the CEO and Deputy CEO and the Heads of the bank's control functions is determined by the Board.

Remuneration comprises a basic salary, other benefits and pension. Senior executives are not paid a bonus or variable remuneration.

PENSIONS

The bank's pension obligations for the CEO and other senior executives are primarily covered by defined contribution pension plans.

TERMINATION CONDITIONS AND BENEFITS

In the event of termination of employment by the Bank, the CEO is entitled to salary during the notice period, which is 12 months. The notice period for other senior executives is 6-9 months. No termination benefits are paid.

ENVIRONMENT

Environmental resources are used responsibly and conservatively throughout the Group's entire operations. The Group strives to conduct its operations in an environmentally sustainable way by, for example, enhancing efficiency and investing in sustainable products and services.

SUSTAINABILITY REPORT ACCORDING TO THE ANNUAL ACCOUNTS ACT

In accordance with Chapter 6 Section 11 of the Annual Accounts Act, Resurs has chosen to establish the statutory Sustainability Report as a report separated from the Board of Directors' Report in the Annual Report. The Sustainability Report was submitted to the auditor at the same time as the Annual Report. For a table of contents for the Sustainability Report, see page 128-129.

RISKS AND UNCERTAINTIES

Different types of risks arise in the Group's business operations. The risks can be actualised in different ways for each Group company.

The following main risk categories have been identified:

- Credit risks (including those attributable to the credit portfolio, credit-related concentration risks and counterparty risks)
- Market risks (interest rate, currency and other exchange risks)
- Liquidity risks
- Operational risks (including process risks, personnel risks, IT and systemic risks and external risks)
- Other business risks (including strategic risks, business risks, cyclical risks and reputational risks)
- Insurance risks (only for the insurance operations)

The Group estimates credit risks, liquidity risks and operational risks as the most

significant risks that arise within the framework of its banking operations. Insurance risks are the most significant risks in the insurance operations. For further information on the Group's risks, see Note G3 Risk management.

The Group's banking operations are subject to extensive regulations concerning capital adequacy and liquidity requirements, which are primarily governed by the regulatory package that comprises CRD and CRR, which jointly implement the Basel agreement within the European Union (collectively known as the "Basel regulatory framework").

The Basel regulatory framework includes certain capital requirements that are intended to be adjustable over time and that are dependent on such factors as the presence of cyclical and structural systemic risks. At all times, the Group must fulfil the specified capital and liquidity requirements, and have capital and access to liquidity.

The Group monitors changes related to capital and liquidity requirements and takes these into consideration regarding the Group's financial targets.

The risk-based Solvency II regulatory framework has governed insurance operations and their reporting since 2016. During the past year, insurance operations published its Solvency and Financial Condition Report (SFCR), and submitted its Regular Supervisory Report (RSR) to the regulatory authority.

RISK MANAGEMENT

The Group is exposed to a number of risks that are typical for companies within the industry that are of a similar size and that operate within the same geographical markets. The Group companies have a low risk tolerance and employ a cautious approach concerning the risks that arise in their operations.

The Group companies manage risks through such methods as issuing policies under a hierarchy comprising three levels. The Board of each company within the Group has adopted a number of policies that, along with the external regulatory framework, comprise the basis for the Group's control environment and management of a host of risks that arise in its operations. The policies also outline the delegation of authorities within specific areas of risk. Someone is appointed in each organisation to take responsibility for each policy and monitor compliance, manage reporting and propose necessary adjustments to the policies.

Guidelines comprising the level under policies are determined by the CEO or the person responsible for the specific risk area in each Group company.

In general, these guidelines include relevant information to help employees manage and identify solutions for issues that arise. On the operational level, company managers establish the procedures that apply for specific groups of employees. The procedures are more detailed and intended for risk management in the daily operations.

The Group's risk management capabilities were affected to a certain extent during the pandemic but the impact was limited due to robust processes. The Group managed the risk of a loss of personnel in critical functions by introducing different zones and remote working. More employees working from home set higher requirements on information security and following up the Group's control framework.

PARENT COMPANY'S OPERATIONS

Resurs Holding AB (publ) is the Parent Company of the Group that comprises the operating companies Resurs Holding AB and its subsidiaries Resurs Bank AB, Solid Försäkrings AB and Resurs Förvaltning Norden AB. In 2020, the Parent Company's net sales amounted to SEK 29 million (25) and operating loss to SEK -29 million (-24). The Parent Company's task is to serve as a central management function for the Group and to manage large owner-driven issues concerning major acquisitions and divestments.

SIGNIFICANT EVENTS DURING THE YEAR

RESURS SOLD NON-PERFORMING LOANS TO LEADING INTERNATIONAL INVESTOR

In December 2020, Resurs Bank entered into an agreement with a leading international credit management company in non-performing loans to sell parts of Resurs's non-performing loans for a gross carrying amount of just over SEK 500 million. The sale, which was completed in December, had a positive impact on Resurs Bank's capital requirements and liquidity and ultimately had a neutral effect on earnings.

RESURS BANK EXTENDED ITS ABS FINANCING – A SIGN OF STRENGTH AND TRUST

In line with Resurs's strategy of long-term diversified financing, Resurs Holding's subsidiary Resurs Bank is extending its existing ABS financing. The financing framework is for SEK 2 billion and is being carried out with JP Morgan Chase Bank.

THE TRANSFORMATION JOURNEY TOWARDS GREATER COMPETITIVENESS AND GROWTH HAS BEGUN

Resurs's transformation journey began in October 2020 by creating a more efficient Nordic organisation and at the same time making investments in IT projects and technology solutions. As a result of the changed organisational structure, Resurs reduced its personnel by about 70 positions, which is expected to generate annual net savings of about SEK 43 million and entailed nonrecurring costs of SEK 22 million in Q4 2020. In connection with its transformation journey, the company conducted a review of its balance sheet and identified an impairment requirement of SEK 48 million, of which SEK 38 million related to capitalised IT investments. The impairment affected operating profit for the fourth quarter of 2020 but had no effect on liquidity and only a marginal effect on the capital base.

GEKÅS ULLARED CHOSE RESURS BANK AS PARTNER

Gekås Ullared, one of the Nordic region's most successful retailers, chose Resurs Bank as a partner for taking the next step in card and payment solutions. The partnership has commenced and the transition to a new card and payment solution will take place in Q1 2021.

RESURS RECEIVED AN UPDATE FROM THE RATING COMPANY NORDIC CREDIT RATING

In September 2020, Resurs Bank received an update from the rating company Nordic

Credit Rating (NCR). The credit rating of BBB- was confirmed and the outlook was revised from negative to stable as Resurs, with lower credit losses and an improved net interest margin in Q2 2020, outperformed NCR's expectations.

RESURS BECOMES THE FIRST PARTNER OF ALEKTUM GROUP'S SHOPPA LAGOM INITIATIVE

In September 2020, Resurs became the business world's first company to support and become a partner of, Alektum Group's Shoppa Lagom initiative that aims to spread awareness and raise issues that help more people in society keep their finances balanced.

NEW CEO STARTS AT RESURS

Nils Carlsson became CEO of Resurs in June.

EXTRA CREDIT PROVISION IN RESURS BANK

Resurs Holding's subsidiary Resurs Bank made an extra credit provision of SEK 75 million due to COVID-19, in accordance with IFRS 9.

RESURS BANK DENIED DEDUCTION OF NEARLY SEK 31 MILLION IN REMEASUREMENT EFFECTS ATTRIBUTABLE TO IFRS 9 IN NORWAY DUE TO MERGER OF YA BANK AS

In August 2020, the Swedish Tax Agency denied a deduction of nearly SEK 31 in estimated tax attributable to the operations of the Norwegian branch of Resurs Bank, as a result of the merger of the

former YA Bank and Resurs Bank in December 2018. Resurs Bank intends to appeal the decision. For precautionary reasons, the tax expense was charged to earnings for Q3 2020.

ANNUAL GENERAL MEETING HELD ON 17 JUNE 2020

The Board of Resurs Holding decided on 27 April that the 2020 Annual General Meeting would be held on 17 June 2020. The Board also confirmed that the company's financial position is strong but proposed that a resolution on payment of dividends be deferred and addressed instead when the consequences of COVID-19 could be better reviewed. Resurs Holding's dividend policy remains unchanged.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

There were no significant events after the end of the year.

ANTICIPATED FUTURE PERFORMANCE

Resurs provides sales-driving financing solutions for retailers, consumer loans and niche insurance products in the Nordic region. Resurs has continuously expanded its operations and its loan portfolio increased from SEK 9.3 billion at 31 December 2013 to SEK 30.9 billion on 31 December 2020. Resurs has established a stable platform, and continues to have potential for substantial growth in the years to come.

OWNERSHIP STRUCTURE

Resurs Holding's share is listed on Nasdaq Stockholm, Large Cap. The final price paid for the Resurs share at year-end was SEK 45.00.

DIVIDEND

The company is following the regulatory authorities' recommendations, positions and restrictions for banks and holding

companies of banks to pay any dividends. In accordance with the Swedish Financial Supervisory Authority's statement in December 2020, and after consultation with the Authority, the Board proposes that the Annual General Meeting resolve to pay a dividend corresponding to 25 per cent of the Group's total net profit for 2019 and 2020. The proposed dividend amounts to a total of SEK 536 million, corresponding to SEK 2.68 per share. The company's dividend policy

remains unchanged and the remainder of the predicted dividend attributable to profit for 2019 and 2020 is intended to be paid in the fourth quarter of 2021 on the condition that the regulatory authorities' recommendations or positions are not extended or changed. During the period that it is not possible to understand the consequences of the ongoing pandemic, the Board intends to pay 50 per cent of the Group's net profit in dividends from earnings from 2020.

Five-year summary, Group

INCOME STATEMENT

SEK Thousand	2020	2019	2018	2017	2016
Interest income	3,258,894	3,310,584	3,062,854	2,686,820	2,449,066
Interest expense	-399,599	-408,910	-324,025	-268,156	-236,813
Other operating income	753,616	777,544	698,525	672,681	584,283
Total operating income	3,612,911	3,679,218	3,437,354	3,091,345	2,796,536
General administrative expenses	-1,206,154	-1,200,762	-1,178,239	-1,065,752	-1,081,596
Depreciation, amortisation and impairment of non-current assets	-149,777	-87,642	-49,039	-35,283	-31,272
Other operating expenses	-115,861	-158,663	-188,445	-179,626	-167,454
Total expenses before credit losses	-1,471,792	-1,447,067	-1,415,723	-1,280,661	-1,280,322
Earnings before credit losses	2,141,119	2,232,151	2,021,631	1,810,684	1,516,214
Credit losses, net	-854,372	-669,454	-535,071	-413,454	-376,693
Operating profit	1,286,747	1,562,697	1,486,560	1,397,230	1,139,521
Income tax expense	-333,087	-346,387	-343,145	-317,197	-234,727
Profit for the year	953,660	1,216,310	1,143,415	1,080,033	904,794

PROPOSED APPROPRIATION OF PROFITS

Unappropriated earnings in the Parent Company at the disposal of the Annual General Meeting (SEK):	
Share premium reserve	1,779,407,445
Retained earnings	813,347,705
Net profit for the year	481,329,924
Total	3,074,085,074
The Board of Directors and the CEO propose that these earnings be appropriated as follows (SEK):	
Dividends to shareholders	536,000,000
To be carried forward	2,538,085,074
Total	3,074,085,074

The Board believes that the proposed dividend is justifiable with respect to the requirements that the nature, scope and risks of the operations impose on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and financial position.

OWNERSHIP STRUCTURE

The ten largest shareholders with direct ownership on 31 December 2020*	
Waldakt AB (Bengtsson family)	28.9%
Erik Selin	3.1%
Avanza Pension	3.1%
Länsförsäkringar Fonder	2.8%
Handelsbanken Fonder	2.6%
Norges Bank	2.5%
Swedbank Robur Fonder	2.1%
Vanguard	2.0%
SEB Fonder	1.8%
Nordnet Pensionsförsäkring	1.6%
Total	50.5%

* Information on indirect holdings through companies, etc. may not be available in certain cases.

STATEMENT OF FINANCIAL POSITION

SEK Thousand	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Assets					
Cash and balances with central banks	208,520	220,799	63,215	61,539	56,173
Treasury and other bills eligible for refinancing	2,302,823	1,758,835	1,009,021	842,731	892,068
Lending to credit institutions	4,149,906	4,128,953	3,703,650	2,794,283	3,294,955
Lending to the public	30,858,341	31,344,787	27,956,576	24,068,795	21,204,281
Bonds and other interest-bearing securities	1,143,616	1,288,954	1,262,568	1,735,266	1,886,004
Subordinated loans	29,682	28,290	27,317	35,902	32,491
Shares and participations	105,494	95,823	68,556	76,368	65,858
Derivatives	113,272	110,707	190,175	40,974	69,902
Intangible assets	1,895,394	2,063,405	1,973,681	1,877,166	1,885,106
Property, plant and equipment	122,210	139,871	56,228	39,954	42,079
Other assets	524,587	568,324	644,485	358,294	384,470
Total assets	41,453,845	41,748,748	36,955,472	31,931,272	29,813,387
Liabilities, provisions and equity					
Liabilities to credit institutions	107,400	94,900	149,900		1,700
Deposits and borrowing from the public	24,692,195	24,409,032	20,578,153	18,033,013	18,617,943
Other liabilities	1,779,744	1,833,333	1,748,521	1,772,114	1,736,293
Issued securities	6,297,472	7,672,347	7,832,186	5,597,271	3,316,130
Subordinated debt	598,702	597,890	298,171	340,044	42,160
Equity	7,978,332	7,141,246	6,348,541	6,188,830	6,099,161
Total liabilities, provisions and equity	41,453,845	41,748,748	36,955,472	31,931,272	29,813,387

KEY RATIOS

SEK million, unless otherwise indicated	2020	2019	2018	2017	2016
Operating income	3,613	3,679	3,437	3,091	2,797
Operating profit/loss	1,287	1,563	1,487	1,397	1,140
Profit for the year	954	1,216	1,143	1,080	905
Earnings per share, SEK ¹⁾	4.68	6.07	5.72	5.40	4.52
C/I before credit losses ¹⁾	40.7	39.3	41.2	41.4	45.8
Return on equity excl. intangible assets, (ROTE), % ¹⁾	17.1	25.7	27.4	25.3	24.3
Return on equity excl. Intangible assets, (ROTE), excl. Nonrecurring costs, given the common equity tier 1 ratio according to the board's target and deducted dividend from capital base, % ¹⁾	26.1	33.5	33.9	30.3	25.8
Core Tier 1 ratio, % ²⁾	15.1	13.6	13.4	13.6	13.2
Total capital ratio, % ²⁾	17.4	16.3	14.7	15.5	14.1
Lending to the public ¹⁾	30,858	31,345	27,957	24,069	21,204
Risk adjusted NBI marginal, % ¹⁾	8.2	9.4	10.6	11.1	11.6
NBI margin, % ¹⁾	10.9	11.7	12.6	12.9	13.6
C/I before credit losses (excl. Insurance), % ¹⁾	40.4	39.0	40.5	40.8	44.7
Credit loss ratio, (%) ¹⁾	2.7	2.3	2.1	1.8	1.9
Equity/assets ratio, (%) ¹⁾	19.2	17.1	17.2	19.4	20.5
Business volume	55,551	55,754	48,535	42,102	39,822
Net investment margin, (%) ¹⁾	6.9	7.4	8.0	7.8	8.0
Reserve Ratio, %, according to IAS 39 ¹⁾				51.1	52.6
Reserve ratio, %, according to IFRS 9, stage 1 ¹⁾	0.8	0.7	0.8		
Reserve ratio, %, according to IFRS 9, stage 2 ¹⁾	12.2	8.0	9.2		
Reserve ratio, %, according to IFRS 9, stage 3 ¹⁾	44.2	43.3	45.3		
Claims ratio %, insurance operations ³⁾	25.5	24.9	27.4	31.2	38.5
Operating costs ratio %, insurance operations ³⁾	62.7	64.8	62.9	60.7	59.9
Combined ratio %, insurance operations ³⁾	88.2	89.6	90.2	91.8	98.4
Available Capital Base ³⁾	661	570	539	653	632
of which Tier 1 capital	661	570	539	653	632
Solvency Capital Requirement ³⁾	446	455	377	361	355
Solvency ratio, % ³⁾	148	125	143	181	178
Average number of employees	745	747	774	730	675
Return on assets, (%) ¹⁾	2.3	3.1	3.3	3.5	3.3

¹⁾ 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."

²⁾ Key ratios according to capital adequacy rules, referring to the consolidated situation comprises the Resurs Bank AB Group and its Parent Company Resurs Holding AB.

³⁾ Key ratios in accordance to the solvency capital requirement and which refers to the insurance operation in Solid Försäkrings AB, subsidiary of Resurs Holding AB.

DEFINITIONS

Available capital base³⁾

The available capital base is the sum of Tier 1 capital and additional capital. The eligible capital base is the capital that is permitted to be included to cover the Solvency Capital Requirement.

Business volume

Customer-related deposits and lending.

C/I before credit losses, %¹⁾

Expenses before credit losses in relation to operating income.

C/I before credit losses (excl. Insurance), %¹⁾

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

Capital base²⁾

The sum of Tier 1 capital and Tier 2 capital.

Claims ratio, %³⁾

Insurance compensation as a percentage of premium income.

Combined ratio, %³⁾

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

Common equity tier 1 capital²⁾

Common Equity Tier 1 capital comprises share capital, paid-in capital, retained earnings and other reserves of the companies included in the consolidated situation.

Core tier 1 ratio²⁾

Core Tier 1 capital in relation to risk-weighted amount as per the Swedish Financial Supervisory Authority's directive.

Credit loss ratio, %¹⁾

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

Earnings per share, SEK¹⁾

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

Equity/Assets ratio, %¹⁾

Equity, including profit for the year and 78% of untaxed reserves, as a percentage of the balance sheet total.

Lending to the public, excl. Exchange rate differences¹⁾

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

NBI Margin, %¹⁾

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

Net interest income/expense (excl. insurance)¹⁾

Interest income less interest expenses less interest income and expenses Insurance segment.

Net investment margin, %¹⁾

Net interest income in relation to average balance sheet total.

NIM, %¹⁾

Interest income less interest expenses excluding Insurance segment in relation to average balance of lending to the public.

Nonrecurring costs¹⁾

Items deemed to be of a one-off nature, meaning individual transactions, to facilitate the comparison of profit between periods, items are identified and recognised separately since they are considered to reduce comparability.

Operating costs ratio, %³⁾

Operating costs, insurance, in relation to premium earned.

Premium income, net³⁾

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

Reserve ratio, %¹⁾

According to IAS 39

Reserve for anticipated credit losses in relation to lending to the public, gross.

According to IFRS 9

Reserve for expected credit losses per stage in relation to lending to the public, gross per stage.

Return on assets, %¹⁾

Net income in relation to average balance sheet total.

Return on equity excl. Intangible assets, (ROTE), %¹⁾

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

Return on equity excl. Intangible assests, (ROTE), excl. Nonrecurring costs, %¹⁾

Profit for the period as a percentage of average equity less intangible assets and nonrecurring costs.

Return on equity excl. Intangible assets, (ROTE), excl. Nonrecurring costs, given the common equity tier 1 ratio according to the board's target and deducted dividend from capital base, %¹⁾

Net profit for the period as a percentage of average equity less intangible assets, excl. nonrecurring costs, given a Common Equity Tier 1 ratio according to the Board's target and deducted dividend last year and deducted dividend current year.

Required solvency margin³⁾

Measurement of the minimum capital base level permitted under currently legislation. Calculation is based on premium income and on indemnification paid by the insurance subsidiary. The required solvency margin is the highest of these two calculated values.

Risk adjusted NBI-margin, %¹⁾

NBI-margin adjusted for credit loss ratio.

Solvency capital requirement³⁾

Solvency capital requirement is calculated according to EIOPA's default formula.

Solvency ratio, %³⁾

The solvency ratio is the eligible capital base in relation to the Solvency Capital Requirement.

Tier 1 capital²⁾

Tier 1 capital comprises Common Equity Tier 1 capital and other Tier 1 capital.

Tier 2 capital²⁾

Tier 2 capital comprises dated or perpetual subordinated loans.

Total capital ratio, %²⁾

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

¹⁾ 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."

²⁾ Key ratios according to capital adequacy rules, referring to the consolidated situation comprises the Resurs Bank AB Group and its Parent Company Resurs Holding AB.

³⁾ Key ratios in accordance to the solvency capital requirement and which refers to the insurance operation in Solid Försäkrings AB, subsidiary of Resurs Holding AB.

Corporate governance report

Proper corporate governance practices are fundamental in maintaining the market's confidence in the Group and creating added value for our stakeholders. As part of this effort and in order to prevent any conflicts of interest, roles and responsibilities are clearly defined and delegated among shareholders, the Board of Directors, management and other stakeholders. A detailed presentation of corporate governance at Resurs Holding AB (publ) ("Resurs Holding") is provided on the following pages.

CORPORATE GOVERNANCE/ MANAGEMENT MODEL/GOVERNANCE AND MANAGEMENT

Resurs Holding is a Swedish public limited liability company whose shares have been listed on Nasdaq Stockholm since April 2016. The company's corporate governance practices are predominantly based on Swedish law, the Swedish Financial Supervisory Authority's regulations, the company's Articles of Association and internal policies. In addition to the regulations of the Swedish Companies Act (2005:551), the Swedish Annual Accounts Act (1995:1554) and the company's Articles

of Association, the company applies Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code (the "Code"), as well as other applicable Swedish and foreign laws and regulations related to listed companies.

SWEDISH CORPORATE GOVERNANCE CODE

The Code applies to all Swedish companies whose shares are listed in a regulated marketplace in Sweden and must be observed as of the first day of trading. The Code stipulates a standard for sound corporate governance at a higher level of ambition than that of the Companies Act and the minimum criteria stipulated in other regulations. The Code is based on the comply or explain principle, meaning that the company is not compelled to always comply with every rule of the Code, and is instead free to opt for other solutions that are deemed to better suit the circumstances in a particular case.

provided that the company transparently reports every such deviation, describes the alternative solution, and states the reasons for said actions in its corporate governance report.

In 2020 the company had a deviation from the Code, namely that Chairman of the Board Martin Bengtsson, was the Chairman of the Nomination Committee. The reason for this deviation is that the Nomination Committee instruction adopted by the general meeting of shareholders states that the member appointed by the largest shareholder in terms of votes shall be appointed Chairman of the Nomination Committee. This member was Martin Bengtsson.

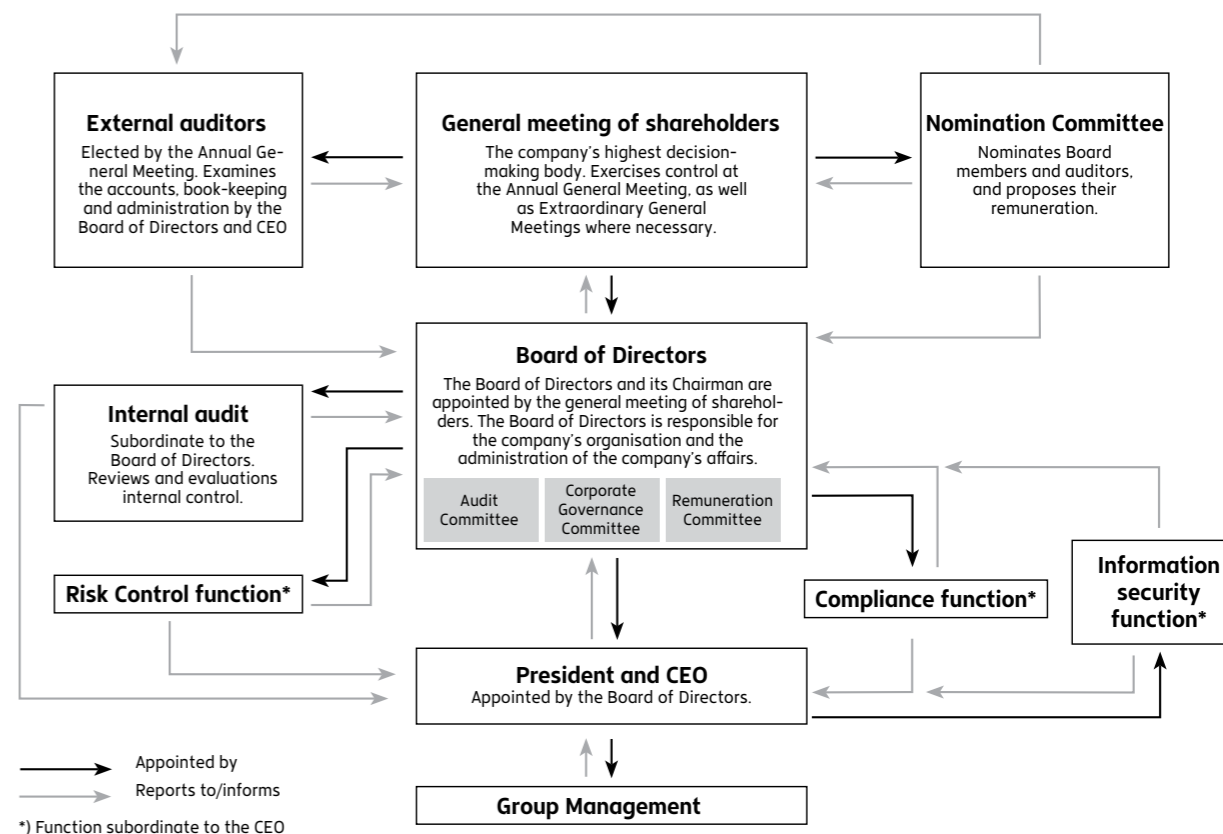
SHAREHOLDERS' ROLE IN CORPORATE GOVERNANCE/ LARGEST SHAREHOLDERS

Resurs Holding's share register is maintained by Euroclear Sweden AB. At 31 December 2020, the company had a total of 200,000,000 shares.

Shareholders (holding exceeding 10%) at 31 December 2020:

Shareholders	Number of shares	% ownership
Waldakt Aktiebolag	57,885,556	28.9%

RESURS HOLDING'S CORPORATE GOVERNANCE STRUCTURE



GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders can resolve every company matter that does not expressly fall under the exclusive expertise of another company body. At the Annual General Meeting (AGM), which must be held within six months of the end of the financial year, shareholders exercise their voting rights on matters including the adoption of the income statement and balance sheet, appropriation of the company's profit or loss, motions on discharge from liability for Board members and the CEO for the financial year, the election of Board members and auditors, as well as fees to be paid to Board members and auditors.

In addition to the AGM, Extraordinary General Meetings may also be convened. Pursuant to the Articles of Association, notice of a general meeting of shareholders must be announced in Post- och Iriker Tidningar and by making the notice available on the company's website. Confirmation that the official notification has been issued must simultaneously be announced in Svenska Dagbladet. A press release in Swedish and English including the notice in its entirety is published ahead of every general meeting of shareholders.

The Chairman of the Board, the minimum number of Board members needed to form a quorum, and the CEO are to attend extraordinary meetings of shareholders. In addition to the aforementioned parties, AGMs must be attended by at least one member of the Nomination Committee, at least one of the company's auditors, and, whenever possible, all Board members.

The company's Articles of Association do not include any specific stipulations concerning the election or dismissal of Board members, limitations to sales of shares or amendments to the Articles of Association. The Board does not currently hold any authority granted by a general meeting of shareholders to make a decision on Resurs Holding issuing any new shares. At the Annual General Meeting on 17 June 2020, the Board was once again authorised to buy back own shares to encompass up to five per cent of all of the shares in the company up until the next Annual General Meeting.

A total of 106,872,475 shares were represented at the 2020 AGM. The represented shares comprised approximately 53.4 per cent of the total number of shares in the company.

The resolutions passed at the 2020 AGM included:

- Adoption of the income statement and balance sheet, and consolidated income statement and consolidated balance sheet
- A resolution on the appropriation of the Company's profit according to the adopted balance sheet
- Resolution on discharge from liability for the Board of Directors and the CEO

- Determination of fees for Board members and auditors
- Reelection of Board members Martin Bengtsson, Fredrik Carlsson, Lars Nordstrand, Marita Odélius Engström, Mikael Wintzell and Johanna Berinde for the period until the next Annual General Meeting, and the election of Kristina Patek and Susanne Ehnåge as new Board members for the period until the next Annual General Meeting. Martin Bengtsson was re-elected as Chairman of the Board.
- Election of auditors
- Resolution on guidelines for compensation for the CEO and other senior executives
- Authorisation to buy back own shares to encompass up to five per cent of all of the shares in the company up until the next Annual General Meeting
- Resolution to buy back warrants of series 2016/2020
- Resolution on private placement of warrants of series 2020/2023 and transfer of such warrants

Resurs Holding's next AGM will be held on 28 April 2021.

RIGHT TO PARTICIPATE IN THE GENERAL MEETING

All shareholders who are entered in the extract from the share register concerning the status of the shareholders five days prior to the meeting (including Saturdays) and who registered their participation on time, pursuant to the stipulations in the notice, are entitled to participate in the meeting and to cast votes based on the number of shares that they hold. Shareholders who are unable to attend in person may be represented by a proxy. Shareholders will also have the opportunity to vote via post for the 2021 Annual General Meeting.

In addition to registering with the company, shareholders whose shares are held in the custody of a trustee through a bank or other securities firm must temporarily register their shares in their own name with Euroclear Sweden AB in order to be entitled to participate in the meeting. Shareholders should inform their trustees of this well in advance of the general meeting.

Resurs Holding's Articles of Association do not stipulate any limitations as to how many votes each shareholder may cast at a general meeting.

NOMINATION COMMITTEE

The Nomination Committee represents Resurs Holding's shareholders. The Nomination Committee is tasked with preparing and presenting motions for resolution, for example, determining the proposals on the number of and election of Board members, the Board Chairman, fees for the Board of Directors and for work on its

Committees, the election of and fees for the company's auditors, and the Nomination Committee instruction that is to govern Nomination Committee's work and compensation.

The Nomination Committee's efforts focus especially on ensuring that the Board of Directors comprises members who possess the expertise and experience to match the criteria that applicable regulations and Resurs Holding's shareholders impose on its Board Of Directors, including the requirements that are stipulated in financial regulations and the Code. Accordingly, in the process of assessing candidates for the Board, the Chairman of the Board presents the Nomination Committee with the evaluation that has been conducted of the Board's work and of the individual members during the past year. The Nomination Committee is also given the opportunity to meet the Board's members. The Nomination Committee also makes preparations for the election of auditors. Shareholders are free to submit proposals to the Nomination Committee pursuant to the instructions posted on Resurs Holding's website.

The Annual General Meeting decides on the Nomination Committee instruction that will apply for Resurs Holding's Nomination Committee. According to the current instruction, the Nomination Committee is to be comprised of the Chairman of the Board and Board members appointed by the four shareholders with the greatest number of votes per the final banking day in August every year, based on share information from Euroclear Sweden AB and other reliable share information that has been provided by the company, as well as rules concerning changes in ownership. Ahead of the 2021 AGM, the Nomination Committee accordingly comprised members appointed as follows: Martin Bengtsson appointed by Waldakt AB, which is the largest shareholder of Resurs Holdings (the Bengtsson family) with 28.9 per cent of the votes; Jonas Strömberg appointed by the Erik Selin Fastigheter AB Group; Anna Sundberg appointed by Handelsbanken Fonder AB; and Johannes Wingborg appointed by Länsförsäkringar Fondförvaltning AB (publ). Some major shareholders have declined to appoint members to the Nomination Committee. In accordance with the applicable instructions for the Nomination Committee, Martin Bengtsson is the Chairman of the Nomination Committee since he is appointed by Resurs Holding's largest shareholder Waldakt AB (with 28.9 per cent of the shares/votes).

The Nomination Committee applies item 4.1 of the Code as its diversity policy, and strives for a combination of skills and experience that meet the demands set for Resurs Holding's Board of Directors. The Nomination Committee believes that

the diversity issue is important, and it actively endeavours to achieve an even gender distribution.

The Nomination Committee's proposals for the 2021 AGM will be published in the forthcoming AGM notice on Resurs Holding's website, and proposals for elections to the Board will be announced in a press release as soon as they are determined.

BOARD OF DIRECTORS

Following the general meeting of shareholders, the Board is the company's highest decision-making body and its highest executive body. The work of the Board is primarily governed by the Swedish Companies Act. The Board's work is also governed by the rules of procedure that are established annually by the Board. The rules of procedure govern such matters as the delegation of tasks and responsibilities among the Board and the CEO, and the procedures for the CEO's financial reporting. The Board also adopts rules of procedure for the Board's Committees. The Board's tasks include establishing strategies, business plans and budgets, submitting interim reports and financial statements and adopting policies. The Board must also monitor the company's financial performance, ensure the quality of the financial reporting and reporting by the control functions, and evaluate the company's operations based on the

established targets and policies adopted by the Board. Finally, the Board also decides on major investments and organisational and operational changes in the company. The Chairman of the Board is to monitor the company's earnings in close cooperation with the CEO. The Chairman leads the Board's work and creates an open and constructive dialogue. The Chairman's tasks also include monitoring and evaluating the skills, work and contributions of individual Board members to the Board. In addition to the regular Board members, the CEO, CFO and the Board's secretary also participate in Board meetings. Other members of Group Management and other executives report on specific matters.

EVALUATION OF THE BOARD

Once a year, the Board conducts a systematic evaluation during which Board members are given an opportunity to provide their views on approaches, Board material, their own and other members' work on the Board with the aim of improving the work of the Board and providing the Nomination Committee with a relevant basis for making decisions ahead of the AGM. An evaluation was performed by an external company led by the Chairman of the Board ahead of the 2021 AGM, and the results were presented to the Board and the Nomination Committee.

MEMBERS OF THE BOARD

The members of the Board are elected on an annual basis by the AGM for the period until the end of the next AGM. According to Resurs Holding's Articles of Association, the Board is to comprise three to ten members elected by a general meeting. The Board currently comprises eight members elected by a general meeting for the period until the end of the 2021 AGM.

Under the Code, a majority of the AGM-elected Board members must be independent in relation to the company and its management. To determine whether a Board member is independent, a collective assessment must be made of all circumstances that may give reason to question a Board member's independence in relation to the company or its management, such as if a Board member has recently been employed by the company or one of its related companies. At least two of the Board members who are independent in relation to the company and its management must also be independent in relation to the company's major shareholders. In order to determine this independence, the scope of the member's direct or indirect relations to major shareholders must be taken into account. Major shareholders are defined under the Code as shareholders who directly or indirectly control 20 per cent or more of the company's shares or voting rights.

Members of the Board

Name	Function	Elected ¹⁾	Independent	Audit Committee	Remuneration Committee	Corporate Governance Committee	Board meeting attendance	Committee meeting attendance	Total fees	No. of own and related parties' shares
Martin Bengtsson	Chairman ¹⁾	2012	No ^{2) 3)}	•			13/14	13/13	SEK 1,370,000	57,885,556
Johanna Berinde	Board member	2019	Yes			•	12/14	4/4	SEK 628,000	1,220
Mariana Burenstam Linder	Board member ⁴⁾	2015	Yes			• ⁴⁾	8/8	2/2	SEK 246,000	- ⁵⁾
Fredrik Carlsson	Board member	2012	Yes	•	•		14/14	18/18	SEK 633,000 ⁶⁾	167,254
Anders Dahlvig	Board member ⁴⁾	2012	Yes		• ⁴⁾		7/8	3/3	SEK 183,000	- ⁵⁾
Lars Nordstrand	Board member ¹⁾	2012	Yes		•	•	12/14	7/9	SEK 990,000 ⁶⁾	64,994
Marita Odélius Engström	Board member	2015	Yes	• ⁷⁾		•	14/14	12/13	SEK 640,000	23,407
Mikael Wintzell	Board member	2018	Yes				14/14		SEK 440,000	4,500 ⁸⁾
Kristina Patek	Board member ⁹⁾	2020	Yes	• ⁹⁾			6/6	4/4	SEK 264,000	5,232
Susanne Ehnåge	Board member ⁹⁾	2020	No		• ⁹⁾		6/6	2/2	SEK 264,000	2,600

1) Were also former Board members of Resurs Bank and/or Solid prior to the foundation of Resurs Holding in 2012.

2) Not independent in relation to the company's major shareholders.

3) Not independent in relation to the company and its management.

4) Stepped down as Board member and Committee member 17 June 2020 on the General meeting.

5) Stepped down 17 June 2020 on the General meeting. Therefore no information on shareholdings at 31 December 2020 is provided.

6) Is also Chairman of the board or board member of the subsidiary Solid Försäkringsaktiebolag and the remuneration includes this assignment.

7) Committee member since 17 June 2020.

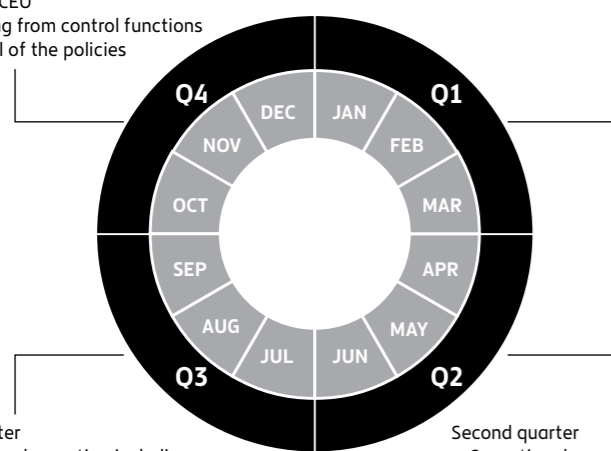
8) 0 shares on 31/12/2020. Shareholding has come after that.

9) Elected on the General meeting 17 June 2020 and are also member of Committee.

THE BOARD'S WORK IN 2020

Fourth quarter

- Operational reporting including financial reporting
- Credit matters including NPE strategy, credit risk, large exposures, problem credits and insider loans
- Q3 report
- Sale of NPL portfolio
- Budget and operational plan for 2021
- Group recovery plan
- Evaluation of the Board of Directors and the CEO
- Reporting from control functions
- Approval of the policies



Third quarter

- Operational reporting including financial reporting as well as issue of organisational change in the Nordic region
- Sustainability work
- Credit matters including NPE strategy, credit risk, large exposures, problem credits and insider loans
- Q2 report
- NPE strategy
- ABS
- Internal liquidity adequacy assessment process (ILAAP)
- Reporting from control functions
- Approval of the policies

First quarter

- Operational reporting including financial reporting
- Credit matters including credit risk, large exposures, problem credits and insider loans
- Year-end report
- Offer to repurchase LTI 2016/2020 and the new programme LTI 2020/2023
- Notice and documents for 2020 Annual General Meeting

Second quarter

- Operational reporting including financial reporting
- Credit matters including credit risk, large exposures, problem credits and insider loans
- Q1 report
- Annual Report and Annual General Meeting
- Statutory meeting
- Reporting from control functions and complaint function
- Approval of the policies
- Annual update to prospectus

BOARD COMMITTEES

Although the overall responsibility of the Board cannot be delegated, the Board institutes Committees from among its ranks that prepare, evaluate and monitor matters within each specific area ahead of decisions by the Board. Accordingly, the Board has instituted an Audit Committee, Corporate Governance Committee and Remuneration Committee. The Committee members and Chairmen are appointed by the Board and their work is governed by each Committee's rules of procedure.

AUDIT COMMITTEE

One of the primary tasks of the Audit Committee in accordance with Chapter 8, Section 49b of the Swedish Companies Act is to ensure that the Board meets its oversight requirements pertaining to auditing, accounting and financial reporting. The Audit Committee is also tasked with reviewing the processes and procedures for the aforementioned areas. In addition, the Audit Committee is to supervise the impartiality and independence of the auditor, evaluate the auditing practices and discuss the coordination between the external and internal auditing functions with the auditors. The Audit Committee is also to assist Resurs Holding's Nomination Committee in producing candidates for external auditors. The Audit Committee

has three members: Fredrik Carlsson (Chairman), Martin Bengtsson and Kristina Patek. The Audit Committee fulfils the requirements on auditing and accounting expertise as stipulated in the Swedish Companies Act.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee's tasks include evaluating the Group's internal control and policies pertaining to compliance, risk control and internal audit, insofar as these do not influence the area of financial reporting, for which the Audit Committee is responsible. Among other matters, the Corporate Governance Committee is to evaluate observations and proposals for improvement measures based on reports submitted by the compliance function, risk control function and internal audit function, review Resurs Bank's internal capital and liquidity assessments, and monitor proposals on legislative amendments that may impact the Group's licensed operations. The Corporate Governance Committee is also to inform the Board of and provide recommendations on the results of these reviews and evaluations. The Corporate Governance Committee has three members: Lars Nordstrand (Chairman), Johanna Berlinge and Marita Odélius Engström.

REMUNERATION COMMITTEE

The Remuneration Committee's task is to prepare matters concerning terms of employment and assignments for Board members and executive management. The Remuneration Committee is to monitor and evaluate the application of the guidelines for remuneration to senior executives which the general meeting is to adopt according to the law, and assist the Board with support and advice in formulating the Group companies' respective remuneration policies to promote sound and efficient risk management and, if necessary, propose changes. The internal policies govern matters such as the balance between fixed and variable remuneration, and the relation between earnings and compensation, the primary terms for bonus and incentive schemes, and the terms for other benefits, pensions, resignation/dismissal and termination benefits if applicable. The Remuneration Committee is tasked with monitoring and evaluating the results of variable remuneration, and the Group's compliance with the guidelines for remuneration as adopted by a general meeting. The Remuneration Committee has three members: Fredrik Carlsson (Chairman), Lars Nordstrand and Susanne Ehnåge.

CEO AND OTHER SENIOR EXECUTIVES

The CEO is subordinate to the Board of Directors and is responsible for the company's operational management and its day-to-day business. The delegation of duties among the Board and the CEO is outlined in the Board's rules of procedure and the CEO's instructions. The CEO is also responsible for preparing reports and compiling information from management ahead of Board meetings and makes presentations at the Board meetings.

Pursuant to the internal policies on financial reporting, the CEO is responsible for financial reporting at Resurs Holding and must thus ensure that the Board has sufficient information in order to be able to regularly assess the company and the Group's financial position. Accordingly, the CEO continuously keeps the Board informed of the performance of the business, earnings and financial position, trends in liquidity and credit risk, key business developments, as well as any other event, circumstance or condition that could be assumed to be of significance for the company's shareholders. Furthermore, the CEO is to lead the executive management and execute the decisions made by the Board.

Resurs Holding's Group Management comprises ten people: the CEO, CFO, CCO Nordic Consumer Loans, CCO Nordic Payment Solutions, CCO Nordic B2B, CHRO, CIO, COO, Chief Credit & NPL Officer and Chief Customer Service Officer.

Remuneration of the CEO senior executives may include fixed salary, long-term incentive programmes, pensions and other benefits. Senior executives are not paid

Name	Position	Member of Group Management since	Employed by Resurs since	No. of own and related parties' shares	Own number of warrants
Nils Carlsson ¹⁾	President and CEO	2020	2020	25,000	750,000
Jonas Olin ²⁾	Former CFO	2020	2020	9,000	250,000
Claes Wentzel ³⁾	Interim CFO	2021	2021	50,000 ⁴⁾	0
Anna Nauclér	CCO Nordic Payment Solutions	2018	2018	0	115,704
Eva Brike	CHRO	2017	2017	0	162,663
Johan Flodén ⁵⁾	CCO Nordic Consumer Loans	2020	2006	4,597	45,532
Sebastian Green	CIO	2018	2018	0	50,000
Erik Frick	COO	2013	2012	75,485	182,663
Anita Tidner ⁶⁾	CCSO	2020	2021	1,039	50,000
Andreas Fridell ⁷⁾	CCO Nordic B2B	2020	2020	0	85,000
Stefan Noderen ⁵⁾	Chief Credit & NPL Officer	2020	2013	16,000	12,500

1) Assumed as CEO 1 June 2020.

2) Assumed as CFO April 2020 and resigned as CFO 10 February 2021.

3) Assumed as interim CFO on February 10, 2021 and is since then a member of group management.

4) Claes Wentzel is not employed but holds consultancy assignments.

5) Shareholdings that have been acquired after 31/12/2020.

6) Member of Group Management since 1 September 2020.

7) Member of Group Management since 1 September 2020. employed since January 2021.

8) Employed on 1 October 2020 and is since that member of Group Management

a bonus or variable remuneration. The Annual General Meeting on 17 June 2020 resolved on remuneration guidelines that are to apply for remuneration of the CEO and other senior executives. Remuneration of the CEO and other senior executives is to be determined by the Board in accordance with the guidelines on remuneration of senior executives approved by a general meeting and internal policies based on regulations on remuneration systems in banking and insurance operations applicable at any time.

INTERNAL CONTROL

The Board's responsibility for internal control is governed by the Swedish Companies Act, the Annual Accounts Act (1995:1554), the Code and the applicable elements of the Swedish Financial Supervisory Authority's regulations and general recommendations. The procedures for internal control, risk assessment, control activities and monitoring regarding its financial reporting were designed to ensure reliable overall financial reporting and external financial reporting pursuant to IFRS, prevailing laws and regulations, and other requirements that must be complied with by companies listed on the Nasdaq Stockholm. These efforts involve the Board, Group Management and other personnel.

CONTROL ENVIRONMENT

The Board has adopted a number of policies, which, along with the external regulatory framework, comprise the basis for Resurs Holding's control environment. All

employees are responsible for complying with the adopted policies. The Board has adopted policies that govern the responsibilities of the CEO and the Board. The Board's rules of procedures stipulate that due to the consolidated situation, which includes Resurs Holding together with Resurs Bank, the Board is to ensure the presence of a risk control function (second line of defence), a compliance function (second line of defence) and an internal audit function (third line of defence), all of which are organisationally separated from one another. A function for information security function (the second line of defence) has also been designated. The control functions must regularly report on significant weaknesses and risks to the Board and CEO. The reports are to follow up on previously reported weaknesses and risks and account for each newly identified significant weakness and risk. The Board and the CEO are to take the appropriate actions based on the control functions' reports as soon as possible. The Board and the CEO are to ensure that Group has procedures in place to regularly monitor actions that were taken based on reports made by the control functions. Responsibility for maintaining an effective control environment and a regular focus on risk assessment and internal control regarding financial reporting is delegated to the CEO. However, responsibility ultimately lies with the Board. The CEO must regularly provide the Board with a written CEO report, including general commentary on significant events. As operative personnel in the first line of defence, managers at

various levels within the Group are responsible for identifying and addressing identified risks.

Resurs Holding's Audit Committee continuously ensures the quality of Resurs Holding's financial reporting, while the Corporate Governance Committee ensures the quality of Resurs Holding's corporate governance, internal control, compliance, risk control, information security and internal audit functions.

RISK ASSESSMENT AND CONTROL ACTIVITIES

Resurs Holding has implemented a model for assessing the risk of errors in the accounting and the financial reporting. The most significant items and processes in which the risk of material errors may typically exist include income-statement and balance-sheet items, leading to the public, intangible assets and financial instruments. Resurs Holding continuously monitors the effectiveness of the control of these items and processes.

MONITORING, EVALUATION AND REPORTING

The Board continuously evaluates the information it receives. The Board regularly receives reports from the business areas concerning Resurs Holding's financial position and reports from the Audit Committee regarding their observations, recommendations, and proposals on actions and decisions. The internal audit function, compliance function, risk control function and information security function regularly report their observations and proposals for actions to the CEO, the Board and certain Board Committees. The internal and external regulatory frameworks that govern financial reporting are communicated internally by way of policies that are published on the Group's intranet.

AUDITORS

Ernst & Young AB (Jakobsbergsgatan 24, SE-111 44, Stockholm, Sweden), has served as the company's auditor since 2013, with Jesper Nilsson as the Auditor-in-Charge since 2020. Jesper Nilsson is an Authorised Public Accountant and a member of FAR, the institute for the accountancy profession in Sweden, as well as a licensed auditor for financial companies.

In 2020 the auditor participated in eight Audit Committee meetings, at which the quarterly reports for 2020 and the Annual Report for 2019 were discussed. In addition, the auditor participated in two Board meetings at which the Annual Report and the quarterly report for the first quarter of 2019 were considered. The external auditing of the company's and subsidiaries' financial statements and accounts, as well as the Board's and CEO's administration, is conducted in accordance with generally accepted accounting policies.

Board of Directors



Martin Bengtsson

Born in 1970. Member of the Board since 2012. Chairman of the Nomination Committee and member of the Audit Committee.

Education and professional experience: MSc in Economics and Business Administration. Previously Manager, Business development at SIBA Aktiebolag, Country Manager at SIBA Aktiebolag, Danish Branch and Investment Manager at Waldir Aktiebolag.

Other significant appointments: Chairman of the Board, SIBA Fastigheter AB. Board member and CEO of SIBA Invest AB.



Johanna Berlinde

Born in 1970. Member of the Board since 2019. Member of the Corporate Governance Committee.

Education and professional experience: MSc in Economics and Business Administration. Former Sales Director Tele2Vision, Director of Product & Marketing B2B Tele2 Sweden, VP Head of TV & Media Telia Company, Head of M&A and Partner Management Telia Sweden and VP Head of Product Area Connectivity Telia Company. Currently VP Head of Customer Service & Delivery Telia Sweden.

Other significant appointments: Board member of Solidtango AB.



Fredrik Carlsson

Born in 1970. Member of the Board since 2012. Chairman of the Audit Committee and Remuneration Committee.

Education and professional experience: MBA, BSc in Business Administration. Former Global Head of Research, SEB Enskilda, Head of Equities, Second AP Fund, Bank of America/Merrill Lynch and HSBC.

Other significant appointments: Chairman of the Board of Directors of Svolder Aktiebolag and Sten A Olssons Pensionsstiftelse. Board member of Betsson AB and the Torsten Söderberg Foundation.



Lars Nordstrand

Born in 1951. Member of the Board since 2012. Member of the Corporate Governance Committee and Remuneration Committee.

Education and professional experience: BSc, MSc in Economics and Business Administration. Previously CEO of Moderna Försäkringar Movestic Livförsäkring AB and Deputy CEO of Inviki, major in the reserve.

Other significant appointments: Chairman of the Board of Euroaccident Livförsäkring, Akademikerförsäkring, Nordnet Pensionsförsäkring and Anticimex Försäkringar.



Marita Odélius Engström

Born in 1961. Member of the Board since 2015. Member of the Corporate Governance Committee.

Education and professional experience: MSc in Economics and Business Administration, Authorised Public Accountant. Former CFO and Head of Process & Synergies, Skandia Nordic Group.

Other significant appointments: CEO of Fora AB.



Mikael Wintzell

Born in 1981. Member of the Board since 2018.

Education and professional experience: Upper-secondary engineering course. Deputy Chief Commercial Officer at Klarna, Sales Director at Payex. Currently Founder and CEO of Wellstreet Group.

Other significant appointments: Board member of companies associated with Wellstreet Group.



Susanne Ehnåge

Born in 1979. Member of the Board since 2020. Member of the Remuneration Committee.

Education and professional experience: MSc in Economics from the School of Business, Economics and Law at the University of Gothenburg. Former CEO and other positions at NetOnNet and SIBA AB.

Other significant appointments: CEO of Lindex. Board member of Quimper.



Kristina Patek

Date of birth: 1969. Member of the Board since 2020. Member of the Audit Committee.

Education and professional experience: MSc in Business Studies and Economics, Uppsala University. Previously Head of M&A at Tieto, partner at Scope Capital, investment manager at Ratos and management consultant at Accenture.

Other significant appointments: Senior Investment Director, Stena Sessan AB and Scandic Hotels Group AB. Member of the Boards of Didner & Gerge Fonder AB and Scandic Hotels Group AB.

Group Management



Nils Carlsson

Date of birth: 1969. President and CEO.

Education and professional experience: MSc in Economics and Business Administration from Växjö University, Stockholm School of Economics, MBA Heriot-Watt University, Edinburgh Director of Product Development at Europolitan, Director Business Development at Vodafone, Vice President Sales, Marketing & Product at Telenor, CEO of Netbooster, CEO of Electrolux Sverige, CEO of Fortnox AB.

Other current appointments: Member of the Boards of Tradedoubler AB and Svensk Fastighetsförmedling.



Claes Wentzhel

Date of birth: 1962. Interim Chief Financial Officer (CFO) since 10 February 2021.

Education and professional experience: MSc in Economics and Business Administration from Stockholm University. Previous posts include CFO of Starbreeze AB (publ.), Catena Media PLC, Pricer AB (publ.), CFO and Deputy CEO of Orexo AB (publ.), CFO and Deputy CEO of Perbio Science AB (publ.).

Other current appointments: Chairman of the Board of Sozap AB (publ.), Board member of WenCon AB



Eva Brike

Date of birth: 1968. Chief Human Resources Officer & Sustainability Director (CHRO).

Education and professional experience: BSc in Human Resource Management, University of Lund. Previously Senior Vice President Human Resources at Rosti Group and HR Director at Air Liquide Norden, BRIO Group and Ericsson Mobile Platforms.

Other current appointments: -



Erik Frick

Date of birth: 1982. Chief Operating Officer (COO) and Deputy CEO of Resurs Bank.

Education and professional experience: BSc in Business Administration, Växjö University and MSc in Business & Corporate entrepreneurship, Chalmers University of Technology. Previously Head of Group CRM and Project Management at CDON Group and Sales Manager at CDON AB.

Other current appointments: Board member of Kivra Oy. Deputy Board member of Resurs Norden AB and Resurs Förvaltning Norden AB.



Sebastian Green

Born in 1973. Chief Information Officer (CIO).

Education and professional experience: MSc in Computer Engineering, Lund University. Previously CIO and Head of Development at Bergendahls Food, IT consultant at Cag Gemini, NCR Teradata and IKEA.

Other current appointments: -



Anna Naucler

Born in 1977. Chief Commercial Officer (CCO) and Deputy CEO of Resurs Bank AB.

Education and professional experience: MSc in Business Administration, Stockholm University. Previously Sales Manager and Country Manager at Unilever FoodSolutions, BI Consultant at KnowIT, CFO at Innograte.

Other current appointments: Board member at Out of Home.



Johan Flodén

Born in 1977. Chief Commercial Officer, Nordic Consumer Loans.

Education and professional experience: BSc in Business Administration from Örebro University. Former Product Manager Consumer Loans at Resurs Bank and Business Area Director Consumer Loans at Resurs Bank.

Other current appointments: -



Andreas Fridell

Date of birth: 1981. Chief Commercial Officer, Nordic B2B.

Education and professional experience: Degree in Marketing and Communication. Studies in pedagogy and leadership. Military Officer in the Swedish Armed Forces, Sales Manager at Eniro, Chief Commercial Officer at Fortnox AB, Board member of Ny-företagarecentrum, Head of Solution Management and Deputy CEO at IST AB and CEO and Head of Business Region Sweden at IST AB and IST Group.

Other current appointments: -



Stefan Noderen

Date of birth: 1968. Chief Credit & NPL Officer.

Education and professional experience: Upper secondary school business diploma. Former CEO of Redcats Finans AB, CEO of Time Finans AB, Head of Business Development & IT at Finaref Sverige AB.

Other current appointments: -



Anita Tidner

Date of birth: 1964. Chief Customer Service Officer.

Education and professional experience: DIHM Marketing IHM Business School, former Head of Customer Service Telia Sweden, Head of Sales Telia Operator Business, Head of Sales UC Kreditinformation. Consultant in leadership development and sales.

Other current appointments: Board member of Alliera Säj- & Ledarutveckling AB

Statements and notes, Group

INCOME STATEMENT, GROUP

SEK thousand	Note	2020	2019
Interest income	G7	3,258,894	3,310,584
Interest expenses	G7	-399,599	-408,910
Fee and commission income, banking operations	G8	186,124	222,693
Fee and commission expense, banking operations	G8	-63,635	-60,442
Premium earned, net	G9	910,842	896,509
Insurance compensation, net	G10	-232,196	-222,941
Fee and commission expense, insurance operations		-232,283	-242,084
Net income/expense from financial transactions	G11	-15,598	-22,536
Other operating income	G12	200,362	206,345
Total operating income		3,612,911	3,679,218
General administrative expenses	G14,G15	-1,206,154	-1,200,762
Depreciation, amortisation and impairment of tangible and intangible assets	G16	-149,777	-87,642
Other operating expenses	G17	-115,861	-158,663
Total expenses before credit losses		-1,471,792	-1,447,067
Profit before credit losses		2,141,119	2,232,151
Credit losses, net	G18	-854,372	-669,454
Operating profit		1,286,747	1,562,697
Income tax expense	G19	-333,087	-346,387
Profit for the year		953,660	1,216,310
Portion attributable to Resurs Holding AB shareholders		936,716	1,213,343
Portion attributable to additional Tier 1 capital holders		16,944	2,967
Profit for the year		953,660	1,216,310
Basic and diluted earnings per share, SEK	G20	4.68	6.07

STATEMENT OF COMPREHENSIVE INCOME, GROUP

SEK thousand	Note	2020	2019
Profit for the year		953,660	1,216,310
Other comprehensive income that will be reclassified to profit			
Translation differences for the year, foreign operations	G41	-102,826	33,162
Total other comprehensive income		850,834	1,249,472
Portion attributable to Resurs Holding AB shareholders		833,890	1,246,505
Portion attributable to additional Tier 1 capital holders		16,944	2,967
Comprehensive income for the year		850,834	1,249,472

STATEMENT OF FINANCIAL POSITION, GROUP

SEK thousand	Note	31/12/2020	31/12/2019
Assets			
Cash and balances at central banks		208,520	220,799
Treasury and other bills eligible for refinancing	G21	2,302,823	1,758,835
Lending to credit institutions	G22	4,149,906	4,128,953
Lending to the public	G23	30,858,341	31,344,787
Bonds and other interest-bearing securities	G24	1,143,616	1,288,954
Subordinated loans	G25	29,682	28,290
Shares and participations	G26	105,494	95,823
Derivatives	G27	113,272	110,707
Goodwill	G28	1,666,956	1,773,508
Other intangible assets	G28	228,438	289,897
Property, plant and equipment	G29	122,210	139,871
Reinsurer's share of technical provisions	G30	3,667	3,876
Other assets	G31	84,318	91,480
Current tax asset		81,063	46,102
Deferred tax asset	G19	3,811	5,237
Prepaid expenses and accrued income	G32	351,728	421,629
Total assets		41,453,845	41,748,748
Liabilities, provisions and equity			
Liabilities and provisions			
Liabilities to credit institutions	G33	107,400	94,900
Deposits and borrowing from the public	G34	24,692,195	24,409,032
Other liabilities	G35	620,822	694,487
Derivatives	G27	4,167	25,358
Accrued expenses and deferred income	G36	225,067	211,861
Current tax liability		95,064	54,452
Deferred tax liability	G19	225,785	241,281
Technical provisions	G37	587,764	585,557
Other provisions	G38	21,075	20,337
Issued securities	G39	6,297,472	7,672,347
Subordinated debt	G40	598,702	597,890
Total liabilities and provisions		33,475,513	34,607,502
Equity	G41		
Share capital		1,000	1,000
Other paid-in capital		2,085,701	2,082,505
Translation reserve		-36,620	66,206
Additional Tier 1 instruments		300,000	300,000
Retained earnings incl. profit for the year		5,628,251	4,691,535
Total equity		7,978,332	7,141,246
Total liabilities, provisions and equity		41,453,845	41,748,748

See note G42 for information on pledged assets, contingent liabilities and commitments.

STATEMENT OF CHANGES IN EQUITY

SEK thousand	Share capital	Other paid-in capital	Hedge accounting reserve	Translation reserve	Additional Tier 1 instruments	Retained earnings incl. profit for the year	Total equity
Initial equity at 1 January 2019	1,000	2,086,305	-35,600	68,644	0	4,228,192	6,348,541
<i>Owner transactions</i>							
Option premium received/repurchased		-3,800					-3,800
Dividends according to General Meeting						-390,000	-390,000
Dividends according to Extraordinary General Meeting						-360,000	-360,000
Issued additional Tier 1 instruments					300,000		300,000
Cost additional Tier 1 instruments						-2,967	-2,967
Profit for the year						1,216,310	1,216,310
Other comprehensive income for the year				33,162			33,162
Equity at 31 December 2019	1,000	2,082,505	-35,600	101,806	300,000	4,691,535	7,141,246
Initial equity at 1 January 2020	1,000	2,082,505	-35,600	101,806	300,000	4,691,535	7,141,246
<i>Owner transactions</i>							
Option premium received/repurchased		3,196					3,196
Cost additional Tier 1 instruments						-16,944	-16,944
Profit for the year						953,660	953,660
Other comprehensive income for the year				-102,826			-102,826
Equity at 31 December 2020	1,000	2,085,701	-35,600	-1,020	300,000	5,628,251	7,978,332

All equity is attributable to Parent Company shareholders except Tier 1 capital instruments.

See note G41 regarding Issued additional Tier 1 instruments and translation reserve.

CASH FLOW STATEMENT (INDIRECT METHOD), GROUP

SEK thousand	Note	2020	2019
Operating activities			
Operating profit		1,286,747	1,562,697
- of which interest received		3,260,938	3,306,307
- of which interest paid		-416,016	-383,662
Adjustment for non-cash items in operating profit		1,030,086	896,641
Income taxes paid		-333,926	-287,503
Cash flow from operating activities before changes in operating assets and liabilities		1,982,907	2,171,835
Changes in operating assets and liabilities			
Lending to the public		-1,545,166	-3,694,769
Other assets		624,312	-143,140
Liabilities to credit institutions		12,500	-55,000
Deposits and borrowing from the public		934,406	3,623,920
Acquisition of investment assets ¹⁾		-4,909,134	-3,238,044
Divestment of investment assets ¹⁾		4,418,404	2,455,395
Other liabilities		-39,243	-106,353
Cash flow from operating activities		1,478,986	1,013,844
Investing activities			
Acquisition of non-current assets	G28,G29	-73,079	-103,966
Divestment of non-current assets		5,347	1,343
Cash flow from investing activities		-67,732	-102,623
Financing activities			
Dividends paid			-750,000
Option premium received/repurchased		3,196	-3,800
Additional Tier 1 instruments		-16,944	297,033
Issued securities		-1,377,406	-213,887
Subordinated debt			298,950
Cash flow from financing activities		-1,391,154	-371,704
Cash flow for the year		20,100	539,517
Cash and cash equivalents at beginning of the year ²⁾		4,349,752	3,766,865
Exchange differences		-11,426	43,370
Cash and cash equivalents at end of the year ²⁾		4,358,426	4,349,752
Adjustment for non cash flow items in operating profit			
Credit losses	G18	854,372	669,454
Depreciation, amortisation and impairment of tangible and intangible assets	G16	149,777	87,642
Profit/loss tangible assets		-1,168	-269
Profit/loss on investment assets ¹⁾		-1,414	-20,089
Change in provisions		4,026	50,476
Adjustment to interest paid/received		-6,670	29,863
Currency effects		17,820	74,035
Depreciation, amortisation and impairment of shares		10,000	
Other items that do not affect liquidity		3,343	5,529
Total adjustments for non cash flow items in operating profit		1,030,086	896,641

¹⁾ Investment assets are comprised of Bonds and other interest-bearing securities, Treasury and other bills eligible for refinancing, Subordinated loans and Shares and participations.

²⁾ Liquid assets are comprised of Lending to credit institutions and Cash and balances at central banks.

SEK Thousand	1 Jan 2020	Cash flow	Non cash flow items	31 Dec 2020
			Accrued acquisition costs	Exchange rate differences
Issued securities	7,672,347	-1,377,406	2,531	6,297,472
Subordinated debt	597,890		812	598,702
Total	8,270,237	-1,377,406	3,343	0
			Accrued acquisition costs	Exchange rate differences
Issued securities	7,832,186	-213,887	4,758	7,622,347
Subordinated debt	298,171	298,950	769	597,890
Total	8,130,357	85,063	5,527	49,290

Notes

G1 GENERAL INFORMATION

Resurs Holding AB (publ), Corporate Identity Number 556898-2291, address Ekslingan 9, Väla Norra, Helsingborg, is a public limited liability company headquartered in Helsingborg, Sweden. Resurs Holding AB is owned to 28.9 per cent by Waldakt AB. Of the remaining owners, no single owner holds 20 per cent or more.

Resurs Holding AB hereby submits the annual report and the consolidated financial statements for the financial year 2020.

The Group is comprised of the subsidiaries; Resurs Förvaltning Norden AB, Corporate Identity Number 559067-0690, Resurs Bank AB, together with its subsidiaries, Corporate Identity Number 516401-0208 and Solid Försäkrings AB, Corporate Identity Number 516401-8482. For the complete Group structure, see Note G43.

The regulatory consolidation (consolidated situation) include Resurs Bank Group and its parent company Resurs Holding AB.

The consolidated financial statements and the annual report are presented in SEK thousand unless otherwise indicated.

Presentation and adoption of the annual report

The annual report was approved for issuance by the Board of Directors on the 22 March 2021. The income statement and the balance sheet are subject to approval by the Annual General Meeting on 28 April 2021.

G2 ACCOUNTING PRINCIPLES

Group

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), as adopted by the EU. Applicable sections of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's regulations and general guidelines on Annual Reports in Credit Institutions and Securities Companies, FFFS 2008:25 and all applicable amendments, and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, were also applied. Unless otherwise specified, the accounting principles described below were applied consistently to all periods presented in the Group's financial statements.

Basis of preparation

Group management has considered the development and information regarding the Group's key accounting principles and has defined its position on the choice and application of these principles. The Group's assets and liabilities are measured at historical cost. Financial assets and liabilities are measured at amortised cost, apart from certain assets and liabilities which are measured at fair value through profit or loss. Financial assets and liabilities measured at fair value through profit or loss comprise:

- Bonds and other interest-bearing securities, including subordinated loans
- Shares and participations
- Derivatives

- Treasury and other bills eligible for refinancing

Judgements and estimates in the financial statements

Preparation of financial statements in compliance with IFRS requires Group management to make judgements, accounting estimates and assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, income and expenses. Estimates and

assumptions are based on historical experience and a number of other factors that are considered reasonable in the present circumstances. The results of these estimates and assumptions are used to determine the carrying amounts of assets and liabilities which are not readily apparent from other sources. The actual outcome may differ from those estimates and assumptions. The accounting estimates and assumptions are reviewed regularly. Changes in accounting estimates are recognised in the period of the change if the change only affects that period. Changes are recognised in the period of the change and future periods if the change affects both. Assessments made by Group management and key sources of estimation uncertainty when applying IFRS that have a significant impact on the financial statements are described in more detail in Note G46 Key estimates and assessments.

New standards, amendments and interpretations that have been applied by the Group

None of the new standards, amendments or interpretations that have come into effect for the financial year beginning on 1 January 2020 have had a significant impact on the Group.

New standards, amendments and interpretations that have not yet been applied by the Group.

A number of new or amended IFRSs have been published, but have not yet taken effect, as at the preparation of this annual report on 31 December 2020. There are no plans for these new or amended IFRSs to be applied in advance. The anticipated effects on the financial statements of the application of the following new or amended IFRSs are set forth below. No other new or amended IFRSs approved by IASB as at 31 December 2020 are expected to have any impact on the consolidated financial statements.

IFRS 17 Insurance Contracts (not approved by the EU)

The final standard that will replace the standard previously known as IFRS 4 (Phase II) was published in May 2017 and will be applied on 1 January 2023. The standard entails a new basis for the recognition and measurement of insurance contracts with the aim of enhancing transparency and reducing differences in the recognition of insurance contracts. A major change in the new standard is clearer and more extensive requirements on how insurance contracts are to be aggregated. The changes also mean that analyses of profitability in insurance contracts will be more detailed. The new standard is expected to have a major impact on disclosures in and the presentation of the financial reporting. The internal activities to analyse the effects of the new standard, internal training requirements and planning for the transition to the new standard when it comes into force are under way and will be intensified in 2021 and 2022 so that the Group is well-prepared to meet the changes required.

Consolidated financial statements

The consolidated financial statements include the Parent Company and its subsidiaries. Subsidiaries are entities over which the Parent Company exercises control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its power over the entity and has the ability to affect those returns through its power over the entity. A subsidiary is consolidated from the acquisition date, which is the date when the Parent Company obtains control. A subsidiary is deconsolidated from the date on which control ceases.

The Group is comprised of the subsidiaries, Resurs Förvaltning Norden AB, Resurs Bank AB and Solid Försäkrings AB. The subsidiaries were consolidated using the acquisition method and, accordingly, the carrying amount of subsidiary shares is eliminated against the subsidiaries' equity at the time of acquisition.

Purchase consideration for the acquisition of a subsidiary comprises the fair value of transferred

assets, liabilities incurred by the Group to the former owners of the acquired company, and the shares issued by the Group. Purchase consideration also includes the fair value of all assets and liabilities that are a result of a contingent consideration agreement. Identifiable assets acquired, and liabilities assumed in a business combination are measured initially at their acquisition date fair values. For each acquisition, i.e. on a transaction-by-transaction basis, the Group decides whether to measure the non-controlling interest (NCI) in the acquired company at fair value or at the NCI's proportionate share of the identifiable net assets of the acquired company. Acquisition-related costs are recognised as an expense when incurred. Goodwill is initially measured as the difference between the total purchase consideration plus any fair value of non-controlling interests, and the fair value of identifiable assets acquired, and liabilities assumed. If the purchase consideration is lower than the fair value of the acquired company's net assets, the difference is recognised directly through profit or loss.

In the consolidated financial statements, untaxed reserves are divided into two parts, a tax component (22 per cent) and a component that is recognised in equity (78 per cent). Intra-Group transactions, balance-sheet items and income and costs for intra-Group transactions are eliminated. Gains and losses resulting from intra-Group transactions and which are recognised as assets are eliminated in their entirety. The accounting principles for subsidiaries have been changed where necessary to ensure consistent application of the Group's principles.

Foreign currency

The Group uses the Swedish crowns as presentation Currency. Functional currency refers to the currency that is primarily used in a business's cash flows. The functional currency is determined within the Group based on each individual business's primary economic environment. The income statement is translated using the average rate for the period in which the transaction arise. Monetary assets and liabilities in foreign currency together with non-monetary assets and liabilities measured at fair value are translated into the closing rate at the balance sheet day. All gains and losses arising from currency translation of monetary items, including the currency component of forward contracts, measured at fair value, are recognised in the income statement as exchange-rate changes within the item Net income/expense from financial transactions.

Goodwill in foreign currency attributable to the acquisition of a foreign operation is treated as assets of the foreign operation and is translated at the closing rate. Exchange-rate gains and losses are recognised in other comprehensive income.

Assets and liabilities in subsidiaries and branches with a functional currency other than Swedish crowns are translated to the reporting currency using the exchange-rate on the balance sheet date. The income statement is translated at the average exchange-rate for each currency during the period.

Tier 1 capital

Tier 1 capital comprises Common Equity Tier 1 capital and other Tier 1 capital. In December 2019, Resurs Holding AB issued Additional Tier 1 Capital of a nominal SEK 300 million. This Additional Tier 1 Capital is subordinated debt that meets some of the requirements to be eligible as Tier 1 capital when calculating the amount of the capital base. The accounting principle chosen means that the Additional Tier 1 Capital is to be classified as equity and payment to holders of these instruments, such as interest, is recognised in equity.

Segment reporting

Operating segments are reported in a manner consistent with the Group's internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function

responsible for allocating resources and assessing performance of the operating segments.

Interest income and interest expense

Interest income and interest expense attributable to financial assets and liabilities are recognised using the effective interest method. The effective interest rate is the rate that equates the present value of all estimated future receipts or payments during the anticipated fixed interest terms with the carrying amount of the receivable or liability. Interest income and interest expense include any transaction costs and other differences from the original value of the asset or liability. Interest income and interest expense presented in profit or loss comprise:

- Interest on financial assets and liabilities measured at amortised cost using the effective interest method, including interest on doubtful receivables.
- Interest on financial assets and liabilities at fair value through profit or loss.

Leases

Lessee

The Group's leases mainly premises and vehicles. Leases are normally signed for fixed periods of about five years for premises and three years for vehicles, but there are the options of extensions and advance termination, which are described below. The terms are negotiated separately for each lease and contain a large number of contractual terms. The leasing agreements are reported in accordance with IFRS 16 as right-of-use together with a corresponding liability to the lessor on the day that the leased assets become available for use by the Group. The right-of-use and lease liability are recognised on the lines Property, plant & equipment and Other liabilities. Each lease payment is distributed between depreciation of liability and interest expense. The interest expense is distributed over the lease term so that each reporting period is charged with an amount equivalent to a fixed interest rate for the liability recognised for each period. The right-of-use asset is depreciated straight-line over the identified right-of-use period. In the cash flow statement payments for the principal portion of the lease liability and payments for the interest portion are presented within operating activities.

Assets and liabilities arising on leases are initially recognised at present value. Lease liabilities include the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less incentives
- variable lease payments that depend on an index or rate, initially measured using the index or rates on the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the lessee is reasonably certain to utilise and
- penalty for terminating the lease, if the length of the term reflects the assumption that the lessee will utilise this option.

Lease payments are discounted at the interest rate implicit if the rate can be determined, otherwise at the incremental borrowing rate.

The right-of-use assets are measured at cost and include the following:

- the amount at which the lease liability was originally measured
- lease payments paid on at before the commencement date, after any rewards received when the lease was signed.
- initial direct costs
- costs for restoring the asset to the condition prescribed in the terms of the lease

The Group has decided to apply the following exemptions in IFRS 16:

- Payments for short-term leases and leases of a low value are expensed straight-line in profit or loss.

Short-term leases are leases of 12 months or less. Low value leases include IT and office equipment.

Options to extend or terminate a lease are included in a number of the Group's leases for premises. The terms are used to maximise flexibility in managing leases. These options of providing the opportunity to terminate a lease in advance can only be utilised by the Resurs Bank Group and not the lessors. When such an option is utilised, a fee corresponding to six months' rent is often charged. The assessment of the use of options to extend or terminate a lease is reviewed if a significant event or change in circumstances arises that impacts this assessment and the change is within the lessee's control.

Lessor

All lease contracts in which the Group is the lessor are classified as finance leases and are recognised in the Group's balance sheet under Lending to the public at an amount corresponding to the net investment in the lease. The lease payment, excluding cost of service, is recognised as repayment of the receivable and as unearned financial income. The income is distributed to obtain an even return on the net investment recognised for each period.

Revenue recognition

The standard for Revenue from agreements with customers, IFRS 15, is applied for various types of services which are mainly reported in the income statement as commission income. IFRS 15 also applies to certain services that are found in the item Other income.

Fee & commission income and expense

Fee & commission income and expense that are an integral part of the effective interest rate are not recognised under fee & commission income, but under interest income. This is comprised of opening fees for loans and fees for the provision of credit or other types of loan commitments for which it is likely that the credit facility will be utilized.

Commission and fees received on financial services are recognised in the period during which the service is expected to be provided when the credit product does not have different partial payment options. Opening fees for other credit products (comprising products with which the customer has the option of switching between different repayment plans) are recognised immediately, since the credit maturity is shorter and there is greater uncertainty about credit maturity.

Fee & commission expenses are the costs of services received, to the extent they are not considered to be interest and are comprised of loan commission. Transaction costs, which are taken into account when calculating the effective interest rate, reduce interest income. Fee & commission expense in the insurance operations comprises remuneration to partners, retail and insurance brokers for the sale of insurance products. Such fee & commission expense are recognised in the financial statements on a separate line under total operating income.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Net income/expense from financial transactions

The item net income/expense from financial transactions includes realised and unrealised changes in value arising from financial transactions. Net income/expense consists of:

- capital gains from financial assets at fair value through profit or loss
- unrealised changes in value from financial assets at fair value through profit or loss
- realised and unrealised changes in the value of derivative instruments that are economic hedging instruments but do not qualify for hedge accounting
- exchange-rate differences
- ineffective part of the hedge accounting in the fair value hedge.

Premium income

Premium income refers to the compensation an insurance company receives from the policy holder for accepting the transfer of insurance risk. Premium income is recognised through profit or loss when the risk transfer commences in accordance with the insurance contract. If the contracted premium for the insurance period is divided into several sub-amounts, the entire premium is nevertheless recognised from the start of the period.

Premium earned

The portion of premium income that is attributable to the accounting period is recognised as premiums earned. The portion of premium income from the insurance contract that pertains to periods after the closing date is reserved in the premium reserve in the balance sheet. Provisions to the premium reserve are normally calculated by allocating premium income strictly based on the term of the underlying insurance contract. Risk-adjusted allocation - meaning in relation to expected claims outcome - takes place for certain insurance products, particularly those with terms of more than one year.

Ceded reinsurance

Premiums for ceded reinsurance comprise amounts paid during the financial year or amounts recognised as a liability to insurance companies that assumed reinsurance according to signed reinsurance contracts, including portfolio premiums. The premiums are allocated so that the cost is distributed to the period to which the insurance cover pertains. Ceded reinsurance is recognised in the net amount in the financial statements under premiums earned.

Insurance compensation

Total insurance compensation includes insurance compensation paid during the period, changes in provisions for claims outstanding and claims-adjustment expenses. Insurance compensation paid includes payments to policy holders during under financial year based on insurance contracts or incurred insurance claims, regardless of when the claim occurred.

Other operating income

The item primarily comprises monitoring fees and withdrawal fees and originate from Lending to the public

General administrative expenses

General administrative expenses include personnel expenses, postage, communication and notification costs, IT costs, consulting fees, premises costs and certain other costs related to the business

Employee benefits

Personnel expenses

Personnel expenses, such as salaries, payroll overhead and variable remuneration, are recognised through profit or loss during the period in which the employee rendered service to the Group. A provision for variable remuneration is recognised when the Group has a legal or constructive obligation to make such payments as a result of the services in question having been rendered by the employees, and when the amount can be measured reliably.

Pensions

The Group primarily has defined contribution pension plans, which are recognised through profit or loss in the period during which the employee rendered service to the Group. Defined contribution plans are plans under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligation to pay further contributions if the legal entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Termination benefits

Termination benefits are only recognised if the Group is demonstrably committed, without realistic possibility of withdrawal, to terminate employment

before the normal retirement date and has a detailed formal plan for termination.

Recognition of assets and liabilities

Assets are defined as resources controlled by the company as a result of past events and which are likely to generate future economic benefits. These are recognised in the statement of financial position when it is probable that future economic benefits associated with the asset will flow to the Group and when the value/cost of the resource can be measured reliably.

Liabilities are current obligations arising from past events, the settlement of which is expected to result in an outflow of resources from the Group. A liability is recognised in the statement of financial position when it is probable that an outflow of resources from the Group will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Financial instruments

Financial instruments recognised under assets in the statement of financial position include treasury and other bills eligible for refinancing, loan receivables, bonds and other interest-bearing securities, subordinated loans, other assets, and derivatives. The heading liabilities, provisions and equity includes loans, issued securities, subordinated debt, derivatives and trade payables.

Financial instruments - Recognition in and derecognition from the statement of financial position

A financial asset or financial liability is recognised in the statement of financial position when the Group becomes a party under the instrument's contractual terms. Financial assets are derecognised from the balance sheet when the contractual rights to the cash flows deriving from the asset cease or when all significant risks and benefits associated with the assets are transferred to another party. This also applies to part of a financial asset. A financial liability is derecognised when the contractual obligation is discharged or extinguished in some other way. This also applies to part of a financial liability. A financial asset and a financial liability may be offset and the net amount recognised in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and the intention is either to settle on a net basis, or to simultaneously realise the asset and settle the liability. Acquisitions and divestments of financial assets are recognised on the trade date, the date on which the Group commits itself to acquire or divest the asset.

Loan receivables are recognised in the statement of financial position when the loan amount is paid to the borrower.

Financial instruments - Classification and measurement

In accordance with IFRS 9, all financial assets are allocated to measurement categories: Amortised cost, Fair value through other comprehensive income or Fair value through profit or loss. Profit or loss is then divided into two sub-categories, mandatory and Fair Value Option (FVO).

Financial instruments in the mandatory category, are continuously valued to fair value with the changes reported in profit or loss.

Financial instruments are initially measured at their fair value plus transaction costs. Transaction costs are direct costs attributable to the acquisition or issue of the financial asset or financial liability. Derivatives and instruments classified as financial assets and financial liabilities at fair value through profit or loss are measured at fair value, excluding transaction costs. A financial instrument is classified on initial recognition according to the purpose for which it was acquired. Classification determines how a financial instrument is measured subsequent to initial recognition, as described below.

Financial instruments - Financial assets at fair value through profit or loss

If a financial asset does not meet the conditions for measurement at amortised cost or for measurement at fair value through other comprehensive income, it must be valued at fair value through profit or loss. The category comprises two sub-categories, the mandatory and the Fair Value Option. In the first category, we have derivatives and financial instruments held for trading. Unrealised and realised changes in the fair value of financial instruments that are measured at fair value through profit or loss are recognised under Net income/expense from financial transactions.

The second measurement category includes equity index bonds and structured products, which contain both an interest bearing and a derivative component. The Group has decided to include equity index bonds and structured products in the category Fair Value Option.

In the balance sheet, these are represented by the items: Treasury and other bills eligible for refinancing, Bonds and other interest-bearing securities, Subordinated loans, Shares and participations and Derivatives.

Financial instruments - Financial assets measured at amortised cost

Loan receivables purchased receivables and accounts receivable are financial assets that are not derivative instruments, that have fixed or fixable payments and that are not listed on an active market. These receivables are represented by the balance sheet items Cash and balances at central banks, Lending to credit institutions, Lending to the public, Other assets and accrued income. These assets are measured at amortised cost. Amortised cost is calculated based on the effective interest rate used at initial recognition.

Loan receivables and accounts receivable are recognised at the amounts expected to be received, in accordance to IFRS 9. Purchased receivables, comprised of a portfolio of non-performing consumer loans, were purchased at a price significantly lower than the nominal value. Recognition follows the effective interest model, with the carrying amount of the portfolio corresponding to the present value of future cash flows, discounted using the effective interest rate applicable on initial acquisition of the portfolio, based on the relationship between cost and the projected cash flows at the time of acquisition. The projected cash flows are regularly reviewed during the year and updated to reflect collection results, agreements on repayment plans signed with debtors and macroeconomic information. All updated information is gathered and processed in the Group's models according to IFRS 9.

Financial instruments - Financial liabilities at fair value through profit or loss

If a financial liability does not meet the conditions for measurement at amortised cost or for measurement at fair value through other comprehensive income, it must be valued at fair value through profit or loss. The category comprises two sub-categories, the mandatory and the Fair Value Option. In the balance sheet the mandatory category includes Derivatives. Both unrealised and realised changes in the fair value are recognised under Net income/expense from financial transactions.

Financial instruments - Liabilities at amortised cost

When liabilities arise, these are valued at amortised cost and accrued interest expenses are accrued on an ongoing basis according to the effective interest method. In the balance sheet the liabilities are represented by the balance sheet items Liabilities to credit institutions, Deposits and borrowing from the public, Issued securities, Subordinated debts, Other liabilities and Accrued expenses.

Net investments in foreign operations

For foreign operations carried out in the form of a branch, the Group's treasury function manages the net investment in each currency and reduces currency risk through other positions in the same currency and through currency derivatives. Translation differences are recognised through profit or loss. Accumulated gains and losses in equity are recognised through profit or loss when the foreign operations are fully or partly divested.

Methods of determining fair value

Financial instruments listed on an active market
The fair value of financial instruments listed on an active market is determined on the basis of the asset's listed bid price on the closing date without additions for transaction costs (for example, brokerage) at the time of acquisition. A financial instrument is deemed to be listed on an active market if listed prices are readily available from a stock exchange, dealer, broker, trade association, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on commercial terms. Any future transaction costs on disposal are not taken into consideration. The fair value of financial liabilities is based on the quoted selling price.

Instruments that are listed on an active market are recognised under Treasury and other bills eligible for refinancing, Bonds and other interest-bearing securities, Subordinated debt and Shares and participations.

Financial instruments not listed on an active market

If the market for a financial instrument is not active, the fair value is determined by applying various measurement techniques that are based on market data as far as possible. The fair value of currency forwards is calculated by discounting the difference between the contracted forward rate and the forward rate that can be utilised on the closing date for the remaining contract period. Discounting is at a risk-free interest rate based on government bonds. The fair value of interest swaps is based on discounting anticipated future cash flows in accordance with contractual terms and maturities using the market rate. The fair value of non-derivative financial instruments is based on future cash flows and current market rates on the closing date. The discount rate used reflects market-based interest rates for similar instruments on the closing date. Information about fair value recognised in the statement of financial position based on a measurement technique is provided in Note G44 Financial instruments. The Group measures derivatives at fair value solely based on input data that is directly or indirectly observable on the market. Instruments that are not listed on an active market are recognised under Lending to credit institutions, Deposits and lending from the public, Derivatives and Other assets and liabilities.

Credit losses and impairment of financial assets

Credit losses comprise confirmed credit losses during the year less amounts received for previous years' confirmed credit losses and changes in the provision for expected credit losses. Loans are recognised net of confirmed credit losses and the provision for expected credit losses (ECL)

In accordance to IFRS 9, the Group assesses expected credit losses together with future-oriented factors for all financial instruments, within the category of amortised cost. Expected balance from loan commitments are also considered. The Group reports the possible losses on each reporting occasion.

The assessment of ECL should reflect: An objective and a probability-weighted amount determined through the evaluation of a number of potential outcomes; with consideration given to money's time

value and to all reasonable and verifiable information available on the reporting date without unreasonable expense or exertion. The assessment also take into account historical, current and forecasts for future economic conditions. The calculation of credit losses is based on expected credit losses under IFRS 9 and will be calculated by multiplying the PD with the Exposure at Default (EAD) multiplied by the Loss Given Default (LGD). This means that the calculation of expected credit losses is based on the bank's total lending volumes, including credits without any increased credit risk.

The impairment model includes a three-stage model based on changes in the credit quality of financial assets. Under this three-stage model, assets are divided into three different stages depending on how credit risk has changed since the asset was initially recognised in the balance sheet. Stage 1 encompasses assets for which there has not been a significant increase in credit risk, stage 2 encompasses assets for which there has been a significant increase in credit risk, while stage 3 encompasses defaulted assets. That is assets which have been transferred to debt collection or are past due 90 days or more. The provision of expected credit losses for assets is governed by the category to which the assets belong. Provisions are made under stage 1 for expected credit losses within 12 months, while provisions for stage 2 and 3 are made for expected credit losses under the full lifetime of the assets.

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

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 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. Reversals are made from stage 2 to stage 1 when a receivable that was previously under stage 2 is no longer subject to a significant increase in risk or is no longer past due for payment by more than 30 days. Reversals can only be made from stage 3 for receivables that are between 90 and 120 days past due for payment, and are then reversed to stage 1 or stage 2 when payments are made during a 12-month period.

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.

In addition to the IFRS 9 reserves described in the preceding paragraph, the Group also makes additions for "management overlays," based on forward-looking macroeconomic profits under IFRS 9. The Group has decided to base the forward-looking calculations on a macroeconomic variable (unemployment level) that from a historical perspective has proven to correlate well with changes in the Group's credit losses. Input used for the forward-looking calculations are forecasts of future unemployment per geographic market in which the Group operates, which are obtained from Bloomberg. The Group also applies a weighted scenario of these forecasts, based on the Group's assessment of the probability of each

scenario occurring in which the weight on 31 December 2020 used the median value of 50 per cent, of which 30 per cent for a more negative trend (higher unemployment) and 20 per cent for a more positive trend (lower unemployment). In addition to the management overlay above, an assessment of the future effects of COVID-19 was made based on a further negative trend in unemployment, compared with the forecasts used in the management overlay in the markets in which the Group operates.

The 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.

For provisions for credit losses pertaining to leasing in factoring, an individual assessment is made as to whether a provision is to be established or impairment (leased equipment) is to be recognised. Testing for these contractual groups is performed only at individual level since no group is deemed to meet the requirements for being treated as a homogeneous group. A provision or impairment is reversed when there is verifying information that the impairment requirement no longer exists. Confirmed credit losses include losses for which the amounts are determined through bankruptcy, settlements, a statement from the enforcement authority or exemption from payment granted in some other way.

Loan commitments and unutilised credit

The Group has no outstanding loan commitments. All unutilised credit facilities granted are terminable with immediate effect to the extent allowed under the Swedish Consumer Credit Act. Unutilised credit is recognised as a commitment.

Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and other business combinations and is the amount by which the purchase consideration exceeds the participation in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company or business plus the fair value of the non-controlling influence in the acquired company. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the acquisition. Each unit or group of units to which goodwill has been allocated represents the lowest level in the Group at which the goodwill in question is monitored for internal control purposes. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate possible impairment. The carrying amount of goodwill is compared with its recoverable amount, which is the higher of value in use and fair value less selling expenses. Any impairment is recognised as an expense immediately and is not reversed.

Other intangible assets

Other intangible assets have finite useful lives and are recognised at cost less accumulated amortisation. They are amortised on a straight-line basis to distribute the cost over their 4-5 year estimated useful life. In connection to the merger of yA Bank additional other intangible assets referring to customer relations were added. The amortisation period for these are 10-15 year.

Other intangible assets include in-house development of IT software. Maintenance costs for IT software are expensed as incurred. Development costs directly attributable to the development of software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it can be utilised.
- It is the company's intention to complete and utilise the software.
- There are opportunities to utilise the software.
- The way in which the software will generate probable future economic benefits can be demonstrated.

- Adequate technical, economic and other resources are available to complete the development and to utilise the intangible asset, and
- The expenditure associated with the intangible asset during its development can be measured reliably. Completed development projects are recognised at the costs incurred, less accumulated amortisation and impairment.

Property, plant & equipment

Items of property, plant & equipment are recognised at cost less accumulated depreciation. Cost includes expenses directly attributable to the acquisition of an asset. Subsequent expenditure is added to the asset's carrying amount or recognised as a separate asset (whichever is more suitable) only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised from the statement of financial position. All other types of repair and maintenance are recognised as an expense through profit and loss in the period in which they arise.

Depreciation of property, plant & equipment for the Group's own use is applied on a straight-line basis in order to allocate cost or revalued amount down to residual value over the estimated useful life. Assets are depreciated over their estimated useful life of 3-5 years from the date of acquisition.

Residual values and useful lives of property, plant & equipment are reviewed on each closing date and adjusted if necessary. The carrying amount of an asset is also immediately impaired to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount refers to either the net selling price or the value in use, whichever is higher. The recoverable amount is calculated as soon as there is an indication that the carrying amount is too high. The carrying amount of property, plant and equipment is derecognised from the statement of financial income on disposal, divestment or when no future economic benefits are expected from its use or disposal/divestment. Gains or losses arising from the disposal/divestment of property, plant and equipment comprise the difference between the sales price and the asset's carrying amount less direct selling expenses.

Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready for use, are not amortised but are tested annually for impairment. Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is taken for the amount whereby the carrying amount of the asset exceeds recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. In impairment testing, assets are grouped at the lowest level for which there are separate identifiable cash flows (cash-generating units). For assets other than goodwill that were previously impaired, a test for reversal is performed every closing date.

Provisions

A provision is recognised in the statement of financial position when there is a present obligation (legal or constructive) due to a past event and it is probable that an outflow of financial resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Where the effect of the time value of money is material, provisions are calculated by discounting anticipated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and, if applicable, the risks specific to the liability.

Technical provisions

Technical provisions are based on estimates made and assumptions regarding future claim costs, which

entails that there is always an element of uncertainty associated with estimates. Estimates are based on historic statistics regarding previous claims outcomes that are available when the annual accounts are prepared. The uncertainty associated with estimates is generally greater when estimating new insurance portfolios. Estimates of technical provisions include the following: amount of unpaid claims, claims trends, changes in legislation, legal judgements and the general economic climate.

Provision for unearned premiums and unexpired risks
In the statement of financial position, this item comprises provisions corresponding to the company's commitments for insurance cases, administration costs and other expenses for the remainder of the contract period for ongoing insurance contracts. Provision for unearned premiums are calculated individually for each insurance contract. Premiums are earned using experience-based factors calculated based on when claim and operating costs arise in an insurance period. This means that earnings are not shown pro rata for all products. A large part of the portfolio has a term of more than one year. Compared with strictly straight-line recognition of earnings, costs during the first year of the insurance contract are assumed to be lower than for the remainder of the contract period, based on a one-year guarantee period for the products encompassed by the insurance policies.

A provision is made for unexpired risks if the premium level is deemed to be insufficient to cover expected claim costs and operating costs. The change for the period in the provision for unearned premiums and unexpired risks is recognised through profit or loss. Changes attributable to the translation of the provision items to the exchange-rate on the closing date are recognised as exchange-rate gains or exchange-rate losses.

Costs for insurance contracts

Direct costs that have a distinct link to signed insurance contracts are recognised as assets (gross). Direct costs mainly refer to fee & commission expense

and are subsequently allocated over the term of the insurance contract.

Taxes

Income tax consists of current tax and deferred tax. Income taxes are recognised through profit or loss except in cases where the underlying transaction is recognised directly in other comprehensive income or equity.

The Group's foreign branch offices in Norway, Denmark, Finland and Switzerland are taxed on their income in their own countries. In Sweden, the Group is liable to pay tax on all its income, including earnings from its foreign branch offices. To the extent that the company pays tax in Sweden on its foreign income, a deduction is normally allowed for the foreign tax paid, in order to avoid double taxation.

Current tax is the amount of income tax payable or recoverable for the current year, calculated using tax rates applicable on the closing date, and includes any adjustments relating to prior periods.

Deferred tax is based on temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax assets on deductible temporary differences and tax loss carryforwards are only recognised to the extent it is probable they will be utilised.

Deferred tax assets and tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same tax authority, on either the same or different taxable entities, where there is an intention to settle on a net basis.

Contingent liabilities

A contingent liability is recognised when a possible obligation may arise based on past events and the existence of the liability will be confirmed by the occurrence or non-occurrence of one or more uncertain future events, or when there is an obligation that is not recognised as a liability or provision

because it is not probable that an outflow of resources will be required to settle the obligation.

Cash flow statement

The cash flow statement for the Group and the Parent Company are prepared in accordance with the indirect method. Recognised cash flows only include transactions involving cash inflows and outflows. Cash transactions are classified under operating activities, investing activities and financing activities.

Cash and balances at central banks including Lending to credit institutions.

Repossessed assets

Assets repossessed to safeguard claims are recognised in the statement of financial position together with similar assets already held by the Group. All assets taken over to safeguard claims are initially measured at fair value, and any difference between the loan's carrying amount and the fair value of the repossessed asset is recognised under Credit losses, net. Fair value at the reporting date is the asset's cost or amortised cost, whichever is applicable. In subsequent periods, assets taken over to safeguard claims are measured in accordance with the measurement principles for the asset class. Income and expenses related to repossessed assets are allocated in the same way as other income and expenses in profit or loss.

As of 31 December 2020 the value of property repossessed to safeguard claims amounted to SEK 0 (0).

G3 RISK MANAGEMENT

The Group is exposed to a number of risks that are typical for companies within the industry that are of a similar size, with a corresponding product range and that operate within the same geographical markets. The Group generally has a low risk tolerance and employs a cautious approach concerning the risks that arise in its operations and prioritises identifying and preventing risk.

The Group's ability to manage risks and effectively maintain capital is crucial to its profitability. Various types of risks arise in the operations. The following main categories of risk have been identified and can be actualised in different ways for each company.

- Credit risks (including those attributable to the credit portfolio, liquidity and investment portfolio, credit-related concentration risks and counterparty risks)
- Market risks (interest rate risk, currency risk and other exchange risks)
- Liquidity risks
- Operational risks (including business and process risks, personnel risks, IT and information security risks and external risks)
- Other business risks (including strategic risks, business risks, cyclical risks and reputational risks)
- Insurance risks (only relevant to the insurance operations).

Credit risks, liquidity risks and operational risks that arise within the framework of its banking operations are deemed to comprise the most significant risks for the Group. Insurance risk is the most significant risk in the insurance operations.

The risk management framework is an integrated part of its operations and aligns the Group's strategic objectives with its risk management. The risk management framework includes the Group's functions, strategies, processes, procedures, policies, risk propensity, risk indicators, risk limits, risk mandates, and control and reporting procedures necessary for identifying, measuring, monitoring, managing and reporting risks.

In order to balance the Group's risk exposure and to limit and control risks, the Group companies have produced policies in a 3-tiered hierarchy. External regulatory frameworks and policies comprise the basis for the Group's control environment and management of risks that arise in the operations. The policies also outline the delegation of authorities within specific areas of risk.

The board of each Group company stipulates the risk management policies. A person is appointed in each organisation to take responsibility for each policy who regularly reviews the policy, manages reporting and proposes necessary adjustments to it.

Guidelines comprising the level under policies are determined by the CEO or the person responsible for the specific risk area that the guidelines regulate in the specific Group company. These guidelines contain more detailed information about risk management in a specific risk area. At the operational level, company managers establish the procedures that apply for specific groups of employees. The procedures are more detailed in terms of the management of specific work duties in the daily operations.

Risk propensity, risk indicators and risk limits are regularly monitored and reported to the Board.

The Board of each Group company has established a risk propensity for specific risks based on qualitative and quantitative valuations.

Risk propensity indicates the level of risk that the Group can accept in order to achieve its strategic objectives. These risk limits are well-defined boundaries that regulate the desired risk exposure and are applicable, for example, in defining levels within the various risk categories. The Group has a standardised process for risk identification, risk assessment and risk reporting and has implemented this processes throughout the operations. The Group companies work actively on creating a high level of risk awareness and efficient risk management. Risk management is based on the view of three lines of defence where the combination of these lines will ensure efficient risk management in the day-to-day operations.

The first line of defence is at the operational level. Operational personnel have the best opportunity to identify, monitor and control specific risks arising in the day-to-day operations.

The second line of defence comprises the control function in each Group company. Compliance, Information Security and Risk Control, which independently and autonomously controls the Group's operations and reports regularly, both in writing and verbally, to the respective CEO, board and certain board committees.

The third line of defence is an independent internal audit function. This function regularly examines the Group's operations, including activities in the first and second lines of defence, to evaluate that these lines of defence are adequately managed from a risk perspective. The internal audit function reports regularly to the Board, both in writing and verbally.

CREDIT RISK

Credit risk is the risk of a counterparty or debtor failing to fulfil its contractual obligations and the risk that pledged collateral does not cover claims. The Group's credit risks are attributable to the credit portfolio, investments and derivative instruments.

The Group's credit exposure primarily comprises credit risks that arise in connection with credit lending and entail the risk of incurring a loss due to borrowers' failure to meet their payment obligations for various reasons. Credit risk exposure also includes risks related to the concentration of the credit portfolio. Concentration risks are measured based on the level of exposure to individual counterparties/customers, industries and regions.

Credit risks in the credit portfolio
The Group is exposed to credit risks in the credit portfolio. Credit risks in the credit portfolio include the risk of borrowers failing to meet their payment obligations. Responsible credit lending is a prerequisite for well-functioning banking operations. The Group's credit lending is characterised by ambitious objectives and goals in terms of ethics, quality and control. Credit risks are to identify and assess borrowers' payment capacity before credits are granted. An internally developed risk classification tool is in place to assist with credit lending.

The borrower's anticipated repayment capacity is the crucial credit assessment component in every credit lending decision. The Group follows a policy, adopted by the Board, that specifies the framework for the operations' credit strategy, credit risk management, credit risk reporting and credit rules to be applied in credit assessment. It is in the Group's interest that the Group's credit lending does not entail that the borrower takes unnecessary risk. Borrowers' short and long-term repayment capacity is determined based on their financial situation and resilience.

The Group endeavours to ensure a highly diversified credit portfolio with pricing based on risk exposure through a broad base of customers with relatively low exposure amounts per customer.

To maintain a highly diversified credit portfolio with a balanced risk profile and to strike a favourable balance between risk and return, the Group works actively on understanding borrowers' prerequisites and macroeconomic changes that could potentially impact the risk profile. The Group continuously monitors borrowers' repayment capacity. Risks are proactively managed by performing continuous analyses of the credit portfolio to ascertain whether it will be impacted by future macroeconomic changes. These analyses are used, for example, as supporting material for governance and management of the Group's banking operations.

Credit risks in investments

Credit risks in investments arise in the banking operations' liquidity portfolio that partly comprises a liquidity reserve that is to serve as a separate reserve for high quality liquid assets, and partly other liquidity that is not related to the liquidity reserve. The liquidity portfolio comprises bank balances and investments in interest-bearing securities. In the insurance operations, credit risks arise in the investment portfolio that comprises bank balances and investments in interest-bearing securities and investments in equities. To reduce credit risks in investments, the Group follows the established policies of each Group company which regulate, among other things, the type of investment and the limits applicable to each individual counterparty.

COUNTERPARTY RISKS

Credit risk exposure in financial instruments is named counterparty risk and refers to the risk that the counterparty will be unable to fulfil its contractual obligations or will choose not to fulfil its obligations in the future pursuant to the same or similar conditions. Since a large share of the banking operations' liabilities are in SEK and significant assets are denominated in NOK, EUR and DKK, counterparty risks arise when the Group hedges its currency exposures. The banking operations manage counterparty risk by signing agreements on derivative instruments with several different financial counterparties. Trading in derivative instruments in the banking operations is governed by ISDAs and the collateral by CSA agreements. Derivative instruments can be used in the insurance operations to manage risks in the investment portfolio. Derivative instruments in the insurance operations are used to a minor extent and trading is governed by ISDAs.

CREDIT RISK EXPOSURE, GROSS AND NET

	31/12/2020				31/12/2019			
	Credit risk exposure, gross	Impairments	Value of collateral	Credit risk exposure, net	Credit risk exposure, gross	Impairments	Value of collateral	Credit risk exposure, net
Cash and balances at central banks								
AAA/Aaa	59,487			59,487	65,885			65,885
AA+/Aa1	149,033			149,033	154,914			154,914
Total cash and balances at central banks	208,520	0	0	208,520	220,799	0	0	220,799
Treasury and other bills eligible for refinancing								
AAA/Aaa	936,180			936,180	529,316			529,316
AA+/Aa1	1,366,643			1,366,643	929,577			929,577
Unrated ¹⁾				0	299,942			299,942
Total treasury and other bills eligible for refinancing	2,302,823	0	0	2,302,823	1,758,835	0	0	1,758,835
Lending to credit institutions								
AA-/Aa3	1,589,199			1,589,199	2,410,823			2,410,823
A+/A1	1,318,135			1,318,135	769,301			769,301
A/A2	1,081,001			1,081,001	816,914			816,914
Unrated ²⁾	161,571			161,571	131,915			131,915
Total lending to credit institutions	4,149,906	0	0	4,149,906	4,128,953	0	0	4,128,953
Lending to the public								
Lending to the public - Retail	33,495,835	-2,930,844		30,564,991	33,751,566	-2,826,615		30,924,951
Lending to the public - Corporate	343,966	-50,616	-112,637	180,713	471,861	-52,025	-172,948	246,888
Total lending to the public	33,839,801	-2,981,460	-112,637	30,745,704	34,223,427	-2,878,640	-172,948	31,171,839
Bonds								
AAA/Aaa	669,570			669,570	902,119			902,119
A+/A1	6,006			6,006	6,053			6,053
A/A2	15,698			15,698				0
A-/A3	37,151			37,151	22,212			22,212
BBB+/Baa1	28,298			28,298	14,183			14,183
BBB/Baa2	64,477			64,477	40,553			40,553
BBB-/Baa3	48,681			48,681	21,408			21,408
BB+/Ba1	18,175			18,175	18,457			18,457
BB/Ba2	26,000			26,000	8,008			8,008
B+/B1	2,008			2,008	9,359			9,359
Unrated ³⁾	176,614			176,614	175,994			175,994
Total bonds	1,092,678	0	0	1,092,678	1,218,346	0	0	1,218,346
Other interest-bearing securities								
Fixed income funds	39,042			39,042	40,009			40,009
Structured products	11,896			11,896	30,599			30,599
Total other interest-bearing securities	50,938	0	0	50,938	70,608	0	0	70,608
Subordinated loans								
A/A2	18,993			18,993	18,947			18,947
A-/A3				0	3,446			3,446
BBB/Baa2	5,579			5,579	5,897			5,897
B-/B3	5,110			5,110				0
Total subordinated loans	29,682	0	0	29,682	28,290	0	0	28,290
Derivatives								
AA-/Aa3	40,133			40,133	49,160			49,160
A+/A1	25,402			25,402				0
A/A2	47,737			47,737	61,547			61,547
Total derivatives	113,272	0	0	113,272	110,707	0	0	110,707
Total credit risk exposure in the balance sheet	41,787,620	-2,981,460	-112,637	38,693,523	41,759,965	-2,878,640	-172,948	38,708,377
Commitments								
Unutilised credit facilities granted ⁴⁾	23,891,248			23,891,248	27,546,215			27,546,215
Total credit risk exposure	65,678,868	-2,981,460	-112,637	62,584,771	69,306,180	-2,878,640	-172,948	66,254,592

In the event credit ratings differ, the lowest is used.

¹⁾ The item 'unrated treasury and other bills eligible for refinancing' is comprised of holdings in a Swedish municipality that are not rated.

²⁾ The item 'lending to credit institutions - unrated' is comprised of lending to other banks. The Group also runs a deposit co-operative with Avanza Bank, a bank listed on Nasdaq Stockholm; the SEK 150 million (117) of liquidity produced therefrom is invested to manage daily flows arising from the deposit co-operative.

³⁾ The item 'bonds unrated' is comprised of bonds investments from Solid Försäkringar's investment portfolio. The largest counterparties are SAAB SEK 20 million, Peab SEK 20 million and Bonova SEK 16 million. The rest SEK 121 million, is divided on 10 additional counterparties.

⁴⁾ All granted but unutilised credit facilities are terminable to the extent permitted under the Swedish Consumer Credit Act.

CREDIT QUALITY, LOAN AND LEASE RECEIVABLES

31/12/2020	Credit risk exposure, gross	Impairments
Lending to the public, retail customers		
<i>Performing</i>		
Stage 1	24,740,765	-206,520
Stage 2	3,500,925	-427,838
<i>Non-performing</i>		
Stage 3	5,254,145	-2,296,486
Total lending to the public, retail customers	33,495,835	-2,930,844
Lending to the public, corporate customers		
<i>Performing</i>		
Stage 1	272,706	-2,862
Stage 2	20,841	-1,042
<i>Non-performing</i>		
Stage 3	50,419	-46,712
Total lending to the public, corporate customers	343,966	-50,616
Total lending to the public	33,839,801	-2,981,460
31/12/2019	Credit risk exposure, gross	Impairments
Lending to the public, retail customers		
<i>Performing</i>		
Stage 1	23,343,497	-170,988
Stage 2	5,187,002	-419,305
<i>Non-performing</i>		
Stage 3	5,221,067	-2,236,322
Total lending to the public, retail customers	33,751,566	-2,826,615
Lending to the public, corporate customers		
<i>Performing</i>		
Stage 1	344,188	-3,615
Stage 2	72,499	-2,625
<i>Non-performing</i>		
Stage 3	55,174	-45,785
Total lending to the public, corporate customers	471,861	-52,025
Total lending to the public	34,223,427	-2,878,640

Assessments of the credit quality of consumer loans that are non-performing are based on the IFRS 9 structure and the three stages in which a credit is categorised.

To safeguard the Group's credit quality, the Group continuously monitors and reports on corporate credit lending commitments in accordance with specific guidelines.

In collaboration with established credit rating agencies, the Group regularly tracks the situation of individual credit commitments in order to monitor customers' repayment capacity.

The Group assesses the credit quality of lease receivables and lending to the public, corporate customers, on the basis of the individual borrower's ability to pay.

INSURANCE RISKS

Insurance risk is the risk of a change in value due to deviations between actual and expected insurance costs. This means the risk that actual outcome deviates from the expected outcome due to, for example, a higher claims frequency, larger average claims costs, one or more major claims or higher outcome of insurance costs compared with estimated provisions.

Insurance risk primarily comprises premium and reserve level risk and disaster risk.

Premium risk

Premium risk is the risk of losses due to incorrect pricing, risk concentration, taking out wrong or insufficient reinsurance or a random fluctuation in the claims frequency and/or claims amount. The risk in the portfolio of the Group's insurance operations is well-balanced and mainly comprises a large number of insurance with low, individual risks. Concentration risk in the overall portfolio is also considered to be low since the Group's insurance portfolio is highly diversified in terms of both products and geography.

The Group manages and limits premium and disaster risk by the Board issuing policies regulating, for example, maximum retention and a framework for premium pricing. The Group carries out regular detailed reviews of premium pricing and continuously assesses the profitability of established insurance arrangements and changes in tariffs and premiums levels. To further limit premium and disaster risk, reinsurance has been taken out in the risk portfolios with a higher risk exposure to major and chain-reaction claims. Reinsurers are selected based on factors including expertise and financial position and comply with the policies established by the board of the insurance company. The Group continuously reviews the entire reinsurance programme to ensure that all risks are covered as required.

Reserve level risk

Reserve level risk refers to the risk of variations in the time and amount of claims payments. Provisions for unearned premiums is intended to cover the expected claim costs and operating costs for the remaining term of valid insurance contracts. As compensation is only paid after a loss has occurred, it is also necessary to make provisions for claims outstanding. Technical provisions are the total of unearned premiums and unexpired risks, and claims outstanding. Technical provisions always contain a certain degree of uncertainty as the provisions include an estimate of the size and frequency of future claim payments. The uncertainty of technical provisions is usually higher for new portfolios for which complete settlement statistics are not yet available and for portfolios in which final adjustment of claims takes place following a long period of time.

The Group manages and minimises reserve level risk by means of the Board's policies on reserve level risk and technical provision risks and provisioning instructions that govern the calculation of technical provisions. The actuarial assumptions for determining the provisions for claims outstanding are based on historical claims and exposures that are known at the reporting date. The models used are clearly recognised actuarial models such as chain ladder or other loss development factor models. The outcome corresponds to a provision that covers the expected future payments for all claims incurred, even claims that have not yet been reported. Provision for unearned premiums are calculated individually for each insurance contract. The computation uses experience-based factors, the starting point being how the claim costs are incurred over the period of insurance.

A straight-line (pro rata) earnings model is used for insurance risks with a term of 12 months or less. A provision for unexpired risks is made if the provision for unearned premiums is deemed to be insufficient to cover the Group's liabilities for the remaining terms of valid insurance contracts.

There is always some uncertainty associated with estimates of technical provisions. The estimates are based on facts relating to historical claims and assessments of future trends. Because the majority of the Group's claims are short-term in nature (for most portfolios, claims are concluded within 2 to 12 months from the claim date), the risk of negative developments due to factors such as future claims inflation is reduced.

The Group's Actuary function reports directly to the Board annually or more frequently in connection with the preparation of the annual accounts.

Disaster risk

Disaster risk is the risk that a single event would generate claims on a large number of policies. This risk is considered less likely since the insurance portfolio is well diversified. The Group's largest proportion of insurance is individual product insurance policies for consumer goods, which do not have any exposure to natural disasters, such as hurricanes, flooding, hail, earthquakes or subsidence.

OPERATIONAL RISKS

Operational risks refer to the risk of loss due to incorrect or non-appropriate internal processes and procedures, human errors, incorrect systems or external events, including legal risks. Operational risks include the following main categories of risk:

- *Business and process risks* refer to risks arising due to weaknesses in the implementation or design of the bank's significant processes and established procedures related to these processes.
- *Personnel risks* refer to risks linked to the bank's organisational structure, personnel management, working conditions, failings in the work environment or internal criminal activity.
- *IT and information security risks* refer to risks that affect the availability, integrity or confidentiality of information and communication systems or information used to provide services.
- *External risks* refer to risk that are outside the banks' control, for example, criminal action, supplier failings or disasters. This could also involve outsourcing operations and regulatory changes.

The Group manages operational risks, for example, by applying a risk management framework that includes measures for risk identification, assessment, training, control and reporting operational risks. Focus is on managing significant risks by analysing and documenting processes and procedures and by applying risk-mitigating measures. The Group's processes have been mapped with controls to ensure that identified risks are managed and monitored effectively.

The Group has a procedure for approving new or significant changes in existing products/services, markets, processes or other major changes in the business operations. The procedure is aimed at enabling the Group to effectively and efficiently manage risks that may arise in connection with, for example, new or significantly changed products or services.

The Group's risk management capabilities were affected to a certain extent during the pandemic but the impact was limited due to robust processes. The Group managed the risk of a loss of personnel in critical functions by introducing different zones and remote working. More employees working from home set higher requirements on information security and following up the Group's control framework.

MARKET RISKS

Market risks in the financial operations primarily comprise interest rate risk, currency risk and share price risk. The Board adopts policies that control these risk, for example, by setting limits that restrict risk levels. No positions are held in the trading book.

Risks attributable to foreign exchange-rates arise on the differences between assets and liabilities in different currencies. Interest rate risks arise on the difference between interest-rate terms for assets and liabilities.

FIXED INTEREST

INTEREST RATE RISK

Interest rate risk is primarily defined as a risk of incurring expenses, meaning the risk that the Group's net interest income will decrease due to disadvantageous market interest rates. Interest rate risk normally arises as a result of companies having different maturities or fixed interest terms for their assets and liabilities. Interest rate risk increases if the terms for assets deviate from the terms for liabilities. Interest rate risk mainly affects companies in the form of gradual changes in net interest income, which can thus affect operating income and both short and long-term capital ratios.

Interest rate risk pertains to changes in interest rates and the structure of the interest rate curve.

Most of the Group's interest rate risks are structural and arise within the Group's banking operations where fixed interest terms for assets and liabilities do not always coincide.

The Group endeavours to ensure sound matching between fixed and variable interest rates in its statement of financial position, and can relatively quickly mitigate interest rate rises by changing the terms of new loans.

Overall interest rate risk is deemed to be limited. This given the relatively high credit turnover rate and the fact that interest rates can be adjusted within two months according to credit agreements and applicable consumer credit legislation in several markets. Most lending and deposits take place at variable interest rates. Interest swap agreements may also be signed to limit interest rate risk. The Treasury Department continually measures, checks and manages interest rate risk on interest-bearing assets and liabilities by applying a variety of models and the Board has established limits for maximum interest rate risk.

In a calculation of a one (1) percentage-point change in the market interest rate, net interest income for the next 12 months would increase/decrease by SEK 77 million (67), based on interest-bearing assets and liabilities on the closing date. A one (1) percentage-point parallel shift in the yield curve and by applying the discounted future cash flow, interest rate risk on equity on the closing date was +/- SEK 10 million (14).

The financing via deposits at variable interest rates has a contractual and theoretical very short fixed interest term of only one day. The pattern, unlike the contractual, has historically been significantly longer than one day.

In legal terms, the Group's interest rate risk associated with lending is limited since the majority of the interest rate terms are variable. In reality, however, it is not as easy for market reasons to fully offset a change in interest rates, and this may have an impact on net interest income, depending on the active position. Higher interest expenses can be countered promptly by amending the terms for new lending. In view of the relatively high credit turnover rate, overall interest rate risk is deemed limited. Most borrowers in the Payment Solutions segment are also able to switch between various partial payment options during the credit period.

31/12/2020	Less than 1 month	1-3 months	3-12 months	More than 1 year	Interest-free	Total
Assets						
Cash and balances at central banks	208,520					208,520
Treasury and other bills eligible for refinancing	651,980	1,061,554	350,106	239,183		2,302,823
Lending to credit institutions	4,149,906					4,149,906
Lending to the public	29,641,945	154,956	533,504	527,936		30,858,341
Bonds and other interest-bearing securities	69,980	854,828	52,298	166,510		1,143,616
Subordinated loans	5,981	13,012	5,110	5,579		29,682
Shares and participations					105,494	105,494
Intangible assets					1,895,394	1,895,394
Property, plant & equipment					122,210	122,210
Other assets					637,859	637,859
Total assets	34,728,312	2,084,350	941,018	939,208	2,760,957	41,453,845
Liabilities						
Liabilities to credit institutions	107,400					107,400
Deposits and borrowing from the public	20,716,580	844,876	2,905,804	224,935		24,692,195
Other liabilities					1,191,980	1,191,980
Technical provisions					587,764	587,764
Issued securities	2,000,000	4,297,472				6,297,472
Subordinated debt	299,373	299,329				598,702
Equity		300,000			7,678,332	7,978,332
Total liabilities	23,123,353	5,741,677	2,905,804	224,935	9,458,076	41,453,845
<i>Difference, assets and liabilities</i>	<i>11,604,959</i>	<i>-3,657,327</i>	<i>-1,964,786</i>	<i>714,273</i>	<i>-6,697,119</i>	<i>0</i>

FIXED INTEREST

31/12/2019	Less than 1 month	1-3 months	3-12 months	More than 1 year	Interest- free	Total
Assets						
Cash and balances at central banks	220,799					220,799
Treasury and other bills eligible for refinancing	280,344	1,051,953	224,776	201,762		1,758,835
Lending to credit institutions	4,128,953					4,128,953
Lending to the public	30,255,487	135,139	489,572	464,589		31,344,787
Bonds and other interest-bearing securities	213,462	857,326		218,166		1,288,954
Subordinated loans	5,985	12,962	3,446	5,897		28,290
Shares and participations					95,823	95,823
Intangible assets					2,063,405	2,063,405
Property, plant & equipment					139,871	139,871
Other assets					679,031	679,031
Total assets	35,105,030	2,057,380	717,794	890,414	2,978,130	41,748,748
Liabilities						
Liabilities to credit institutions	94,900					94,900
Deposits and borrowing from the public	19,659,250	2,495,072	1,853,588	401,122		24,409,032
Other liabilities					1,247,776	1,247,776
Technical provisions					585,557	585,557
Issued securities	2,899,991	4,772,356				7,672,347
Subordinated debt	298,771	299,119				597,890
Equity		297,033			6,844,213	7,141,246
Total liabilities	22,952,912	7,863,580	1,853,588	401,122	8,677,546	41,748,748
<i>Difference, assets and liabilities</i>	<i>12,152,118</i>	<i>-5,806,200</i>	<i>-1,135,794</i>	<i>489,292</i>	<i>-5,699,416</i>	<i>0</i>

CURRENCY RISK

Exchange-rate risk is the risk that the value of assets and liabilities, including derivatives, may vary due to exchange rate fluctuations or other relevant risk factors.

Currency risk arises when the value of assets and liabilities in foreign currency translated to SEK change because exchange rates fluctuate. The main currencies for the operations are: SEK, NOK, DKK and EUR. There are also currency flows in, for example, GBP, CHF and USD.

The vast majority of the Group's exchange-rate risk is of a strategic and structural nature.

The Group's exposure to currency risks that impact earnings is managed continuously. So as to minimise exchange-rate risk, efforts are made to match assets and liabilities in the respective currencies as far as possible, and part of earnings in currencies other than SEK are exchanged on a regular basis.

The Treasury Department manages the currency exposures arising in the banking operations by using currency hedges to reduce the net value of assets and liabilities (including derivatives) in one single currency. Derivatives in the banking operations are regulated via ISDA and CSA agreements.

Transactions in foreign branch offices are translated to SEK using the average exchange-rate during the period in which the income and expenses have occurred.

Exchange-rate gains and losses arising on settlement of these transactions and from translation of foreign currency assets and liabilities using the closing rate are recognised through profit or loss.

CURRENCY EXPOSURE

31/12/2020	DKK	EUR	NOK	CHF	GBP	Other	Total
Foreign currency assets, presented in SEK thousand							
Cash and balances with central banks		149,033	59,487				208,520
Treasury and other bills eligible for refinancing	28,646	190,966	273,889				493,501
Lending to credit institutions	134,516	549,346	734,277	2,988	1,855	2,783	1,425,765
Lending to the public	4,146,035	5,106,871	6,546,310				15,799,216
Bonds and other interest-bearing securities		192,681	199,539	39,042			431,262
Shares and participations	2,429		5,097				7,526
Intangible assets			918,611				918,611
Property, plant & equipment	532	2,295	1,614				4,441
Other assets	20,635	46,792	139,860	15,875	1,466	56	224,684
Total assets	4,332,793	6,237,984	8,878,684	57,905	3,321	2,839	19,513,526
Foreign currency liabilities, presented in SEK thousand							
Deposits and borrowing from the public		6,717,799	6,440,373				13,158,172
Other liabilities	54,739	104,120	241,998	1,498	715	135	403,205
Technical provisions	2,381	46,032	221,798	37,595	1,143	22	308,971
Other provisions	540	6,758	5,504				12,802
Total liabilities	57,660	6,874,709	6,909,673	39,093	1,858	157	13,883,150
Net assets	4,275,133	-636,725	1,969,011	18,812	1,463	2,682	
Nominal amount, currency hedges	-4,276,964	593,415	-1,116,882				
Difference between assets and liabilities incl. nominal amount of currency hedges	-1,831	-43,310	852,129	18,812	1,463	2,682	
Sensitivity analysis							
Total financial assets	4,319,111	6,211,266	7,860,440	43,989	3,084	2,830	
Total financial liabilities	-46,315	-6,802,306	-6,563,861	-1,013	-693	-1	
Nominal amount, currency hedges	-4,276,964	593,415	-1,116,882				
Total	-4,168	2,375	179,697	42,976	2,391	2,829	
Exchange-rate fluctuation, 5% on comprehensive income of the year before tax	-208	119	8,985	2,149	120	141	

CURRENCY EXPOSURE

31/12/2019	DKK	EUR	NOK	CHF	GBP	Other	Total
Foreign currency assets, presented in SEK thousand							
Cash and balances with central banks		154,914	65,885				220,799
Treasury and other bills eligible for refinancing	30,158	196,399	228,992				455,549
Lending to credit institutions	66,864	721,948	934,985	8,204	4,729	2,735	1,739,465
Lending to the public	4,065,796	4,290,402	8,754,773				17,110,971
Bonds and other interest-bearing securities		198,358	228,768	40,009			467,135
Subordinated loans		3,446					3,446
Shares and participations	2,514		6,036				8,550
Intangible assets		7	1,085,012				1,085,019
Property, plant & equipment	892	2,830	3,058				6,780
Other assets	23,988	51,301	213,953	21,821	2,059	228	313,350
Total assets	4,190,212	5,619,605	11,521,462	70,034	6,788	2,963	21,411,064
Foreign currency liabilities, presented in SEK thousand							
Deposits and borrowing from the public		6,640,330	6,517,643				13,157,973
Other liabilities	51,936	126,144	225,034	4,153	475	19	407,761
Technical provisions	734	52,008	240,280	48,180	6,133	209	347,544
Other provisions	1,426	3,082	8,498				13,006
Total liabilities	54,096	6,821,564	6,991,455	52,333	6,608	228	13,926,284
Net assets	4,136,116	-1,201,959	4,530,007	17,701	180	2,735	
Nominal amount, currency hedges	-4,141,512	1,173,319	-3,570,413				
Difference between assets and liabilities incl. nominal amount of currency hedges	-5,396	-28,640	959,594	17,701	180	2,735	
Sensitivity analysis							
Total financial assets	4,175,183	5,590,105	10,334,199	50,823	6,462	2,862	
Total financial liabilities	-50,654	-6,738,917	-6,673,132	-3,221	-308		
Nominal amount, currency hedges	-4,141,512	1,173,319	-3,570,413				
Total	-16,983	24,507	90,654	47,602	6,154	2,862	
Exchange-rate fluctuation, 5% on comprehensive income of the year before tax	-849	1,225	4,533	2,380	308	143	

FUNDING - 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.

Resurs Bank works continuously to maintain a diversified funding structure. Currency hedges are used to manage the currency risk associated with lending in currencies other than the currencies found in the financing operations. These derivatives are covered and regulated by ISDA and CSA agreements established with numerous counterparties.

The main type of financing is deposits from the public. This type of financing is offered to customers in Sweden, Norway and Germany. Deposits, which are analysed on a regular basis, totalled SEK 24,694 million (24,647), of which SEK 11,535 million (11,391) was in Sweden, an equivalent of SEK 6,441 million (6,601) was in Norway and an equivalent of SEK 6,718 million (6,655) was in Germany. The lending to the public/deposits from the public ratio for the consolidated situation is 125 per cent (127 per cent).

Deposit products are covered by the deposit insurance scheme, the purpose of which is to strengthen the protection of deposits received from the public and contribute to the stability of the financial system. The state deposit insurance scheme from 2021 in Sweden totals SEK 1,050,000 per person and institution, with the option of applying to extend this amount under certain circumstances. The deposits offered to customers in Germany are covered by the Swedish deposit insurance scheme. In Norway, the state deposit insurance totals NOK 2,000,000 per person. The majority of deposits from the public are covered by the state deposit insurance scheme.

Resurs Bank produced a base prospectus in order to issue bonds, with a programme that amounts to SEK 9,000 million (8,000). Resurs Bank has worked successfully on continuously issuing bonds under this programme and sees itself as an established issuer in the market. On the closing date, the programme had 11 issues outstanding of a nominal SEK 4,900 million (5,450). Of the 11 issues, nine are senior unsecured bonds and two issues are Tier 2 capital of SEK 600 million (600). Outside the programme, Resurs Bank also issued Tier 2 capital (T2) of a nominal SEK 200 million (200).

Resurs Holding issued Additional Tier 1 Capital of a nominal SEK 300 million (300).

In September 2020, Resurs Bank received an update from the rating company Nordic Credit Rating (NCR). Resurs Bank's credit rating of BBB- was confirmed and the outlook was revised to stable from negative as Resurs Bank outperformed NCR's expectations due to lower credit losses and an improved net interest margin in the second quarter of 2020. Nordic Credit Rating's analyses are available on the website www.nordiccreditrating.com.

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 November 2020, Resurs Bank announced that it had signed an agreement to extend its existing ABS financing effective December 2020. This financing was arranged with JP Morgan Chase Bank. 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. At 31 December 2020 a total of approximately SEK 2.5 billion in loan receivables had been transferred 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 2.0 billion (2.9) of the ABS financing. Resurs Bank has the right to amortise (reduce) the funding every month. Since the bank has this option, collateral is linked to the securitisation that pays a central role in the monthly interest payments.

The stable Net Stable Funding Ratio (NSFR) is defined as available stable funding in relation to the stable funding requirement. The aim is for banks to have sufficient stable funding to meet their long-term commitments. A compulsory requirement for a Net Stable Funding Ratio (NSFR) will be applied in 2021 via an EU regulation. The NSFR is expressed as a percentage and is to amount to a minimum of 100 per cent. This shows that the institute has sufficiently stable financing to cover its financing needs for a period of one year under normal or stressed circumstances. The assessment is that the NSFR for the consolidated situation exceeds 100 per cent.

Liquidity risks – consolidated situation

Liquidity risk is the risk that the Group will be unable to discharge its payment obligations on the due date without borrowing at highly unfavourable rates. 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.

Managing liquidity risk is centralised and the Treasury Department is responsible for continuously monitoring, analysing, forecasting, managing and reporting liquidity risks. The department is led by the Head of Treasury, who in turn organisationally reports to the CFO. 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 prepare for various courses of action should liquidity trend unfavourably. This plan includes risk indicators that could trigger the contingency plan and action plans to strengthen liquidity.

Monthly reports that include information on the financial situation, liquidity forecast and risk measures are submitted to the Treasury Committee. Policies adopted by the Board are continuously monitored, while the Treasury Committee may also establish requirements that must be followed. Regular reports are also submitted to the Board. The Group's liquidity risk is controlled and audited by independent functions.

There must always be liquid assets that can be used immediately to manage daily cash flows arising the business. There must also be preparedness for uneven cash flows, which can be handled by means of a quick redistribution of liquidity or disposal of investments. There must be preparedness for a rapid strengthening of liquidity through various actions.

Banking operations are characterised by financing which, for the most part, consists of long-term savings together with ABS and MTN bonds. Lending operations primarily comprises short-term lending (Credit Cards and Retail Finance). This is a major difference from general banking operations in the Nordic region, which have historically been based on significant long-term lending that creates a negative cash flow. Structural liquidity risk is limited since the operations of the Group have a fundamentally positive cash flow. In the liquidity exposure table with maturity times, deposits from the public at variable interest rates are placed in the payable on demand category. However, assessment and historical outcomes show that customer behaviour – as opposed to the contractual – is significantly longer than this. The company believes that deposits from the public are a long-term and stable source of financing. Investments must be of a high credit and liquidity quality and consideration is continuously given to maintaining a sufficient amount of liquid assets.

The banking operations prepare a funding and liquidity plan whenever required, at least once annually. Stress tests are carried out regularly to ensure that liquidity is in place for circumstances that deviate from normal conditions. One recurring stress test evaluates significant outflows of deposits from the public. Stress scenarios combining a variety of events and circumstances are implemented on a regular basis. Examples of combined events are disruptions in the capital market and deterioration in customers' repayment behaviour.

LIQUIDITY EXPOSURE, UNDISCOUNTED CASH FLOWS - GROUP

31/12/2020	Payable on demand	< 3 months	3-12 months	1-5 years	>5 years	No duration	Total
Financial assets							
Cash and balances at central banks	179,039					29,481	208,520
Treasury and other bills eligible for refinancing		802,070	427,555	959,938	116,290		2,305,853
Lending to credit institutions	3,938,063	157,736		51,294		2,813	4,149,906
Lending to the public		4,504,950	6,503,275	18,290,865	13,974,998	3,665,762	46,939,850
Bonds and other interest-bearing securities		15,623	277,008	693,371	100,714	39,042	1,125,758
Subordinated loans		7,057	303	24,958			32,318
Shares and participations						105,494	105,494
Other financial assets		103,100	12,895				115,995
Total	4,117,102	5,590,536	7,221,036	20,020,426	14,192,002	3,842,592	54,983,694
Financial liabilities							
Liabilities to credit institutions			107,400				107,400
Deposits and borrowing from the public ¹⁾	20,162,585	1,407,238	2,979,186	159,970			24,708,979
Issued securities		515,661	1,236,126	3,521,435	1,135,540		6,408,762
Subordinated debt		6,332	19,409	625,193			650,934
Additional Tier 1 instruments ²⁾		4,046	12,451	349,175			365,672
Other financial liabilities		624,439	73,533				697,972
Total	20,162,585	2,557,716	4,428,105	4,655,773	1,135,540	0	32,939,719
Net assets	-16,045,483	3,032,820	2,792,931	15,364,653	13,056,462	3,842,592	22,043,975
Derivatives, received		3,791,220	1,712,238				5,503,458
Derivatives, paid		-3,698,060	-1,695,786				-5,393,846
<i>Difference per time interval</i> ²⁾	<i>-16,045,483</i>	<i>3,125,980</i>	<i>2,809,383</i>	<i>15,364,653</i>	<i>13,056,462</i>	<i>3,842,592</i>	<i>22,153,587</i>

The cash flow for securities is calculated applying the coupon-rate for each security at that point of time. Interest attributable to Deposits from the public with variable interest rates are not reflected in the above tables.

¹⁾ Interest attributable to deposits from the public with fixed interest rates largely comprises interest that is capitalised and paid at maturity. The model assumes that deposits with fixed interest terms of less than 12 months are capitalised and paid at maturity. For deposits with fixed interest terms of more than 12 months, interest is capitalised and paid annually and at maturity.

²⁾ Amounts payable on demand amounted to SEK -16,045 million. Contractual and expected terms are deemed to deviate for deposits from the public of SEK 20,163 million. The pattern, unlike the contractual terms, has historically been significantly lower than one day.

³⁾ Additional Tier 1 Capital refers to AT1 bonds that are recognised as equity in the balance sheet.

31/12/2019	Payable on demand	< 3 months	3-12 months	1-5 years	>5 years	No duration	Total
Financial assets							
Cash and balances at central banks	193,433					27,366	220,799
Treasury and other bills eligible for refinancing		680,649	302,551	716,926	73,583		1,773,709
Lending to credit institutions	3,890,528	71,049	90,000	73,858		3,518	4,128,953
Lending to the public		4,820,535	6,946,413	19,151,756	13,305,945	3,461,865	47,686,514
Bonds and other interest-bearing securities		113,797	217,708	829,959	105,116	40,009	1,306,589
Subordinated loans		62	3,856	25,589			29,507
Shares and participations						95,823	95,823
Other financial assets		227,753	12,950				240,703
Total	4,083,961	5,913,845	7,573,478	20,798,088	13,484,644	3,628,581	55,482,597
Financial liabilities							
Liabilities to credit institutions			94,900				94,900
Deposits and borrowing from the public ¹⁾	19,558,828	2,087,831	1,928,474	854,651			24,429,784
Issued securities		294,448	1,573,661	4,465,767	1,452,032		7,785,908
Subordinated debt		6,564	19,836	104,671	685,075		816,146
Additional Tier 1 instruments ³⁾		4,222	12,760	367,790			384,772
Other financial liabilities		662,117	82,300				744,417
Total	19,558,828	3,055,182	3,711,931	5,792,879	2,137,107	0	34,255,927
Net assets	-15,474,867	2,858,663	3,861,547	15,005,209	11,347,537	3,628,581	21,226,670
Derivatives, received		4,000,664	3,797,618				7,798,282
Derivatives, paid		-3,914,423	-3,797,502				-7,711,925
<i>Difference per time interval</i> ²⁾	<i>-15,474,867</i>	<i>2,944,904</i>	<i>3,861,663</i>	<i>15,005,209</i>	<i>11,347,537</i>	<i>3,628,581</i>	<i>21,313,027</i>

The cash flow for securities is calculated applying the coupon-rate for each security at that point of time. Interest attributable to Deposits from the public with variable interest rates are not reflected in the above tables.

¹⁾ Interest attributable to deposits from the public with fixed interest rates largely comprises interest that is capitalised and paid at maturity. The model assumes that deposits with fixed interest terms of less than 12 months are capitalised and paid at maturity. For deposits with fixed interest terms of more than 12 months, interest is capitalised and paid annually and at maturity.

²⁾ Amounts payable on demand amounted to SEK -15,475 million. Contractual and expected terms are deemed to deviate for deposits from the public of SEK 19,559 million. The pattern, unlike the contractual terms, has historically been significantly lower than one day.

³⁾ Additional Tier 1 Capital refers to AT1 bonds that are recognised as equity in the balance sheet.

LIQUIDITY AND LIQUIDITY RESERVE - CONSOLIDATED SITUATION

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 1,400 million. Apart from the liquidity reserve, there is an intraday liquidity requirement of at least 4 per cent of deposits from the public, or a minimum SEK 800 million. There are also other liquidity requirements regulating and controlling the business.

The liquidity reserve, totalling SEK 1,860 million (1,918), 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 5,127 million (4,982) for the consolidated situation. Total liquidity amounted SEK 6,986 million (6,900). Total liquidity corresponded to 28 per cent (28 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 that the assets met the stressed scenario, and this is also the minimum ratio from the authorities. As at 31 December 2020, the ratio for the consolidated situation was 288 per cent (264 per cent). For the period January to December 2020, the average LCE measures 267 per cent for the consolidated situation.

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

LIQUIDITY RESERVE

	31/12/2020	31/12/2019
Liquidity reserve as per FFFS 2010:7 definition		
Securities issued by sovereigns	176,381	184,378
Securities issued by municipalities	958,037	830,219
Lending to credit institutions	55,000	
Bonds and other interest-bearing securities	670,374	903,264
Summary liquidity reserve as per FFFS 2010:7	1,859,792	1,917,861
Other liquidity portfolio		
Cash and balances at central banks	208,520	220,799
Securities issued by municipalities	1,150,181	699,902
Lending to credit institutions	3,767,951	4,061,272
Total other liquidity portfolio	5,126,652	4,981,973
Total liquidity portfolio		
	6,986,444	6,899,834
Other liquidity-creating measures		
Unutilised credit facilities	47,730	52,895

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

Valuations of interest-bearing securities in the above table are measured at market value and accrued interest.

LIQUIDITY COVERAGE RATIO (LCR) - LIQUID ASSETS

31/12/2020	Total	SEK	EUR	DKK	NOK
Level 1 assets					
Cash and balances with central banks	179,039		119,552		59,487
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	176,381		117,636	28,696	30,049
Securities issued by municipalities	1,908,211	1,609,889	73,853		224,469
Covered bonds	390,740	117,923	191,293		81,524
Level 2 assets					
Covered bonds	279,634	201,043			78,591
Total liquid assets	2,934,005	1,928,855	502,334	28,696	474,120
31/12/2019					
Level 1 assets					
Cash and balances with central banks	193,433		127,548		65,885
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	184,378		120,318	30,211	33,849
Securities issued by municipalities	1,530,121	1,273,617	76,652		179,852
Covered bonds	374,185		196,880		177,305
Level 2 assets					
Covered bonds	529,079	529,079			
Total liquid assets	2,811,196	1,802,696	521,398	30,211	456,891

Level 1 is comprised of assets with the highest quality and level 2 of very high-quality assets according to the Liquidity Coverage Ratio regulations.

	31/12/2020	31/12/2019
Total liquid assets	2,934,005	2,811,196
Net liquidity outflow	995,751	1,025,759
LCR measure	288%	264%

The report on liquidity generally describes the consolidated situation and not the Group. The consolidated situation includes the Parent Company Resurs Holding AB and the Resurs Bank AB Group.

G4 CAPITAL ADEQUACY - CONSOLIDATED SITUATION

Capital adequacy

Capital adequacy regulation is the legislator's requirement for how much capital, known as the capital base, a credit institution must have in relation to the level of risks the institution takes. 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 (SFSA) 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. See note G1 for further information.

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 and after being lowered by the supervisory authorities in spring 2020 amounted to 0.2 per cent. Only Norwegian exposures have a buffer requirement remaining, which is currently 1.0 per cent of risk-weighted Norwegian assets.

The Board's guidelines specify that the consolidated situation must maintain a capital base that, by a sound margin, covers statutory minimum capital requirements and the capital requirements calculated for other risks identified in the operations according to the internal capital adequacy assessment process (ICAAP).

The ongoing review of the internal capital adequacy assessment process is an integral part of the Group's risk management. The internal capital adequacy assessment process is performed annually and the internally assessed capital requirement is updated quarterly based on established models. The Group's capital target is to achieve a Total capital ratio and Common Equity Tier 1 ratio exceeding 15% and 11.5%, respectively. Capital targets can be seen as an overall risk propensity. Information about risk management in the Group can be found in Note G3 Risk management.

Capital base

The capital base is the total of Tier 1 capital and Tier 2 capital less deductions in accordance with the Capital Requirements Regulation 575/2013 EU (CRR). Deductions made by the consolidated situation are presented in the table below and deducted from Common Equity Tier 1 capital.

Common Equity Tier 1 capital

Common Equity Tier 1 capital comprises share capital, paid-in capital, retained earnings and other reserves of the companies included in the consolidated situation. Profit for the year may only be included after approval by the SFSA.

Tier 1 capital

Tier 1 capital comprises Common Equity Tier 1 capital and other Tier 1 capital. In December 2019, Resurs Holding AB issued Additional Tier 1 Capital of a nominal SEK 300 million.

Tier 2 capital

Tier 2 capital comprises dated or perpetual subordinated loans. When the remaining maturity of a subordinated loan is less than 5 years, it is no longer included as Tier 2 capital in the capital ratio calculations. Tier 2 capital is subordinate to the

bank's deposits from the public and liabilities to non-preferential creditors. In the event of default or bankruptcy, subordinated loans are repaid after other liabilities. See note G40 Subordinated debt, for further information.

Capital requirement

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 credit valuation adjustment risk is also calculated according to the standardised method and is applied to calculate the counterparty risk arising when the consolidated situation hedges currency exposures by using derivative instruments. The capital requirement for operational risk is calculated by the standardised method. Under this method, the capital requirement for operational risks is 12 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 capital base requirement for bonds and other interest-bearing securities.

Transition rules IFRS 9

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 stage 1 and stage 2. The phase-in period is as follows: 2018: 5%, 2019: 10%, 2020: 15%, 2021: 20%, 2022: 25%, 2023: 25%

Capital base

SEK thousand	31/12/2020	31/12/2019
Common Equity Tier 1 capital		
Equity		
Equity, Group	7,678,332	6,841,246
Additional Tier 1 instruments classified as equity	300,000	300,000
Equity according to balance sheet	7,978,332	7,141,246
Proposed dividend	-536,000	-420,000
Predicted dividend	-360,000	
Additional/deducted equity in the consolidated situation	-512,783	-463,076
Equity, consolidated situation	6,569,549	6,258,170
<i>Adjustments according to transition rules IFRS 9:</i>		
Initial revaluation effect	237,119	287,930
Less:		
Additional value adjustments	-3,073	-2,743
Intangible fixed assets	-1,846,678	-2,020,278
Additional Tier 1 instruments classified as equity	-300,000	-300,000
Shares in subsidiaries	-145	-120
Total Common Equity Tier 1 capital	4,656,772	4,222,959
Tier 1 capital		
Common Equity Tier 1 capital	4,656,772	4,222,959
Additional Tier 1 instruments	300,000	300,000
Total Tier 1 capital	4,956,772	4,522,959
Tier 2 capital		
Dated subordinated loans	409,914	548,003
Total Tier 2 capital	409,914	548,003
Total capital base	5,366,686	5,070,962

Capital requirement

	31/12/2020		31/12/2019	
	Risk-weighted exposure amount	Capital requirement	Risk-weighted exposure amount	Capital requirement
Credit risks				
Exposures to central governments or central banks				
Exposures to regional governments of local authorities				
Exposures to public sector entities				
Exposures to multilateral development banks				
Exposures to international organisations				
Exposures to institutions	776,530	62,122	830,818	66,465
Exposures to corporates	291,518	23,321	412,282	32,983
Retail exposures	20,883,338	1,670,667	21,171,101	1,693,688
Exposures secured by property mortgages				
Exposures in default	3,044,468	243,557	3,095,205	247,616
Exposures with particularly high risk				
Exposures in the form of covered bonds	66,890	5,351	90,122	7,210
Items related to securitisation positions				
Exposures to institutions and companies with short-term credit ratings				
Exposures in the form of units or shares in collective instrument undertakings (funds)				
Equity exposures	211,279	16,903	96,404	7,712
Other items	453,174	36,255	513,701	41,096
Total credit risk	25,727,197	2,058,176	26,209,633	2,096,770
Credit valuation adjustment risk	25,265	2,021	30,589	2,447
Market risk				
Currency risk	0	0	0	0
Operational risk	5,089,268	407,141	4,849,713	387,977
Total riskweighted exposure and total capital requirement	30,841,730	2,467,338	31,089,935	2,487,194

In addition to the treatment of Pillar 1 risks above, 1.0% (1.0%) of the consolidated situation's risk-weighted assets are allocated for Pillar 2 requirements as at 31 December 2020.

CAPITAL RATIO AND CAPITAL BUFFERS

	31/12/2020	31/12/2019
Common Equity Tier 1 ratio, %	15.1	13.6
Tier 1 ratio, %	16.1	14.6
Total capital ratio, %	17.4	16.3
Common Equity Tier 1 capital requirement incl. buffer requirement, %	7.2	9.0
- of which, capital conservation buffer requirement, %	2.5	2.5
- of which, countercyclical buffer requirement, %*	0.2	2.0
Common Equity Tier 1 capital available for use as buffer, %	9.4	8.3

*Geographical allocation of the countercyclical buffer requirement

	31/12/2020			31/12/2019		
	Credit risk exposure	Counter-cyclical buffer requirement	Weighted counter-cyclical buffer requirement	Credit risk exposure	Counter-cyclical buffer requirement	Weighted counter-cyclical buffer requirement
Sweden	12,419,729	0.0%	0.0%	11,844,776	2.5%	1.2%
Norway	5,197,653	1.0%	0.2%	6,919,265	2.5%	0.7%
Finland	4,084,232	0.0%	0.0%	3,436,264	0.0%	0.0%
Denmark	3,249,053	0.0%	0.0%	3,178,509	1.0%	0.1%
Total ¹⁾	24,950,667	0.2%	0.2%	25,378,814		2.0%

¹⁾ The calculation exclude the exposures towards institute according to the Swedish Financial Supervisory Authority's regulations regarding prudential requirements and capital buffers (FFFS 2014:12).

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 consolidated situation currently only has a reporting requirement to the Swedish Financial

Supervisory Authority, but will have a quantitative requirement of 3 per cent when the updates to CRR come into effect.

	31/12/2020	31/12/2019
Tier 1 capital	4,956,772	4,522,959
Leverage ratio exposure	41,174,564	42,031,894
Leverage ratio, %	12.0	10.8

G5 SEGMENT REPORTING

The CEO of Resurs Holding AB 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.

2020	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	1,132,010	2,119,281	15,168	-7,565	3,258,894
Interest expense	-139,365	-267,575	-224	7,565	-399,599
Provision income	322,695	102,519		-239,090	186,124
Fee & commission expense, banking operations	-63,635				-63,635
Premium earned, net			912,654	-1,812	910,842
Insurance compensation, net			-232,196		-232,196
Fee & commission expense, insurance operations			-478,579	246,296	-232,283
Net income/expense from financial transactions	-5,283	-8,899	-1,220	-196	-15,598
Other operating income	162,144	53,516	3,656	-18,954	200,362
Total operating income	1,408,566	1,998,842	219,259	-13,756	3,612,911
<i>of which, internal ¹⁾</i>	<i>148,775</i>	<i>101,900</i>	<i>-236,919</i>	<i>-13,756</i>	<i>0</i>
Credit losses, net	-261,335	-593,037			-854,372
Operating income less credit losses	1,147,231	1,405,805	219,259	-13,756	2,758,539
Expenses excluding credit losses ²⁾			-99,173		
Operating profit, Insurance ³⁾			120,086		

2019	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	1,200,330	2,103,848	15,283	-8,877	3,310,584
Interest expense	-116,177	-301,578	-32	8,877	-408,910
Provision income	357,070	111,616		-245,993	222,693
Fee & commission expense, banking operations	-60,442				-60,442
Premium earned, net			898,481	-1,972	896,509
Insurance compensation, net			-222,941		-222,941
Fee & commission expense, insurance operations			-485,560	243,476	-242,084
Net income/expense from financial transactions	-17,848	-23,513	18,932	-107	-22,536
Other operating income	166,394	52,793	570	-13,412	206,345
Total operating income	1,529,327	1,943,166	224,733	-18,008	3,679,218
<i>of which, internal ¹⁾</i>	<i>140,615</i>	<i>110,021</i>	<i>-232,628</i>	<i>-18,008</i>	<i>0</i>
Credit losses, net	-212,520	-456,934			-669,454
Operating income less credit losses	1,316,807	1,486,232	224,733	-18,008	3,009,764
Expenses excluding credit losses ²⁾			-99,572		
Operating profit, Insurance ³⁾			125,161		

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.

SEGMENT REPORTING

²⁾ Reconciliation of expenses excluding credit losses against income statement

	2020	2019
As per segment reporting		
Expenses excluding credit losses as regards Insurance segment	-99,173	-99,572
Not broken down by segment		
Expenses excluding credit losses as regards banking operations	-1,372,619	-1,347,495
Total	-1,471,792	-1,447,067
As per income statement		
General administrative expenses	-1,206,154	-1,200,762
Depreciation, amortisation and impairment of intangible and tangible fixed assets	-149,777	-87,642
Other operating expenses	-115,861	-158,663
Total	-1,471,792	-1,447,067

³⁾ Reconciliation of operating profit against income statement

	2020	2019
As per segment reporting		
Operating profit, Insurance	120,086	125,161
Not broken down by segment		
Operating profit as regards banking operations	1,166,661	1,437,536
Total	1,286,747	1,562,697
As per income statement		
Operating profit	1,286,747	1,562,697
Total	1,286,747	1,562,697

	Payment Solutions	Consumer Loans	Insurance	Total Group
Lending to the public				
31/12/2020	10,993,623	19,864,718		30,858,341
31/12/2019	11,425,811	19,918,976		31,344,787

G6 GEOGRAPHIC INCOME DISTRIBUTION AND OTHER DATA BY COUNTRY

2020	Sweden	Denmark	Norway	Finland	Switzerland	Other countries	Total
Gross income ¹⁾²⁾	2,118,018	633,948	1,064,428	678,553	23,327	22,350	4,540,624
Profit before tax	582,053	191,293	355,298	156,419	1,684		1,286,747
Income tax expense	-159,872	-42,336	-99,454	-31,381	-44		-333,087

2019	Sweden	Denmark	Norway	Finland	Switzerland	Other countries	Total
Gross income ¹⁾²⁾	2,014,072	637,404	1,324,503	588,397	30,739	18,481	4,613,595
Profit before tax	887,626	154,261	289,285	225,847	5,679		1,562,697
Income tax expense	-167,358	-42,559	-87,468	-48,921	-82		-346,387

¹⁾ Gross income includes interest income, fee and commission income, net income/expense from financial transactions, premium revenue net, and other operating income.

²⁾ Gross income for Sweden also includes cross-boarder business within the Insurance segment totalling SEK 66.0 million (66.1) Denmark and SEK 22.4 million (18.5) other countries.

Branches: Resurs Bank Danmark reg.no. 36 04 10 21, Resurs Bank Norge reg. no. 984150865, Resurs Bank Finland reg. no. 2110471-4, Branches: Solid Försäkrings AB Schweiz reg. no. 170 9 000 698-8, Solid Försäkrings AB Norge reg. no. 988 263 796 and Solid Försäkrings AB Finland reg. no. 1714344-6. The Group has no single customer that generates 10% or more of total revenues.

G7 NET INTEREST INCOME/EXPENSE

	2020	2019
Interest income		
Lending to credit institutions	174	
Lending to the public ¹⁾	3,243,099	3,297,321
Interest-bearing securities	15,621	13,263
Total interest income	3,258,894	3,310,584
<i>Of which, interest income calculated using the effective interest method</i>	<i>3,243,273</i>	<i>3,297,321</i>
Interest expense		
Liabilities to credit institutions	-3,958	-9,162
Deposits and borrowing from the public	-296,181	-297,370
Issued securities	-72,279	-80,182
Subordinated debt	-25,604	-20,553
Other liabilities	-1,577	-1,643
Total interest expense	-399,599	-408,910
<i>Of which, expense for deposit guarantee scheme and resolution fee</i>	<i>-43,199</i>	<i>-33,519</i>
<i>Of which, interest expense calculated using the effective interest method</i>	<i>-399,599</i>	<i>-408,910</i>
¹⁾ Amount includes interest income on impaired receivables of	203,422	218,354

G8 FEE AND COMMISSION EXPENSE, BANKING OPERATIONS

	2020	2019
Fee & commission income		
Lending commissions	74,939	91,139
Credit card commissions	58,097	70,124
Other commissions	53,088	61,430
Total fee & commission income	186,124	222,693
Fee & commission expenses		
Credit card commissions	-63,635	-60,442
Total fee & commission expenses	-63,635	-60,442

No commission income or commission expense is attributable to balance sheet items at fair value.

G9 PREMIUM EARNED, NET

	2020	2019
Premium earned	949,668	937,163
Premiums for specified reinsurance	-19,922	-24,207
Change in provision for unearned premiums and unexpired risks	-18,890	-16,441
Reinsurers' share in change in provision for unearned premiums and unexpired risks	-14	-6
Total premium earned, net	910,842	896,509

G10 INSURANCE COMPENSATION, NET

	2020	2019
Claims paid, gross	-203,594	-202,585
Less reinsurance share	6,022	7,810
Total claims paid, net	-197,572	-194,775
Change in provision for losses incurred and reported, gross	-8,459	-4,270
Less/additional reinsurance share	-171	-445
Total change in provision for losses incurred and reported, net	-8,630	-4,715
Change in provision for losses incurred but not reported (IBNR), gross	-1,057	-411
Total change in provision for losses incurred but not reported (IBNR), net	-1,057	-411
Operating expenses for claims adjustment, gross	-24,988	-23,446
Less reinsurance share	51	406
Total operating expenses for claims adjustment, net	-24,937	-23,040
Total insurance compensation, net	-232,196	-222,941

G11 NET INCOME/EXPENSE FROM FINANCIAL TRANSACTIONS

	2020	2019
Dividend	1,521	2,621
Net income/expense from shares and participations	1,424	10,472
Impairment of shares	-10,000	
Net income/expense from bonds and other interest-bearing securities	-1,531	6,981
Derivatives	496,602	-204,510
Exchange-rate difference	-503,614	161,900
Total net income/expense from financial transactions	-15,598	-22,536
Net gains/losses by measurement category		
Financial assets at FVTPL	488,016	-184,420
Loan receivables and account receivables	-503,614	161,884
Total	-15,598	-22,536

G12 OTHER OPERATING INCOME

	2020	2019
Other income, lending to the public	157,950	174,787
Other operating income	42,412	31,558
Total operating income	200,362	206,345

G13 LEASES

Resurs Holding Group as lessor

In the banking operations, the Group owns assets that are leased to customers under finance leases. These assets are reported as Lending to the public

in the statement of financial position, in accordance with IFRS. The leased assets are primarily comprised of machinery and other equipment.

Future minimum lease payments under non-cancellable leases fall due as follows:

	2020	2019
Non-cancellable lease payments:		
Within one year	2,980	7,573
Between one and five years	4,540	11,440
After five years	675	1,183
Total non-cancellable lease payments	8,195	20,196
Reconciliation of gross investment and present value of receivables relating to future minimum lease payments		
Gross investment	15,934	38,231
Less unearned financial income	-8,195	-20,196
Net investment in finance agreements	7,739	18,035
Provision for doubtful receivables relating to lease payments	397	591

At 31 December 2020, the majority of the Group's gross and net investments had a remaining maturity of less than five years.

Resurs Holding Group as lessee

According to IFRS 16 Leases, leases for which the Group is lessee are recognised as right-of-use assets and a corresponding liability to the lessor on the day that the leased asset becomes available for use by the Group.

item property, plant and equipment, see Note G29, and the lease liability is reported in the item other liabilities in the statement of financial position.

The tax effect has a positive impact of SEK 141 thousand (147). The total impact on the financial result is SEK -508 thousand (-496). As at 31 December 2020 the average margin loan rate amounted to 1.3 per cent (1.3 pre cent).

As at 31 December 2020, the right-of-use assets amounts to SEK 76,445 thousand (95,403) and liability for unutilised lease obligations amounts SEK 72,742 thousand (90,953). The income statement has been affected by interest expense, SEK 1,070 thousand (1,355) and depreciation amounting SEK 30,514 thousand (29,576).

The Group will be primarily affected by the right-of-use assets attributable to leases for premises and vehicle leases. The right-of-use asset has initially been measured at an amount corresponding to the lease liability, adjusted for any prepaid or accrued lease fees related to the lease agreement. The right-of-use asset is reported in the

G14 GENERAL ADMINISTRATIVE EXPENSES

	2020	2019
General administrative expenses		
Personnel expenses (also see Note G15)	-636,891	-620,420
Postage, communication and notification costs	-132,808	-132,890
IT costs	-203,932	-184,604
Premises costs	-22,550	-20,522
Consulting expenses	-57,804	-64,819
Other	-152,169	-177,507
Total general administrative expenses	-1,206,154	-1,200,762

The item Other in the classification of General administrative expenses includes fees and remuneration to auditors as set out below.

	2020	2019
Auditors fee and expenses		
<i>Ernst & Young AB</i>		
Audit services	-6,855	-4,962
Other assistance arising from audit	-673	-1,367
Tax advisory services	-2,472	-1,125
Other services	-852	-923
Total	-10,852	-8,377
<i>Mazars SA</i>		
Audit services	-406	-845
Total	-406	-845
Total auditors fees and expenses	-11,258	-9,222

Audit services comprise the examination of the annual financial statements and accounting records and the administration of the Board of Directors and CEO. They also include other procedures required to be carried out by the Group's and parent company's auditors, as well as advice or other assistance arising from observations made during the audit or while performing such other

G15 PERSONNEL

	2020	2019
Salaries	-440,654	-426,841
Social insurance costs	-123,689	-119,280
Pension costs	-55,324	-48,921
Other personnel expenses	-17,224	-25,378
Total personnel expenses	-636,891	-620,420
Salaries and other benefits		
Board, CEO and other senior executives	-29,649	-23,068
Other employees	-411,005	-403,773
Total salaries and other benefits	-440,654	-426,841

Remuneration of Board members paid to companies and included in the above amounts is reported under General administrative expenses in the Group and in Personnel expenses in the Parent Company income statement.
The Group management has changed during the year.

2020	Basic salary/ Board fees	Variable remuneration	Other benefits	Pensions	Total
Remuneration and other benefits					
<i>Board and CEO</i>					
Martin Bengtsson, Chairman	-1,370				-1,370
Lars Nordstrand	-990				-990
Fredrik Carlsson	-633				-633
Marita Odélius Engström	-640				-640
Mikael Wintzell	-440				-440
Johanna Berlinde	-628				-628
Anders Dahlvig (resigned 17/06/2020)	-183				-183
Mariana Burenstam Linder (resigned 17/06/2020)	-246				-246
Susanne Ehnåge (elected 17/06/2020)	-264				-264
Kristina Patek (elected 17/06/2020)	-264				-264
Nils Carlsson, CEO (from 01/06/2020)	-2,847		-89	-854	-3,790
Kenneth Nilsson, CEO (resigned 31/05/2020) ⁴⁾	-4,697		-237	-1,062	-5,997
Other senior executives (10 individuals) ¹⁾²⁾	-16,447		-735	-3,152	-20,335
Other employees that may effect the Bank's risk level (24 individuals)	-24,619		-1,492	-5,187	-31,298
Total remuneration and other benefits	-54,268	0	-2,553	-10,255	-67,077
2019					
<i>Board and CEO</i>					
Martin Bengtsson, Chairman	-710				-710
Jan Samuelson, (resigned 02/10/2019, former Chairman)	-1,065				-1,065
Christian Frick (resigned 02/10/2019)	-367				-367
Lars Nordstrand ³⁾	-890				-890
Fredrik Carlsson ³⁾	-577				-577
Anders Dahlvig	-440				-440
Mariana Burenstam Linder	-582				-582
Marita Odélius Engström	-594				-594
Mikael Wintzell	-440				-440
Johanna Berlinde (elected 09/04/2019)	-293				-293
Kenneth Nilsson, CEO	-4,697		-214	-1,063	-5,974
Other senior executives (6 individuals) ²⁾	-12,413		-802	-2,758	-15,973
Other employees that may effect the Bank's risk level (22 individuals)	-31,531	-345	-1,904	-6,634	-40,414
Total remuneration and other benefits	-54,599	-345	-2,920	-10,455	-68,319

¹⁾ Payment was made to Board members company; amount includes compensation for additional taxes.

²⁾ The item also includes amounts invoiced by individuals for their services to the company. The Group recognises these as general administrative expenses and the Parent Company recognises them as other external expenses.

³⁾ Recognised fees refers to total remuneration received by a Board member for board assignment in the company and its subsidiaries.

⁴⁾ In addition to this remuneration, a decision was made in 2021 to pay additional, non-pension qualifying remuneration of SEK 5,382 thousand to Kenneth Nilsson.

	2020	2019
Pension costs		
Board, CEO and other senior executives	-5,068	-3,821
Other employees	-50,256	-45,100
Total	-55,324	-48,921

Board members and senior executives at the end of the year	2020		2019	
	Number	Of which, men	Number	Of which, men
Board members	8	50%	8	63%
CEO and senior executives	11	73%	7	43%

PERSONNEL

The Board of the banking operations has established a remuneration policy in accordance with Swedish Financial Supervisory Authority's FFFS 2011:1. Regulations regarding remuneration structures in credit institutions, investment firms and fund management companies licensed to conduct discretionary portfolio management, recently updated through FFFS 2020:30. The Board of the insurance operations has established a remuneration policy in accordance with the Act on Insurance Distribution 2018:1219 and with Swedish Financial Supervisory Authority's on Insurance Distribution 2018:10.

The Board has instituted a Remuneration Committee, which is responsible for preparing significant remuneration decisions and the Group has a control function which, when appropriate and at least annually, independently reviews how the Group's management of remuneration matters corresponds to the regulatory framework. The Chairman and members of the Board are paid the fees resolved by the Annual General Meeting. Remuneration of executive management and heads of the Group's control functions is determined by the Board. Remuneration comprises a basic salary, other benefits and pension.

Senior executives are not paid a bonus or variable remuneration. Information on remuneration in the subsidiaries Resurs Bank AB and Solid Försäkrings AB is published on www.resurs.se and www.solidab.com.

Resolution on guidelines for remuneration of senior executives

These guidelines apply to the CEO and other members of Group Management. The guidelines shall apply to remuneration as agreed, and changes that have been made to remuneration that have already been resolved since the adoption of the guidelines at the 2020 Annual General Meeting. The guidelines do not cover remuneration that has been resolved by the Annual General Meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability Resurs conducts its operations within banking and insurance, and the operations are divided into three business segments, based on the products and services offered: Payment Solutions (comprising Retail Finance, Credit Cards and Factoring), Consumer Loans and Insurance. The company strives to be a responsible enterprise that is run with the purpose of creating value for partners, customers, employees and owners in a long-term and sustainable manner. For more information on Resurs's business strategy, see www.resursholding.se/en/business-model-and-strategy/. A successful implementation of the company's long-term interests, including within sustainability, runs on the assumption that the company is able to recruit and retain qualified employees. In order to achieve this, the company must be able to offer competitive remuneration. These guidelines allow for competitive total remuneration to be offered to senior executives. Long-term incentive programmes have been established in the company in the form of warrants. These have been resolved by the Annual General Meeting and are therefore not covered by these guidelines. For the same reason, the long-term incentive programmes that the Board has proposed that the Annual General Meeting 2020 adopt are also not covered. The proposed programme essentially corresponds to already existing programmes. The programme, which has a duration of three years, is clearly linked to the company's long-term value-creating ambitions. Remuneration that is covered by these guidelines is aimed at promoting the company's business strategy, long-term interests and sustainability, as well as counteracting unhealthy risk-taking. With this as a background, as well as considering the current regulations on systems

In 2020, variable remuneration was paid in excess of SEK 100 thousand to employees who can influence the Group's risk level.

Warrants

On 31 December 2020, Resurs Holding AB had two active warrant programmes as part of the incentive programmes for management and employees. The 2016/2020 warrant programme ended in 2020.

The Annual General Meeting in June 2020 resolved to offer holders of warrants of series 2016/2020 the opportunity to sell back their warrants of series 2016/2020 and to offer these holders the opportunity to use the proceeds received from the sale of warrants of series 2016/2020 to invest in a new series with the same share of warrants that the holders had in the 2016/2020 programme. No holder of series 2016/2020 warrants decided to exercise their right to subscribe for new shares.

The 2016/2020 warrant programme was repurchased in accordance with the resolution of the Annual General Meeting in June 2020 and the total purchase price amounted to SEK 0.0 million. A new warrant programme was resolved at the Annual General Meeting in June 2020 and 1,860,000 warrants were subscribed for at a total value of SEK 3.7 million. Warrants were subsequently repurchased in 2020 at a value of SEK 0.4 million. In total, the company charged equity with SEK 3.3 million for net changes to the warrant programme in 2020.

of remuneration present in banking and insurance operations, the remuneration to senior executives shall not consist of variable remuneration. Resurs has assessed that fixed remuneration, together with long-term incentive programmes that are determined by the Annual General Meeting, create the optimal conditions to allow management to consistently focus on the company's long-term goals.

Forms of remuneration etc.

Remuneration shall be market-based and consist of the following components: fixed salary, pension benefits and other benefits. Additionally, the Annual General Meeting can – independently of these guidelines – resolve, for example, share and share-price-related remunerations. For the CEO, pension benefits, including health insurance, shall be defined contribution. The pension premiums for defined contribution pensions shall not exceed 35 per cent of the fixed annual salary of the CEO. For other senior executives, pension benefits, including health insurance, shall be defined contribution unless the executive is covered by a defined benefit pension in accordance with mandatory collective agreements. The pension premiums for defined contribution pensions shall not exceed 30 per cent of the fixed annual salary of other senior executives. Other benefits may include life insurance, medical benefits insurance and company car benefit. Such benefits must not exceed 10 per cent of the fixed annual salary of other senior executives. For employment conditions that fall under other regulations than those in Sweden, in reference to pension benefits and other benefits, appropriate adjustments are made to follow mandatory rules or fixed local practices, whereby the general purpose of the guidelines is satisfied as far as possible. The current Group Management is subject to Swedish regulations.

Termination of employment

From the company, the notice period for termination may be at most 18 months for the CEO and at most 12 months for other members of Group Management. From the senior executive, the notice period for termination may be at most six months. No termination benefits are paid. However, remuneration for potential commitments to restrict competition could be issued. Such remuneration shall, in accordance with the current laws compensate

Pensions

The Group's pension obligations for the CEO and other senior executives are covered by defined contribution plans and are based on basic salary. In addition to occupational and statutory pension, a provision for pension benefits of SEK 185 thousand (445) in an endowment insurance policy has been made for the former CEO. In addition to occupational and statutory pension, a provision for pension benefits of SEK 0 thousand (0) in an endowment insurance policy has been made for the incoming CEO. The corresponding figure for other senior executives, in addition to occupational and statutory pension, is SEK 0 thousand (0) in an endowment insurance policy.

Termination conditions and benefits

In the event of termination of employment by the bank, the CEO and the Executive Vice President are entitled to salary during the notice period (12 months). The notice period for other senior executives is 6-9 months. No termination benefits are paid.

for potential loss of income as a result of commitments to restrict competition. Remuneration shall be based on the fixed salary on the termination date, and be paid during the period that the commitment of the restriction of competition applies.

Salary and terms of employment for employees

In preparing the Board's proposals for these remuneration guidelines, salary and terms of employment for the company's employees are taken into account in so far as that information on the employees' total remuneration, the components of the remuneration and the remuneration's increase and rate of increase over time comprised a portion of the Remuneration Committee's and the Board's basis for decision-making on the evaluation of fairness of the guidelines and any resulting limitations.

Decision making process for ensuring, monitoring and adapting the guidelines

The Board has instituted a Remuneration Committee. The tasks of the Remuneration Committee include preparing the Board's resolutions on proposals for guidelines concerning remuneration of senior executives. The Board shall prepare proposals for new guidelines at least once every four years, and submit the proposal to be resolved by the Annual General Meeting. The guidelines are to be valid until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also follow and evaluate the programme for variable remuneration for company management, the application of guidelines for remuneration for senior executives and the relevant remuneration structures and levels in the company. The Remuneration Committee's members are independent in relation to the company and its management. In the Board's processing of and decisions on remuneration related issues, the CEO and other individuals in company management are not present in circumstances when they are affected by the issue at hand.

Deviations from the guidelines

The Board may resolve to temporarily deviate from the guidelines partially or entirely should there be grounds to do so in a particular case, and should a deviation be deemed necessary in order to satisfy the company's long-term interests, including its sustainability, or to guarantee the company's financial buoyancy. As stated above, it is part of the role of the Remuneration Committee to prepare the Board's decisions on remuneration issues, which includes decisions on deviations from the guidelines

Senior executives' use of credit facilities in banking operations

	31/12/2020		31/12/2019	
	Credit limits	Unutilised credit	Credit limits	Unutilised credit
CEO	53	22	216	11
Board members	178	8	502	67
Other senior executives in the Group	1,681	1,041	762	523
Total	1,912	1,071	1,480	601

Lending terms correspond to terms normally applied in credit lending to other personnel. The Group has not pledged security or assumed contingent liabilities for above-named executives.

Average numbers of employees

	2020			2019		
	Men	Women	Total	Men	Women	Total
Sweden	252	273	525	234	268	502
Denmark	44	34	78	43	39	82
Norway	36	41	77	44	51	95
Finland	18	47	65	17	51	68
Total	350	395	745	338	409	747

Reconciliation of outstanding warrants in accordance to the incentive program in Resurs Holding AB

	31/12/2020	31/12/2019
Issued warrants, total		
Opening number of warrants issued	6,840,000	8,000,000
End of 2016/2019 warrant programme	-4,000,000	-4,000,000
New 2019/2022 warrant programme	3,200,000	2,840,000
Issued warrants, total	6,040,000	6,840,000
Issued warrants, outstanding		
Opening number of outstanding warrants	4,225,515	6,180,000
Less, repurchased warrants in ended 2016/2019 programme	-2,952,500	-3,090,000
Warrants subscribed for during the year	1,860,000	1,375,678
Less, warrants repurchased during the year	-152,490	-240,163
Total subscribed warrants outstanding	2,980,525	4,225,515
Whereof subscribed by CEO	750,000	1,365,979
Whereof subscribed by other senior executive members	904,062	682,988
Whereof subscribed by other personnel	1,326,463	2,176,548

G16 DEPRECIATION, AMORTISATION AND IMPAIRMENT OF TANGIBLE AND INTANGIBLE FIXED ASSETS

	2020	2019
Depreciation and amortisation		
Tangible assets	-52,916	-51,917
Intangible assets	-96,861	-35,725
Total depreciation and amortisation	-149,777	-87,642
Total depreciation, amortisation and impairment of tangible and intangible assets	-149,777	-87,642

G17 OTHER OPERATING COSTS

	2020	2019
Marketing	-110,252	-151,936
Insurance	-5,335	-5,896
Other	-274	-831
Total other operating expenses	-115,861	-158,663

G18 CREDIT LOSSES

	2020	2019
Provision of credit losses ¹⁾		
Stage 1	-45,323	-3,746
Stage 2	-30,086	-105,351
Stage 3	-169,394	-150,186
Total	-244,803	-259,283
Provision of credit losses off balance (unutilised limit)		
Stage 1	-6,148	-2,272
Stage 2	1,804	4,318
Stage 3		
Total	-4,344	2,046
Write-offs of confirmed credit losses	-641,923	-437,791
Recoveries of previously confirmed credit losses	36,698	25,574
Total	-605,225	-412,217
Total credit losses for the year	-854,372	-669,454
<i>of which lending to the public</i>	<i>-850,028</i>	<i>-671,500</i>

¹⁾ During the year, the Group updated its model and logic for defining significant risk increases that form the basis of whether a loan is to be allocated to stage 1 or stage 2, so as to increase the precision and stability of the stage allocations. The model update is based on observed historical outcome since the bank introduced IFRS 9 in January 2018. The effects entailed that part of the balance that was previously allocated to stage 2 was instead allocated to stage 1, meaning that the associated ECL increased in stage 1 and reduced in stage 2 compared with prior years.

G19 TAXES

	2020	2019
Current tax expense		
Current tax for the year	-310,012	-342,978
Adjustment of tax attributable to previous year's	-34,444	3,036
Current tax expense	-344,456	-339,942
Deferred tax on temporary differences	11,369	-6,445
Total tax expense reported in income statement	-333,087	-346,387

	2020	2019
Reconciliation of effective tax		
Profit before tax	1,286,747	1,562,697
Tax at prevailing tax rate	-21.4% -275,364	-21.4% -334,417
Non-deductible expenses/non-taxable income	-0.9% -11,712	-0.9% -13,589
Tax attributable to differing tax rates for foreign branch offices and subsidiaries	-0.9% -11,338	-0.1% -1,182
Tax attributable to prior years	-2.7% -34,444	0.2% 3,036
Standard interest, tax allocation reserve	0.0% -229	0.0% -235
Recognised effective tax	-25.9% -333,087	-22.2% -346,387

	2020	2019
Change in deferred tax		
Tax effects attributable to temporary differences, property, plant & equipment	-489	-18
Tax effects attributable to temporary differences, intangible assets	1,689	-14,803
Tax effects attributable to temporary differences, lending to the public	14,374	6,991
Tax effects attributable to temporary differences, pensions	-994	-1,754
Tax effects attributable to temporary differences, other	-3,211	3,139
Total deferred tax	11,369	-6,445

	31/12/2020	31/12/2019
Deferred tax assets		
Deferred tax assets for property, plant & equipment	2,485	3,280
Deferred tax assets for pensions, net	3,102	5,326
Deferred tax assets, other	3,682	5,529
Total deferred tax asset	9,269	14,135
Offset by country	-5,458	-8,898
Net deferred tax assets	3,811	5,237

	31/12/2020	31/12/2019
Deferred tax liabilities		
Deferred tax liabilities, intangible assets	44,566	45,208
Deferred tax liabilities for lending to the public	30,592	50,792
Deferred tax liabilities for untaxed reserves	154,181	154,179
Deferred tax liabilities other	1,904	
Total deferred tax liabilities	231,243	250,179
Offset by country	-5,458	-8,898
Net deferred tax liabilities	225,785	241,281

G20 EARNINGS PER SHARE

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

2020

During the January - December 2020 period, there were a total of 200,000,000 shares with a quotient value of SEK 0.005. Share capital totalled SEK 1 million. No changes in either the number of outstanding shares or the quotient value took place in 2020. No dilution effect exists as of 31 December 2020.

2019

During the January - December 2019 period, there were a total of 200,000,000 shares with a quotient value of SEK 0.005. Share capital totalled SEK 1 million. No changes in either the number of outstanding shares or the quotient value took place in 2019. No dilution effect exists as of 31 December 2019.

Basic and diluted earnings per share, SEK

	31/12/2020	31/12/2019
Profit for the year	953,660,000	1,216,310,000
Portion attributable to Resurs Holding AB shareholders	936,716,000	1,213,343,000
Portion attributable to additional Tier 1 capital holders	16,944,000	2,967,000
Profit for the year	953,660,000	1,216,310,000
Weighted average number of ordinary shares outstanding	200,000,000	200,000,000
Basic and diluted earnings per share	4.68	6.07

Share capital and number of shares

	2020		2019	
	Number of shares	Share capital	Number of shares	Share capital
Opening numbers beginning of the year	200,000,000	1,000,000	200,000,000	1,000,000
Closing numbers at the end of the year	200,000,000	1,000,000	200,000,000	1,000,000

G21 TREASURY AND OTHER BILLS ELIGIBLE FOR REFINANCING

	31/12/2020			31/12/2019		
	Nominal amount	Fair value	Carrying value	Nominal amount	Fair value	Carrying value
Issued by						
Swedish government and municipalities	2,132,201	2,151,036	2,151,036	1,603,696	1,617,103	1,617,103
Foreign governments and municipalities	147,538	151,787	151,787	137,191	141,732	141,732
Total	2,279,739	2,302,823	2,302,823	1,740,887	1,758,835	1,758,835
<i>Of which, listed</i>	2,279,739	2,302,823	2,302,823	1,740,887	1,758,835	1,758,835
Remaining maturity						
0-1 years	1,222,000	1,222,416	1,222,416	973,881	974,092	974,092
1-3 years	446,874	454,402	454,402	199,895	202,576	202,576
More than 3 years	610,865	626,005	626,005	567,111	582,167	582,167
Total	2,279,739	2,302,823	2,302,823	1,740,887	1,758,835	1,758,835
Issuer's rating						
AAA/Aaa	923,739	936,180	936,180	522,075	529,316	529,316
AA+/Aa1	1,356,000	1,366,643	1,366,643	918,812	929,577	929,577
Unrated ¹⁾				300,000	299,942	299,942
Total	2,279,739	2,302,823	2,302,823	1,740,887	1,758,835	1,758,835

¹⁾ Unrated treasury and other bills eligible for refinancing¹⁾ is comprised of holdings in a Swedish

G22 LENDING TO CREDIT INSTITUTIONS

	31/12/2020	31/12/2019
Loans in SEK	2,723,430	2,389,488
Loans in DKK	134,518	66,864
Loans in NOK	734,965	934,985
Loans in EUR	549,368	721,948
Loans in other currencies	7,625	15,668
Total lending to credit institutions	4,149,906	4,128,953

G23 LENDING TO THE PUBLIC

	31/12/2020	31/12/2019
Receivables outstanding, gross		
Loans in SEK	15,858,372	15,111,405
Loans in DKK	4,884,972	4,768,230
Loans in NOK	7,322,478	9,625,322
Loans in EUR	5,773,980	4,718,470
Total lending to the public	33,839,802	34,223,427
Retail sector	33,329,635	33,549,423
Net value of acquired non-performing consumer loans ¹⁾	166,201	202,143
Corporate sector ^{2) 3)}	343,966	471,861
Total lending to the public	33,839,802	34,223,427
Less provision for expected credit losses ⁴⁾	-2,981,461	-2,878,640
Total net lending to the public	30,858,341	31,344,787
Opening net value of acquired non-performing consumer loans	202,143	223,702
Amortisation for the year	-31,397	-22,723
Currency effect	-4,545	1,164
Net value of acquired non-performing consumer loans	166,201	202,143

¹⁾ Acquired non-performing consumer loans as follows:

Opening net value of acquired non-performing consumer loans	202,143	223,702
Amortisation for the year	-31,397	-22,723
Currency effect	-4,545	1,164
Net value of acquired non-performing consumer loans	166,201	202,143

²⁾ Amount includes acquired invoice receivables of SEK 230.0 million (353.0).

³⁾ Amount includes finance leases of SEK 7.7 million (18.0) for which Resurs Bank is lessor.

⁴⁾ Amount includes lending to retail and corporate sectors.

Geographic distribution of net lending to the public

	31/12/2020	31/12/2019
Sweden	15,059,125	14,233,816
Denmark	4,146,035	4,065,796
Norway	6,546,310	8,754,773
Finland	5,106,871	4,290,402
Total net lending to the public	30,858,341	31,344,787
Expected credit losses		
Stage 1	-209,382	-174,601
Stage 2	-428,880	-421,929
Stage 3	-2,343,199	-2,282,110
Total expected credit losses	-2,981,461	-2,878,640

LENDING TO THE PUBLIC

Change in provision, Lending to the public
31/12/2020

	Non doubtful receivables	Non doubtful receivables	Doubtful receivables	Total
	Stage 1	Stage 2	Stage 3	
Carrying amount gross				
Carrying amount gross 1 January 2020	23,687,685	5,259,502	5,276,240	34,223,427
Carrying amount gross 31 December 2020	25,013,471	3,521,766	5,304,565	33,839,802
Provision				
Provision at 1 January 2020	-174,601	-421,929	-2,282,110	-2,878,640
New and derecognised financial assets	-22,496	42,272	-4,976	14,800
Changes in risk factors (PD/EAD/LGD)	-7,418	-26,823	-51,811	-86,052
Changes in macroeconomic scenarios	-521	2,642	6,298	8,419
Changes due to expert assessments (individual assessments, manual adjustments)	-18,394	-34,119	12,053	-40,460
Transfers between stages				
from 1 to 2	16,079	-143,181		-127,102
from 1 to 3	4,439		-79,137	-74,698
from 2 to 1	-14,466	99,641		85,175
from 2 to 3		40,245	-84,219	-43,974
from 3 to 2		-6,572	11,620	5,048
from 3 to 1	-423		31,253	30,830
Exchange-rate differences	8,419	18,944	97,830	125,193
Provision at 31 December 2020	-209,382	-428,880	-2,343,199	-2,981,461
Carrying amount				
Opening balance at 1 January 2020	23,513,084	4,837,573	2,994,130	31,344,787
Closing balance at 31 December 2020	24,804,089	3,092,886	2,961,366	30,858,341

31/12/2019	Non doubtful receivables	Non doubtful receivables	Doubtful receivables	Total
	Stage 1	Stage 2	Stage 3	
Carrying amount gross				
Carrying amount gross 1 January 2019	22,511,152	3,377,690	4,655,770	30,544,612
Carrying amount gross 31 December 2019	23,687,685	5,259,502	5,276,240	34,223,427
Provision				
Provision at 1 January 2019	-167,847	-312,399	-2,107,790	-2,588,036
New and derecognised financial assets	-24,395	-57,230	-39,888	-121,513
Changes in risk factors (PD/EAD/LGD)	875	-2,615	119,211	117,471
Changes in macroeconomic scenarios	-1,196	-3,510	-3,162	-7,868
Changes due to expert assessments (individual assessments, manual adjustments)	-3,294	-7,267	-24,439	-35,000
Transfers between stages				
from 1 to 2	24,221	-155,848		-131,627
from 1 to 3	9,509		-177,913	-168,404
from 2 to 1	-8,909	78,867		69,958
from 2 to 3		48,366	-97,855	-49,489
from 3 to 2		-5,729	15,360	9,631
from 3 to 1	-507		63,363	62,856
Exchange-rate differences	-3,058	-4,564	-28,997	-36,619
Provision at 31 December 2019	-174,601	-421,929	-2,282,110	-2,878,640
Carrying amount				
Opening balance at 1 January 2019	22,343,305	3,065,291	2,547,980	27,956,576
Closing balance at 31 December 2019	23,513,084	4,837,573	2,994,130	31,344,787

Provision of credit losses during the period were impacted by several different factors, as described below:

- Transfers between Stage 1 and Stage 2 or Stage 3 depending on whether the loan has significantly increased (or decreased) in risk or if it has defaulted during the period and thus transferred between 12 month and full lifetime ECL.
- New loans during the period and also loans removed from the portfolio in the same period. (Increases due to issue and purchase and decline due to derecognition from the statement of financial position)
- Changes in risk factors (PD/EAD/LGD), arising because the model has been updated with new amounts (Changes due to changed credit risk, net).
- Changes in macroeconomic scenarios based on macroeconomic factors, that from a historical perspective has proven to correlate well with changes in the Group's credit losses.
- Exchange-rate differences

LENDING TO THE PUBLIC

Change in gross volume, Lending to the public
31/12/2020

	Non doubtful receivables	Non doubtful receivables	Doubtful receivables	Total
	Stage 1	Stage 2	Stage 3	
Carrying amount gross 1 January 2020	23,687,687	5,259,502	5,276,238	34,223,427
New and derecognised financial assets	2,242,193	-675,030	-87,911	1,479,252
Transfers between stages				
from 1 to 2	-1,347,791	1,294,460		-53,331
from 1 to 3	-289,493		227,670	-61,823
from 2 to 1	1,547,030	-1,839,877		-292,847
from 2 to 3		-359,633	244,727	-114,906
from 3 to 2		42,016	-45,875	-3,859
from 3 to 1	30,079		-84,691	-54,612
Exchange-rate differences	-856,234	-199,672	-225,593	-1,281,499
Carrying amount gross 31 December 2020	25,013,471	3,521,766	5,304,565	33,839,802

31/12/2019	Non doubtful receivables	Non doubtful receivables	Doubtful receivables	Total
	Stage 1	Stage 2	Stage 3	
Carrying amount gross 1 January 2019	22,511,152	3,377,690	4,655,770	30,544,612
New and derecognised financial assets	2,541,836	1,193,710	1,322	3,736,868
Transfers between stages				
from 1 to 2	-1,978,518	1,974,663		-3,855
from 1 to 3	-507,425		456,208	-51,217
from 2 to 1	778,888	-989,586		-210,698
from 2 to 3		-374,751	267,583	-107,168
from 3 to 2		37,009	-40,315	-3,306
from 3 to 1	25,552		-128,526	-102,974
Exchange-rate differences	316,202	40,767	64,196	421,165
Carrying amount gross 31 December 2019	23,687,687	5,259,502	5,276,238	34,223,427

Loans to the public, split by stage and provision, retail

	31/12/2020	31/12/2019
Stage 1		
Carrying amount, gross	24,740,765	23,343,496
Provisions	-206,520	-170,988
Carrying amount	24,534,245	23,172,508
Stage 2		
Carrying amount, gross	3,500,925	5,187,002
Provisions	-427,838	-419,305
Carrying amount	3,073,087	4,767,697
Total performing at year end	28,241,690	28,530,498
Total provision, performing at year end	-634,358	-590,293
Stage 3		
Carrying amount, gross	5,254,145	5,221,067
Provisions	-2,296,486	-2,236,322
Carrying amount	2,957,659	2,984,745
Total at year end	33,495,835	33,751,565
Total provision at end of the year	-2,930,844	-2,826,615

LENDING TO THE PUBLIC

Loans to the public, split by stage and provision, corporate sector

	31/12/2020	31/12/2019
Stage 1		
Carrying amount, gross	272,706	344,189
Provisions	-2,862	-3,615
Carrying amount	269,844	340,574
Stage 2		
Carrying amount, gross	20,841	72,499
Provisions	-1,042	-2,625
Carrying amount	19,799	69,874
Total performing at year end	293,547	416,688
Total provision, performing at year end	-3,904	-6,240
Stage 3		
Carrying amount, gross	50,419	55,174
Provisions	-46,712	-45,785
Carrying amount	3,707	9,389
Total at year end	343,966	471,862
Total provision at year end	-50,616	-52,025

Totals

	31/12/2020	31/12/2019
Carrying amount gross, stage 1	25,013,471	23,687,685
Carrying amount gross, stage 2	3,521,766	5,259,502
Carrying amount gross, stage 3	5,304,565	5,276,240
Carrying amount, gross	33,839,802	34,223,427
Provision stage 1	-209,382	-174,601
Provision stage 2	-428,880	-421,929
Provision stage 3	-2,343,199	-2,282,110
Total provisions	-2,981,461	-2,878,640
Carrying amount	30,858,341	31,344,787
Share of loans in stage 1, gross%	73.92%	69.21%
Share of loans in stage 2, gross%	10.41%	15.37%
Share of loans in stage 3, gross%	15.68%	15.42%
Share of loans in stage 1, net%	80.38%	75.01%
Share of loans in stage 2, net%	10.02%	15.43%
Share of loans in stage 3, net%	9.60%	9.55%
Reserve ratio loans in stage 1	0.84%	0.74%
Reserve ratio loans in stage 2	12.18%	8.02%
Reserve ratio loans in stage 3	44.17%	43.25%
Reserve ratio performing loan	2.24%	2.06%
Total reserve ratio loans	8.81%	8.41%

LENDING TO THE PUBLIC

Segment reporting, Lending to the public

31/12/2020	Payment Solutions	Consumer Loans	Total
Carrying amount gross			
Stage 1	9,024,412	15,989,059	25,013,471
Stage 2	1,171,126	2,350,640	3,521,766
Stage 3	1,736,564	3,568,001	5,304,565
Carrying amount gross	11,932,102	21,907,700	33,839,802
Provision			
Stage 1	-39,525	-169,857	-209,382
Stage 2	-70,761	-358,119	-428,880
Stage 3	-828,193	-1,515,006	-2,343,199
Total provision	-938,479	-2,042,982	-2,981,461
Net lending to the public			
Stage 1	8,984,887	15,819,202	24,804,089
Stage 2	1,100,365	1,992,521	3,092,886
Stage 3	908,371	2,052,995	2,961,366
Total net lending to the public	10,993,623	19,864,718	30,858,341

31/12/2019

	Payment Solutions	Consumer Loans	Total
Carrying amount gross			
Stage 1	8,857,644	14,830,040	23,687,684
Stage 2	1,682,657	3,576,845	5,259,502
Stage 3	1,815,584	3,460,656	5,276,240
Carrying amount gross	12,355,885	21,867,541	34,223,426
Provision			
Stage 1	-35,665	-138,936	-174,601
Stage 2	-80,875	-341,054	-421,929
Stage 3	-813,534	-1,468,575	-2,282,109
Total provision	-930,074	-1,948,565	-2,878,639
Net lending to the public			
Stage 1	8,821,979	14,691,104	23,513,083
Stage 2	1,601,782	3,235,791	4,837,573
Stage 3	1,002,050	1,992,081	2,994,131
Total net lending to the public	11,425,811	19,918,976	31,344,787

G24 BONDS AND OTHER INTEREST-BEARING SECURITIES

Bonds	31/12/2020			31/12/2019		
	Nominal amount	Fair value	Carrying value	Nominal amount	Fair value	Carrying value
Corporate bonds	420,396	423,109	423,109	312,866	316,226	316,226
Swedish mortgage institutions	527,783	536,842	536,842	752,601	760,006	760,006
Foreign mortgage institutions	131,329	132,727	132,727	142,090	142,114	142,114
Total	1,079,508	1,092,678	1,092,678	1,207,557	1,218,346	1,218,346
<i>Of which, listed</i>	1,079,508	1,092,678	1,092,678	1,207,557	1,218,346	1,218,346
Remaining maturity						
0-1 years	270,242	271,076	271,076	298,290	299,300	299,300
1-3 years	348,270	350,467	350,467	467,645	473,369	473,369
More than 3 years	460,996	471,135	471,135	441,622	445,677	445,677
Total	1,079,508	1,092,678	1,092,678	1,207,557	1,218,346	1,218,346
Issuer's rating						
AAA/Aaa	659,112	669,570	669,570	894,690	902,119	902,119
A+/A1	6,000	6,006	6,006	6,000	6,053	6,053
A/A2	15,637	15,698	15,698			
A-/A3	37,000	37,151	37,151	22,000	22,212	22,212
BBB+/Baa1	28,000	28,298	28,298	14,000	14,183	14,183
BBB/Baa2	64,000	64,477	64,477	40,232	40,553	40,553
BBB-/Baa3	47,910	48,681	48,681	21,158	21,408	21,408
BB+/Ba1	18,000	18,175	18,175	18,000	18,457	18,457
BB/Ba2	26,000	26,000	26,000	8,000	8,008	8,008
B+/B1	2,008	2,008	2,008	9,087	9,359	9,359
Unrated	175,841	176,614	176,614	174,390	175,994	175,994
Total	1,079,508	1,092,678	1,092,678	1,207,557	1,218,346	1,218,346

In the event the credit ratings differ, the lowest is used.

The credit rating of the lending programme is used for covered bonds.

Other interest-bearing securities

	31/12/2020			31/12/2019		
	Nominal amount	Fair value	Carrying value	Nominal amount	Fair value	Carrying value
Fixed income funds	38,578	39,042	39,042	39,907	40,009	40,009
Structured products	12,000	11,896	11,896	30,000	30,599	30,599
Total	50,578	50,938	50,938	69,907	70,608	70,608
Total bonds and other interest-bearing securities	1,130,086	1,143,616	1,143,616	1,277,464	1,288,954	1,288,954

G25 SUBORDINATED LOANS

	31/12/2020			31/12/2019		
	Nominal amount	Fair value	Carrying value	Nominal amount	Fair value	Carrying value
Subordinated loans	31,521	29,682	29,682	28,129	28,290	28,290
Total subordinated loans	31,521	29,682	29,682	28,129	28,290	28,290
Remaining maturity						
0-1 years	7,000	5,110	5,110	3,391	3,446	3,446
1-3 years	24,521	24,572	24,572	5,738	5,897	5,897
More than 3 years				19,000	18,947	18,947
Total subordinated loans	31,521	29,682	29,682	28,129	28,290	28,290
Issuer's rating						
A/A2	19,000	18,993	18,993	19,000	18,947	18,947
A-/A3				3,391	3,446	3,446
BBB/Baa2	5,521	5,579	5,579	5,738	5,897	5,897
B-/B3	7,000	5,110	5,110			
Total subordinated loans	31,521	29,682	29,682	28,129	28,290	28,290

In the event the credit ratings differ, the lowest is used.

G26 SHARES AND PARTICIPATIONS

The shareholdings largely comprise shares from Solid Försäkringar's investment portfolio. Resurs Bank has shareholdings comprising shares in Vipps AS, Dicopay AB, Trademate ApS and in Kivra Oy. The Group views these shareholdings as strategic and the assets were recognised at a total amount of SEK 7,287 thousand on the closing date. During 2020, an impairment of SEK 10 million of a holding in Dicopay was made.

	31/12/2020	31/12/2019
Cost	118,240	94,406
<i>Of which, listed</i>	100,952	76,986
Carrying value	105,494	95,823
<i>Of which, listed</i>	98,207	78,402
Fair value	105,494	95,823
<i>Of which, listed</i>	98,207	78,402

See note G44 Financial Instruments for additional information.

G27 DERIVATIVES

31/12/2020	Nominal amount Remaining maturity				Positive market-values	Negative market-values
	< 1 year	1-5 years	> 5 years	Total		
Derivatives instruments, no hedge accounting						
Currency related contracts						
Swaps	5,393,846	5,438		5,399,284	113,272	4,167
Total	5,393,846	5,438	0	5,399,284	113,272	4,167
Total derivatives	5,393,846	5,438	0	5,399,284	113,272	4,167

31/12/2019	Nominal amount Remaining maturity				Positive market-values	Negative market-values
	< 1 year	1-5 years	> 5 years	Total		
Derivatives instruments, no hedge accounting						
Currency related contracts						
Swaps	7,711,925	5,652		7,717,577	110,707	25,358
Total	7,711,925	5,652	0	7,717,577	110,707	25,358
Total derivatives	7,711,925	5,652	0	7,717,577	110,707	25,358

G28 INTANGIBLE ASSETS

31/12/2020	Goodwill	Internally developed software	Acquired customer relations	Total
Opening cost	1,788,318	255,071	146,050	2,189,439
Investments during the year		34,413	11,932	46,345
Divestments/disposals during the year		-2,269		-2,269
Exchange-rate difference	-106,552	-6,378	-11,332	-124,262
Total cost at year-end	1,681,766	280,837	146,650	2,109,253
Opening amortisation		-54,085	-57,139	-111,224
Amortisation of divested/disposed assets		754		754
Amortisation for the year		-82,651	-14,210	-96,861
Exchange-rate difference		4,412	3,870	8,282
Total accumulated amortisation at year-end	0	-131,570	-67,479	-199,049
Opening impairment	-14,810			-14,810
Total accumulated impairment at year-end	-14,810	0	0	-14,810
Carrying amount	1,666,956	149,267	79,171	1,895,394

31/12/2019	Goodwill	Internally developed software	Acquired customer relations	Total
Opening cost	1,733,866	243,274	142,386	2,119,526
Investments during the year	20,000	67,042		87,042
Divestments/disposals during the year		-58,603		-58,603
Exchange-rate difference	34,452	3,358	3,664	41,474
Total cost at year-end	1,788,318	255,071	146,050	2,189,439
Opening amortisation		-88,038	-42,997	-131,035
Amortisation of divested/disposed assets		58,603		58,603
Amortisation for the year		-22,350	-13,375	-35,725
Exchange-rate difference		-2,300	-767	-3,067
Total accumulated amortisation at year-end	0	-54,085	-57,139	-111,224
Opening impairment	-14,810			-14,810
Total accumulated impairment at year-end	-14,810	0	0	-14,810
Carrying amount	1,773,508	200,986	88,911	2,063,405

Impairment testing of goodwill

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when indicating a decline in value. The recoverable amount is determined based on estimates of value in use using a discounted cash flow model with a five-year forecast period. The valuation is performed for each cash-generating unit: Resurs Group segments, Consumer Loans, Payment Solutions and Insurance. Goodwill is allocated to the segments based on expected future benefit.

Anticipated future cash flows

During the first five years, anticipated future cash flows are based on forecasts of risk-weighted volumes, income, expenses, credit losses and anticipated future capital requirements.

The forecasts are based primarily on an internal assessment based on historical performance and market development of future income and cost trends, economic conditions, anticipated interest rate trend and anticipated effects of future regulations.

A forecast is conducted over the first five years based on a long-term growth rate assumption. The assessment is based on long-term assumptions about market growth beyond the forecast period and the business's actual performance in relation to such growth. This year's impairment test is based on the assumption of a 2 per cent (2 per cent) long-term growth rate. Anticipated cash flows have been discounted using an interest rate based on a risk-free rate and risk adjustment corresponding to the market's

average return. The discount rate for this year's impairment test was 9.7 per cent (8.4 per cent) after tax. The corresponding rate before tax was 12.3 per cent (10.0 per cent) for Consumer Loans and 12.1 per cent (10.8 per cent) for Payment Solutions.

The calculated value in use of goodwill is sensitive to a number of variables that are significant to anticipated cash flows and the discount rate. The variables most significant to the calculation are assumptions about interest rate and economic trends, future margins and cost effectiveness.

No reasonably possible change in the key assumptions would affect the carrying amount of goodwill.

The following is a summary of goodwill allocated to each operating segment

	31/12/2020			31/12/2019			
	Opening carrying value	Exchange-rate difference	Closing carrying value	Opening carrying value	Acquisitions	Exchange-rate difference	Closing carrying value
Payment Solutions	360,487	-14,917	345,570	355,664		4,823	360,487
Consumer Loans	1,381,154	-91,635	1,289,519	1,351,525		29,629	1,381,154
Insurance	31,867		31,867	11,867	20,000		31,867
Total	1,773,508	-106,552	1,666,956	1,719,056	20,000	34,452	1,773,508

G29 PROPERTY, PLANT AND EQUIPMENT

	31/12/2020	31/12/2019
Equipment		
Cost at beginning of the year	245,222	116,143
Additional right-of-use assets in accordance with IFRS 16		111,707
Purchases during the year ¹⁾	43,474	24,689
Divestments/disposals during the year	-14,786	-14,476
Reclassifications		6,203
Exchange-rate difference	-5,378	956
Total cost at year-end	268,532	245,222
Accumulated depreciation at beginning of the year	-105,351	-59,915
Accumulated depreciation of divested/disposed assets	9,362	13,402
Depreciation for the year	-52,915	-51,917
Reclassifications		-6,203
Exchange-rate difference	2,582	-718
Total accumulated depreciation at year-end	-146,322	-105,351
Carrying amount²⁾	122,210	139,871

¹⁾ 2019 includes adjustment for IFRS 16 with SEK 7.7 million.

²⁾ The carrying amount includes assets in an amount of SEK 76,445 thousand (95,403) for leases capitalised in accordance with IFRS 16.

G30 REINSURER'S SHARE OF TECHNICAL PROVISIONS

	31/12/2020	31/12/2019
Unearned premiums and unexpired risks	3,447	3,460
Unsettled claims	220	416
Total reinsurers' share of technical provisions	3,667	3,876

G31 OTHER ASSETS

	31/12/2020	31/12/2019
Receivables, leasing activities	337	302
Receivables, factoring activities	3,801	2,317
Receivables, insurance brokers and representatives	42,870	50,058
Other	37,310	38,803
Total other assets	84,318	91,480

G32 PREPAID EXPENSES AND ACCRUED INCOME

	31/12/2020	31/12/2019
Prepaid expenses	124,461	73,687
Prepaid acquisition expenses, insurance operations	193,484	198,124
Accrued interest	12,452	14,496
Accrued income, lending activities	21,331	135,322
Total prepaid expenses and accrued income	351,728	421,629

G33 LIABILITIES TO CREDIT INSTITUTIONS

	31/12/2020	31/12/2019
Loans in SEK	107,400	94,900
Total liabilities to credit institutions	107,400	94,900

G34 DEPOSITS AND BORROWING FROM THE PUBLIC

	31/12/2020	31/12/2019
Deposits and borrowing in SEK	11,534,024	11,251,060
Deposits and borrowing in NOK	6,440,373	6,517,642
Deposits and borrowing in EUR	6,717,798	6,640,330
Total deposits and borrowing from the public	24,692,195	24,409,032
Retail sector	23,062,763	22,679,038
Corporate sector	1,629,432	1,729,994
Total deposits and borrowing from the public	24,692,195	24,409,032

Maturity

The majority of deposits from the public are payable on demand; see also Note G3. Risk management.

G35 OTHER LIABILITIES

	31/12/2020	31/12/2019
Trade payables	65,502	62,916
Liabilities to representatives	218,142	264,079
Preliminary tax, interest on deposits	15,812	15,469
Provision for loyalty programmes	24,900	31,366
Liabilities for reinsurance		2,241
Other	296,466	318,416
Total other liabilities	620,822	694,487

G36 ACCRUED EXPENSES AND DEFERRED INCOME

	31/12/2020	31/12/2019
Accrued interest expenses	19,447	35,864
Accrued personnel-related expenses	116,825	97,677
Accrued administrative expenses	76,000	69,487
Deferred income, leasing	568	715
Other deferred income	12,227	8,118
Total accrued expenses and deferred income	225,067	211,861

G37 TECHNICAL PROVISIONS

	31/12/2020	31/12/2019
Unearned premiums and unexpired risks		
Opening balance	538,318	512,220
Insurance written during the year	951,480	939,135
Premiums earned during the year	-932,590	-922,694
Exchange-rate difference	-24,277	9,657
Closing balance	532,931	538,318
Unsettled claims		
Opening balance	47,239	41,833
Settled claims from previous financial years	-21,814	-25,264
Change in anticipated expense for claims incurred during previous years	-9,200	-3,996
Exchange-rate difference	1,921	-726
Provision of the year	36,687	35,392
Closing balance	54,833	47,239
Total technical provisions at the end of the year	587,764	585,557

G38 OTHER PROVISIONS

	31/12/2020	31/12/2019
Opening balance	20,337	22,861
Provisions made during the year	4,408	-2,128
Exchange-rate difference	-3,670	-396
Closing balance	21,075	20,337
Provision of credit reserves, unutilised limit, Stage 1	17,337	11,925
Provision of credit reserves, unutilised limit, Stage 2		1,719
Other provisions	3,738	6,693
Closing balance	21,075	20,337

The parent company and Resurs Bank have entered into an endowment insurance agreement for safeguarding pension obligations. The endowment insurance and obligations have been netted. The amount in other provisions, consists of payroll tax that are not covered in the insurance agreement SEK 2.3 million (2.2). The market value of the endowment insurance is SEK 16.3 million (16.5).

Through the merger with Finaref AS, Resurs Bank AB's Norwegian branch office has defined-benefit pension plans. The provision is calculated annually on an actuarial basis to ensure the correct amount is allocated. The provision amounts to SEK 1.5 million (4.5).

G39 ISSUED SECURITIES

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 December 2020, an agreement was signed to extend the existing financing and Resurs Bank has, for a period of 18 months (revolving period), the right to continue selling certain additional loan receivables to Resurs Consumer Loans.

On 31 December 2020, approximately SEK 2.5 billion in loan receivables had been transferred to Resurs Consumer Loans. Resurs Bank and Resurs Consumer Loans have provided security for the assets that form part of the securitisation.

At the closing date, the external financing amounted to SEK 2.0 billion (2.9) of the ABS financing. Because significant risks and benefits associated with the loan receivables sold, these were not transferred to the subsidiary and are still reported in the bank's balance sheet and profit and loss in accordance with IFRS 9.

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 9,000 million (8,000). 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. On the closing date, the programme had 9 issues outstanding allocated over a nominal SEK 4,900 million (5,450).

Of the nine issues, seven are senior unsecured bonds and two issues are Tier 2 capital of SEK 600 million (600).

Outside the programme, Resurs Bank also issued Tier 2 capital (T2) of a nominal SEK 200 million (200) to the fellow subsidiary Solid Försäkringar. This subordinated loan is recognised by Resurs Bank and Solid Försäkringar but eliminated at Resurs Holding level.

Resurs Holding issued Additional Tier 1 Capital of a nominal SEK 300 million (300). This Additional Tier 1 Capital is recognised under equity.

31/12/2020	Currency	Nominal amount	Interest rate	Carrying amount	Fair value
Resurs Bank MTN 104 16/03/2021	SEK	500,000	Variable	499,923	500,860
Resurs Bank MTN 108 16/06/2021	SEK	500,000	Variable	499,889	501,480
Resurs Bank MTN 109 30/08/2021	SEK	700,000	Variable	699,768	703,045
Resurs Bank MTN 110 31/05/2022	SEK	600,000	Variable	599,576	603,978
Resurs Bank MTN 111 29/08/2022	SEK	700,000	Variable	699,420	702,905
Resurs Bank MTN 112 28/02/2023	SEK	700,000	Variable	699,244	699,657
Resurs Bank MTN 113 24/11/2023	SEK	600,000	Variable	599,652	601,008
Resurs Consumer Loans 1 Ltd ABS	SEK	2,000,000	Variable	2,000,000	2,009,578
Total issued securities				6,297,472	6,322,511

31/12/2019	Currency	Nominal amount	Interest rate	Carrying amount	Fair value
Resurs Bank MTN 103 24/02/2020	SEK	300,000	Variable	275,977	276,323
Resurs Bank MTN 104 16/03/2021	SEK	500,000	Variable	499,547	504,230
Resurs Bank MTN 105 29/05/2020	SEK	600,000	Variable	549,877	551,496
Resurs Bank MTN 106 07/12/2020	SEK	350,000	Variable	349,836	351,670
Resurs Bank MTN 107 31/08/2020	SEK	600,000	Variable	599,800	602,124
Resurs Bank MTN 108 16/06/2021	SEK	500,000	Variable	499,645	503,280
Resurs Bank MTN 109 30/08/2021	SEK	700,000	Variable	699,418	704,732
Resurs Bank MTN 110 31/05/2022	SEK	600,000	Variable	599,276	603,546
Resurs Bank MTN 111 29/08/2022	SEK	700,000	Variable	698,980	701,022
Resurs Consumer Loans 1 Ltd ABS	SEK	2,900,000	Variable	2,899,991	2,915,700
Total issued securities				7,672,347	7,714,123

G40 SUBORDINATED DEBT

31/12/2020	Currency	Nominal amount	Interest rate	Carrying amount	Fair value
Resurs Bank MTN 201 17/01/2027 ¹⁾	SEK	300 000	Variable	299,372	302,355
Resurs Bank MTN 202 12/03/2029 ²⁾	SEK	300 000	Variable	299,330	299,256
Total subordinated debt				598,702	601,611

31/12/2019	Currency	Nominal amount	Interest rate	Carrying amount	Fair value
Resurs Bank MTN 201 17/01/2027 ¹⁾	SEK	300 000	Variable	298,771	307,341
Resurs Bank MTN 202 12/03/2029 ²⁾	SEK	300 000	Variable	299,119	306,006
Total subordinated debt				597,890	613,347

¹⁾ The issuer is entitled to early repayment of the bonds from "First Call Date" 17/01/2022, provided that the issuer receives the approval of the Swedish Financial Supervisory Authority.

²⁾ The issuer is entitled to early repayment of the bonds from "First Call Date" 12/03/2024, provided that the issuer receives the approval of the Swedish Financial Supervisory Authority.

G41 EQUITY

Shares

The number of shares in the Parent Company is 200,000,000, with a quotient value of SEK 0.005.

Quotient value is defined as share capital divided by number of shares. See Note G20 for details on events during the year.

Profit or loss brought forward

Refers to profit or loss carried forward from previous years less profit distribution.

Translation reserve

Includes translation differences on consolidation of the Group's foreign operations.

Additional Tier 1 Capital

In December 2019, Resurs Holding issued SEK 300 million Additional Tier 1 Capital notes. First call date 11/12/2024, redemption requires an approval from the Financial Supervisory Authority.

The notes pay a floating rate coupon of 3 months STIBOR + 5.50%.

Changes in equity

See the statement of changes in equity for details on changes in equity during the year.

Change in translation reserve

	31/12/2020	31/12/2019
Opening translation reserve	66,206	33,044
Translation difference for the year, foreign operations	-102,826	33,162
Closing translation reserve	-36,620	66,206

G42 PLEDGED ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS

	31/12/2020	31/12/2019
Lending to credit institutions ¹⁾	139,538	161,910
Lending to the public ²⁾	2,455,141	3,556,373
Assets for which policyholders have priority rights ³⁾	1,150,416	1,045,193
Restricted bank deposits ⁴⁾	32,286	30,887
Total collateral pledged for own liabilities	3,777,381	4,794,363
Contingent liabilities	0	0
Other commitments		
Unutilised credit facilities granted	23,891,248	27,546,215

The insurance operation's has registered assets as per Ch. 7 § 11 of the Insurance Business Act. In the event of insolvency, policyholders have priority in the registered assets. In the course of its business, the company has the right to register and deregister assets as long as all insurance commitments are covered pursuant to the Insurance Business Act.

Unutilised credit granted refers to externally granted credit.

All unutilised credit facilities granted are terminable with immediate effect to the extent allowed under the Swedish Consumer Credit Act.

¹⁾ Lending to credit institutions refers to funds pledged as collateral for the fulfilment of commitments to payment intermediaries.

²⁾ Relating to securitisation. Issued securities see Note G39.

³⁾ Technical provisions, net, amounts to SEK -584.1 million (-583.9), which means that total surplus of registered assets amounts to SEK 566.3 million (461.3).

⁴⁾ As at 31 December 2020, SEK 29.5 million (27.4) in reserve requirement account at the Bank of Finland and, SEK 0.2 million (0.2) in tax account at Norwegian DNB, and SEK 2.6 million (3.3) in tax account at Danske Bank.

G43 RELATED PARTIES

Ownership

Resurs Holding AB, corporate identity number 556898-2291, is owned at 31 December 2020 to 28.9 per cent by Waldakt AB. Of the remaining owners, no single owner holds 20 per cent or more. Cidron Semper S.A.R.L (Nordic Capital) had positions on the Board of Resurs Holding and was included in the Note Related-party transactions up to and including 2 October 2019.

Related parties - Group companies

The Group is comprised of the operating companies Resurs Holding AB, which are the parent company in the Group, and the subsidiaries Resurs Bank AB, Solid Försäkrings AB and Resurs Förvaltning Norden AB. Please see below for complete Group structure.

Group companies are reported according to the acquisition method, with internal transactions eliminated at the Group level.

Assets and liabilities, and dividends between Resurs Holding AB (parent company) and other Group companies, are specified in the respective notes to the statement of financial position.

Related parties - Other companies with controlling or significant influence

Nordic Capital Fund VII via Cidron Semper S.A.R.L has had a significant influence over Resurs Holding AB. Ellos Group AB is another company controlled by Nordic Capital Funds VII and with which the Group has conducted transactions. Cidron Semper S.A.R.L sold its holdings to Ellos Group AB at the start of July 2019. The table below includes transactions with Ellos Group AB until 30 June 2019.

SIBA Invest AB (formerly Waldir AB) owns 28.9 per cent of Resurs Holding AB directly and indirectly via

Waldakt AB and therefore has significant influence over the company. The SIBA Invest Group includes NetOnNet AB. SIBA Invest AB is owned by the Bengtsson family, which also controls SIBA Fastigheter AB (formerly AB Remvassen).

Transactions with these companies are reported below under the heading Other companies with control or significant influence. Transaction costs in the table refer to market-rate compensation for the negotiation of credit to related companies' customers.

All assets/liabilities items for related companies are interest bearing.

Related parties - Key Resurs Holding AB personnel

Nils Carlsson	CEO Resurs Holding AB, from 1 June 2020
Kenneth Nilsson	CEO Resurs Holding AB, until 31 May 2020
Jan Samuelson	The Chairman of the Board of Resurs Holding AB, stepped down at the Extraordinary General Meeting on 2 October 2019.
Martin Bengtsson	The Chairman of the Board of Resurs Holding AB, took office at the Extraordinary General Meeting on 2 October 2019.
Johanna Berlinde	Director of Resurs Holding AB, took office at the Annual General Meeting on 25 April 2019.
Susanne Ehnbage	Director of Resurs Holding AB, took office at the Annual General Meeting on 17 June 2020.
Christian Frick	Director of Resurs Holding AB, stepped down at the Extraordinary General Meeting on 2 October 2019.
Anders Dahlvig	Director of Resurs Holding AB, stepped down at the Annual General Meeting on 17 June 2020.
Fredrik Carlsson	Director of Resurs Holding AB
Lars Nordstrand	Director of Resurs Holding AB
Mariana Burenstam Linder	Director of Resurs Holding AB, stepped down at the Annual General Meeting on 17 June 2020.
Marita Odélius Engström	Director of Resurs Holding AB
Kristina Patek	Director of Resurs Holding AB, took office at the Annual General Meeting on 17 June 2020.
Mikael Wintzell	Director of Resurs Holding AB

Key personnel

Information about transactions between related party key personnel and remuneration of these individuals can be found in Note G15, Personnel.

Transactions with other companies with significant influence

	2020	2019
Transaction costs	-68,763	-256,616
Interest expenses, deposits and borrowing from the public	-437	-4,956
Fee & commission income		18,525
Fee & commission expenses	-46,960	-45,034
General administrative expenses	-1,391	-13,845

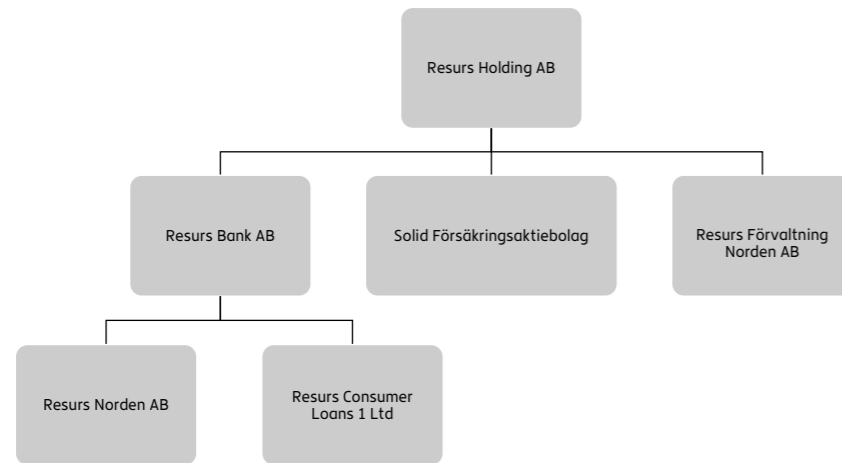
	31/12/2020	31/12/2019
Lending to the public	82	26
Other assets	4,755	
Deposits and borrowing from the public	-159,195	-207,362
Other liabilities	-32,074	-32,644

Transactions with key personnel

	2020	2019
Interest expenses, deposits and borrowing from the public	-48	-87

	31/12/2020	31/12/2019
Lending to the public	8	68
Deposits and borrowing from the public	-7,619	-11,907

Group structure



G44 FINANCIAL INSTRUMENTS

31/12/2020	Fair value at amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total carrying amount	Fair value
Assets					
Financial assets					
Cash and balances at central banks	208,520			208,520	208,520
Treasury and other bills eligible for refinancing		2,302,823		2,302,823	2,302,823
Lending to credit institutions	4,149,906			4,149,906	4,149,906
Lending to the public	30,858,341			30,858,341	31,390,974
Bonds and other interest-bearing securities		1,143,616		1,143,616	1,143,616
Subordinated loans		29,682		29,682	29,682
Shares and participations		105,494		105,494	105,494
Derivatives		113,272		113,272	113,272
Other assets	82,212			82,212	82,212
Accrued income	33,783			33,783	33,783
Total financial assets	35,332,762	3,694,887	0	39,027,649	39,560,282
Intangible assets				1,895,394	
Property, plant & equipment				122,210	
Other non-financial assets				408,592	
Total assets	35,332,762	3,694,887	0	41,453,845	

31/12/2020	Fair value through profit or loss	Fair value at amortised cost	Total carrying amount	Fair value
Liabilities				
Financial liabilities				
Liabilities to credit institutions		107,400	107,400	107,400
Deposits and borrowing from the public		24,692,195	24,692,195	24,692,757
Derivatives	4,167		4,167	4,167
Other Liabilities		518,547	518,547	518,547
Accrued expenses		179,425	179,425	179,425
Issued securities		6,297,472	6,297,472	6,322,511
Subordinated debt		598,702	598,702	601,611
Total financial liabilities	4,167	32,393,741	32,397,908	32,426,418
Provisions			21,075	
Other non-financial liabilities			1,056,530	
Equity			7,978,332	
Total liabilities and equity	4,167	32,393,741	41,453,845	

FINANCIAL INSTRUMENTS

31/12/2019	Fair value at amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total carrying amount	Fair value
Assets					
Financial assets					
Cash and balances at central banks	220,799			220,799	220,799
Treasury and other bills eligible for refinancing		1,758,835		1,758,835	1,758,835
Lending to credit institutions	4,128,953			4,128,953	4,128,953
Lending to the public	31,344,787			31,344,787	31,900,633
Bonds and other interest-bearing securities		1,288,954		1,288,954	1,288,954
Subordinated loans		28,290		28,290	28,290
Shares and participations		95,823		95,823	95,823
Derivatives		110,707		110,707	110,707
Other assets	90,886			90,886	90,886
Accrued income	149,817			149,817	149,817
Total financial assets	35,935,242	3,282,609	0	39,217,851	39,773,697
Intangible assets				2,063,405	
Property, plant & equipment				139,871	
Other non-financial assets				327,621	
Total assets	35,935,242	3,282,609	0	41,748,748	

31/12/2019	Fair value through profit or loss	Fair value at amortised cost	Total carrying amount	Fair value
Liabilities				
Financial liabilities				
Liabilities to credit institutions		94,900	94,900	94,900
Deposits and borrowing from the public		24,409,032	24,409,032	24,409,563
Derivatives	25,358		25,358	25,358
Other Liabilities		572,107	572,107	572,107
Accrued expenses		172,310	172,310	172,310
Issued securities		7,672,347	7,672,347	7,714,123
Subordinated debt		597,890	597,890	613,347
Total financial liabilities	25,358	33,518,586	33,543,944	33,601,708
Provisions			20,337	
Other non-financial liabilities			1,043,221	
Equity			7,141,246	
Total liabilities and equity	25,358	33,518,586	41,748,748	

FINANCIAL INSTRUMENTS

The table below shows financial instruments measured at fair value, based on classification in the fair value hierarchy.

Levels are defined as follows:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (level 1)

- Other observable inputs for assets or liabilities other than listed prices included in level 1 directly (i.e., price quotations) or indirectly (i.e., derived from price quotations) (level 2)

- Inputs for assets or liabilities that are not based on observable market data (i.e., unobservable inputs) (level 3)

Note G2, Accounting policies provides details on the determination of fair value for financial assets and liabilities at fair value through the statement of financial position. Carrying amounts for current receivables, current liabilities and deposits and loans to the public are deemed to reflect fair value.

Financial assets valued through fair value

	31/12/2020			31/12/2019		
	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	2,302,823			1,758,835		
Bonds and other interest-bearing securities	1,143,616			1,288,954		
Subordinated loans	29,682			28,290		
Shares and participations	98,207		7,287	78,402		17,421
Derivatives		113,272			110,707	
Total	3,574,328	113,272	7,287	3,154,481	110,707	17,421
Financial liabilities at fair value through profit or loss:						
Derivatives		-4,167			-25,358	
Total	0	-4,167	0	0	-25,358	0

Changes within level 3

	2020	2019
Shares and participations		
Opening balance	17,421	1,002
Additions during the year		16,966
Divestments during the year		-514
Impairment	-10,000	
Exchange-rate difference	-134	-33
Closing balance	7,287	17,421

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.

based on valuation at the listing marketplace. Fair value has been classified as level 1.

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.

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

Fair value of subordinated debt is calculated

Transfer between levels

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 2020 (also applied 31/12/2019) 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.

	Related agreements 31/12/2020				Related agreements 31/12/2019			
	Gross amount in the balance sheet	Master netting agreement	Collateral received/pledged	Net amount	Gross amount in the balance sheet	Master netting agreement	Collateral received/pledged	Net amount
Derivatives	113,272	-4,167	-107,400	1,705	110,707	-110,707		0
Total assets	113,272	-4,167	-107,400	1,705	110,707	-110,707	0	0
Derivatives	-4,167	4,167	0	0	-25,358	110,707	-94,900	-9,551
Total liabilities	-4,167	4,167	0	0	-25,358	110,707	-94,900	-9,551

G45 SUBSEQUENT EVENTS

No significant events occurred after the end of the year that affected the 2020 financial statements.

G46 KEY ESTIMATES AND ASSESSMENTS

When preparing financial statements in accordance with IFRS and generally accepted accounting principles, management needs to proactively make certain estimates, assumptions and evaluations.

These are based on historical experience and current factors, which are considered fair and reasonable.

The results of these professional estimates and assessments affect the reported amounts of assets, liabilities, income and expenses in the financial statements. Actual outcomes may differ from these estimates and assumptions. The Group has made the following critical estimates in applying significant accounting policies:

- classification and measurement of financial instruments
- impairment testing of goodwill and other assets
- impairment of credit losses
- other provisions
- technical provisions

Classification and measurement of financial instruments

The accounting policies in Note G2 define the way in which assets and liabilities are to be classified in the various categories. Fair value measurement of financial instruments may lead to some uncertainty, as prevailing interest rates and market conditions may change quickly and affect the value of the asset.

Impairment testing of goodwill and other assets

Goodwill is tested for impairment annually when the annual accounts are prepared or as soon as changes indicate that impairment is required.

for example, a changed business climate or decision to divest or discontinue operations. Impairment is recognised if the estimated value in use exceeds the carrying amount. A description of impairment testing for the year is provided in Note G28.

Impairment of credit losses

The calculation of credit losses is based on calculating the expected credit losses. The impairment model includes a three-stage model based on changes in the credit quality of financial assets. The assets are divided into three different stages depending on how credit risk has changed since the asset was initially recognised in the balance sheet. Stage 1 encompasses assets for which there has not been a significant increase in credit risk, stage 2 encompasses assets for which there has been a significant increase in credit risk, while stage 3 encompasses defaulted assets.

The provision of expected credit losses for assets is governed by the category to which the assets belong. Provisions are made under stage 1 for expected credit losses within 12 months, while provisions for stage 2 and 3 are made for expected credit losses under the full lifetime of the assets. Calculations of expected credit losses include forward-looking information based on the macroeconomic outlook. The Group has decided to base the forward-looking calculations on a macroeconomic variable that from a historical perspective has proven to correlate well with changes in the Group's credit losses, see Note G2.

Other provisions

The amount recognised as a provision is the best estimate of the expenditure required to settle a present obligation at the reporting date. Earnings may be affected if an estimate has been made that is not consistent with the actual outcome.

Technical provisions

Technical provisions are based on estimates and assumptions made regarding future claims costs and, accordingly, are always associated with uncertainty. Estimates are based on historical statistics on earlier claims outcomes that are available at the preparation of the annual accounts. The uncertainty associated with estimates is generally greater in estimates of new insurance portfolios. In estimating technical provisions, the amount of unpaid claims, claims trend, changes in legislation, court rulings and the general economic trend are taken into account.

Estimates and assumptions are reviewed on a regular basis. Changes to estimates are recognised in the period of the change if the change affects only that period. Changes are recognised in the period of the change and future periods if the change affects both.

Statements and notes - Parent company

KEY RATIOS

SEK thousand	2020	2019	2018	2017	2016
Net sales	29,145	24,865	25,511	20,050	23,762
Profit/loss after financial items	428,359	706,175	768,257	629,201	455,921
Balance sheet total	3,385,622	2,927,344	2,616,976	2,476,467	2,695,767
Equity/Assets ratio (%)	99.7	99.3	99.4	99.6	99.6
Average number of employees	2	2	2	2	2

PARENT COMPANY INCOME STATEMENT

SEK thousand	Note	2020	2019
Net sales	P3	29,145	24,865
Operating expenses			
Personnel expenses	P6	-28,344	-20,444
Other external expenses	P4,P5	-30,186	-28,561
Total operating expenses		-58,530	-49,005
Operating profit/loss		-29,385	-24,140
Profit/loss from financial items			
Profit/loss from participations in Group companies	P7	457,775	731,200
Other interest income and similar profit/loss items		70	135
Interest expenses and similar profit/loss items		-101	-1,020
Total profit/loss from financial items		457,744	730,315
Profit/loss after financial items		428,359	706,175
Appropriations	P9	60,000	62,000
Tax on profit for the year	P8	-7,029	-8,139
Profit/loss for the year		481,330	760,036
Portion attributable to Resurs Holding AB shareholders		464,386	757,069
Portion attributable to additional Tier 1 capital holders		16,944	2,967
Profit/loss for the year		481,330	760,036

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	2020	2019
Profit/loss for the year	481,330	760,036
Other comprehensive income that may be reversed to profit/loss		
Total comprehensive income	481,330	760,036
Portion attributable to Resurs Holding AB shareholders	464,386	757,069
Portion attributable to additional Tier 1 capital holders	16,944	2,967
Comprehensive income for the year	481,330	760,036

PARENT COMPANY BALANCE SHEET

SEK thousand	Note	31/12/2020	31/12/2019
Assets			
Financial non-current assets			
Participations in Group companies	P10	2,303,435	2,253,410
Total non-current assets		2,303,435	2,253,410
Current assets			
Current receivables			
Receivables from Group companies		895,151	439,397
Deferred tax asset	P8	706	571
Current tax asset		1,874	
Other current receivables		1,564	8,418
Prepaid expenses and accrued income	P11	646	955
Total current receivables		899,941	449,341
Cash and bank balances		182,246	224,593
Total current assets		1,082,187	673,934
Total assets		3,385,622	2,927,344
Equity and liabilities			
Equity	P13		
Restricted equity			
Share capital		1,000	1,000
Non-restricted equity			
Share premium reserve		1,779,407	1,775,929
Additional Tier 1 instruments		300,000	300,000
Profit or loss brought forward		813,348	70,256
Profit for the year		481,330	760,036
Total non-restricted equity		3,374,085	2,906,221
Total equity		3,375,085	2,907,221
Provisions			
Other provisions		638	519
Current liabilities			
Trade payables		1,347	2,153
Liabilities to Group companies			490
Current tax liabilities			10,291
Other current liabilities		732	434
Accrued expenses and deferred income	P12	7,820	6,236
Total current liabilities		9,899	19,604
Total equity and liabilities		3,385,622	2,927,344

For information on pledged assets, contingent liabilities and commitments, see Note P14.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK thousand	Share capital	Share premium reserve	Additional Tier 1 instruments	Profit/loss brought forward	Profit for the year	Total equity
Equity at 1 January 2019	1,000	1,775,929	0	0	823,223	2,600,152
<i>Owner transactions</i>						
Dividends paid				-390,000		-390,000
Dividends according to Extraordinary General Meeting				-360,000		-360,000
Issued additional Tier 1 instruments			300,000			300,000
Cost additional Tier 1 instruments				-2,967		-2,967
Appropriation of profits according to resolution by Annual General Meeting				823,223	-823,223	0
Profit for the year					760,036	760,036
Equity at 31 December 2019	1,000	1,775,929	300,000	70,256	760,036	2,907,221
Equity at 1 January 2020	1,000	1,775,929	300,000	70,256	760,036	2,907,221
<i>Owner transactions</i>						
Option premium received/repurchased		3,478				3,478
Cost additional Tier 1 instruments				-16,944		-16,944
Appropriation of profits according to resolution by Annual General Meeting				760,036	-760,036	0
Profit for the year					481,330	481,330
Equity at 31 December 2020	1,000	1,779,407	300,000	813,348	481,330	3,375,085

See Note P13 for additional information on equity.

PARENT COMPANY CASH FLOW STATEMENT

SEK thousand	Note	2020	2019
Operating activities			
Operating profit/loss		-29,385	-24,140
Adjustment for non-cash items in operating profit/loss		119	120
Interest paid		-101	-1,021
Interest received		70	135
Income taxes paid		-19,194	-9,733
Cash flow from operating activities before changes in operating assets and liabilities		-48,491	-34,639
Cash flow from working capital change			
Other assets		69,049	51,823
Other liabilities		586	4,773
Cash flow from operating activities		21,144	21,957
Investing activities			
Shareholders' contribution		-50,025	-200,000
Dividend received			690,000
Cash flow from investing activities		-50,025	490,000
Financing activities			
Dividends paid			-750,000
Additional Tier 1 instruments		-16,944	297,033
Option premium received/repurchased		3,478	
Cash flow from financing activities		-13,466	-452,967
Cash flow for the year		-42,347	58,990
Cash and cash equivalents at beginning of year		224,593	165,603
Cash and cash equivalents at year-end		182,246	224,593
Adjustment for non-cash items			
Other provisions		119	120
Total adjustment for non-cash items		119	120

Liquid assets consist of cash and bank balances.

Notes

P1 PARENT COMPANY ACCOUNTING PRINCIPLES

The Parent Company applies the same accounting principles as the Group, any differences between the accounting principles are described below. The differences compared with the consolidated financial statements that apply in the Parent Company's income statement and balance sheet mainly comprise the recognition of financial income, expenses and assets. The Parent Company recognises its leases in accordance with the exemption allowed in RFR 2.

The Parent Company prepares its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's RFR 2 Accounting for Legal Entities. The regulations in RFR 2 stipulate that the Parent Company, in the annual accounts for the legal entity, is to apply all IFRSs and statements adopted by the EU to the extent that this is possible within the framework of the Annual Accounts Act with consideration to the relationship between accounting and taxation.

The deviations arising between the Parent Company's and the Group's accounting principles are due to the limitations on the possibility of applying IFRS in the Parent Company, as a result of the Annual Accounts Act and the Pension Obligations Vesting Act.

For the Parent Company, the terms balance sheet and cash flow statements are used for reports that are referred to as statement of financial position and statement of cash flows in the Group. The income statement and the balance sheet for the Parent Company are presented according to the format of the Annual Accounts Act, while the statement of changes in equity and cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash flows.

The consolidated financial statements and the annual report are presented in SEK thousand unless otherwise indicated.

Changed accounting principles in the Parent Company

No changes to accounting principles that are to be applied to financial years beginning on or after 1 January 2020 or later have had, or are deemed to have, a material effect on the Parent Company.

Shares and participations in Group companies

Shares and participations in Group companies are recognised according to the cost method. Dividends received are recognised as income when the right to receive payment is deemed certain.

Transaction costs associated with acquisitions are added to the cost in the Parent Company and are eliminated in the Group.

Income

Service assignments are recognised in the Parent Company's income statement in accordance with Chapter 2, Section 4 of the Annual Accounts Act when the service has been completed.

Appropriations

Appropriations comprise provisions, reversals of untaxed reserves and Group contributions. Group contributions and shareholders' contributions are recognised in accordance with the alternative rule in RFR 2. This means that both received and paid Group contributions are recognised as appropriations through profit or loss.

P2 RISK MANAGEMENT

There are no additional risks in the Parent Company other than those found in the Group. The Group's risk management is detailed in Note G3.

P3 INTRA-GROUP PURCHASES AND SALES

One hundred per cent (100) of total revenue for the year is attributable to sales to other Group companies.

Costs in this table are provided for market-rate remuneration in line with administration costs.

Transactions with subsidiaries

	2020	2019
General administrative expenses	-4,620	-4,351

P4 OTHER EXTERNAL EXPENSES

	2020	2019
Consultancy expenses	-8,469	-6,912
Other external expenses	-21,717	-21,649
Total other external expenses	-30,186	-28,561

P5 AUDITORS FEE AND EXPENSES

	2020	2019
<i>Ernst & Young AB</i>		
Audit services	-788	-722
Other assistance arising from audit	-100	-103
Total auditors fee and expenses	-888	-825

Audit services comprise the examination of the annual financial statements and accounting records and the administration of the Board of Directors and CEO. They also include other procedures required to be carried out by the Parent Company's auditors, as well as advice or other assistance arising from observations made during the audit or while performing such other procedures.

P6 PERSONNEL

	2020	2019
Salaries	-19,128	-13,419
Social insurance costs	-5,410	-4,413
Pension costs	-3,456	-1,559
Other personnel expenses	-350	-1,053
Total personnel expenses	-28,344	-20,444
Salaries and other benefits		
Board, CEO and other senior executives	-19,128	-13,419
Total salaries and other benefits	-19,128	-13,419

Amounts invoiced by individuals for their services to the company is in the Group recognised as general administrative expenses and in the Parent Company as personnel expenses. The Management has changed during the year.

Remuneration and other benefits

2020	Basic salary/ Board fees	Variable remuneration	Other benefits	Pensions	Total
<i>Board and CEO</i>					
Martin Bengtsson, Chairman	-1,370				-1,370
Lars Nordstrand	-740				-740
Fredrik Carlsson	-540				-540
Marita Odélius Engström	-640				-640
Mikael Wintzell	-440				-440
Johanna Berlinde	-628				-628
Anders Dahlvig (resigned 17/06/2020)	-183				-183
Mariana Burenstam Linder (resigned 17/06/2020)	-246				-246
Susanne Ehnåge (elected 17/06/2020)	-264				-264
Kristina Patek (elected 17/06/2020)	-264				-264
Nils Carlsson, CEO (from 01/06/2020)	-2,847		-89	-854	-3,790
Kenneth Nilsson, CEO (resigned 31/05/2020) ²⁾	-4,697		-237	-1,062	-5,997
Other senior executives (1 individuals) ¹⁾	-4,393		-57	-563	-5,013
Total remuneration and other benefits	-17,252	0	-383	-2,479	-20,115

2019	Basic salary/ Board fees	Variable remuneration	Other benefits	Pensions	Total
<i>Board and CEO</i>					
Martin Bengtsson, Chairman	-710				-710
Jan Samuelson (resigned 02/10/2019, former Chairman)	-1,065				-1,065
Christian Frick (resigned 02/10/2019)	-367				-367
Lars Nordstrand	-723				-723
Fredrik Carlsson	-465				-465
Anders Dahlvig	-440				-440
Mariana Burenstam Linder	-582				-582
Marita Odélius Engström	-594				-594
Mikael Wintzell	-440				-440
Johanna Berlinde (elected 09/04/2019)	-293				-293
Kenneth Nilsson, CEO	-4,697		-214	-1,063	-5,974
Other senior executives (1 individuals) ¹⁾	-4,215		-129	-379	-4,723
Total remuneration and other benefits	-14,591	0	-343	-1,442	-16,376

¹⁾ The item also includes amounts invoiced by individuals for their services to the company. The Group recognises these as general administrative expenses and the Parent Company recognises them as other external expenses.

²⁾ In addition to this remuneration, a decision was made in 2021 to pay additional, non-pension qualifying remuneration of SEK 5,382 thousand to Kenneth Nilsson.

Pension costs

	2020	2019
Board, CEO and other senior executives	-3,456	-1,559
Total	-3,456	-1,559

Board members and senior executives at the end of the year

	2020		2019	
	Number	Of which, men	Number	Of which, men
Board members	8	50%	8	63%
CEO and other senior executives ¹⁾	11	73%	6	50%

¹⁾ The number refers to all other senior executives and not only the number who received a salary from the Parent Company. Additional details on remuneration policy, pensions and terms are provided in Note G15.

Average numbers of employees

	2020			2019		
	Men	Women	Total	Men	Women	Total
Sweden	2		2	2		2
Total	2	0	2	2	0	2

P7 PROFIT/LOSS FROM PARTICIPATIONS IN GROUP COMPANIES

	2020	2019
Dividend from Resurs Bank AB		360,000
Anticipated dividend from Resurs Bank AB	458,000	375,000
Impairment of receivable Resurs Förvaltning Norden AB	-225	-3,800
Total	457,775	731,200

P8 TAXES

Current tax expense

	2020	2019
Current tax for the year	-6,927	-8,112
Adjustment of tax relating to prior years	-237	-149
Current tax expense	-7,164	-8,261
Deferred tax on temporary differences	135	122
Total tax expense reported in income statement	-7,029	-8,139

Reconciliation of effective tax

	2020		2019	
Profit before tax	488,359		768,175	
Tax at prevailing tax rate	-21.4%	-104,509	-21.4%	-164,389
Non-deductible expenses/non-taxable income	20.0%	97,717	20.4%	156,399
Tax attributable to prior years	0.0%	-237	0.0%	-149
Recognised effective tax	-1.4%	-7,029	-1.1%	-8,139

Change in deferred tax

	2020	2019
Tax effects attributable to temporary differences, pensions	135	122
Total deferred tax	135	122

Deferred tax assets

	31/12/2020	31/12/2019
Deferred tax assets for pensions, net	706	571
Total deferred tax assets	706	571

P9 APPROPRIATIONS

	2020	2019
Group contribution, received	60,000	62,000
Total	60,000	62,000

P10 PARTICIPATIONS IN GROUP COMPANIES

Subsidiaries and indirect subsidiaries 31/12/2020

	Corp. ID no.	Domicile	Share of equity	Share of voting power	Number of shares	Book value 31/12/2020
Resurs Bank AB	516401-0208	Helsingborg	100	100	500,000	2,221,690
- Resurs Norden AB	556634-3280	Helsingborg	100	100		
- Resurs Consumer Loans 1 Ltd	559768	Dublin	100	100		
Solid Försäkrings AB	516401-8482	Helsingborg	100	100	30,000	81,600
Resurs Förvaltning Norden AB	559067-0690	Helsingborg	100	100	100,000	145
Total book value, participations in Group companies						2,303,435

	Corp. ID no.	Domicile	Share of equity	Share of voting power	Number of shares	Book value 31/12/2019
Resurs Bank AB	516401-0208	Helsingborg	100	100	500,000	2,221,690
- Resurs Norden AB	556634-3280	Helsingborg	100	100		
- Resurs Consumer Loans 1 Ltd	559768	Dublin	100	100		
Solid Försäkrings AB	516401-8482	Helsingborg	100	100	30,000	31,600
Resurs Förvaltning Norden AB	559067-0690	Helsingborg	100	100	100,000	120
Total book value, participations in Group companies						2,253,410

	31/12/2020	31/12/2019
Opening acquisition cost	2,253,410	2,053,410
Share capital Resurs Förvaltning Norden AB	25	
Shareholders contributions Resurs Bank AB		200,000
Shareholders contributions Solid Försäkrings AB	50,000	
Total accumulated amortisation at year-end	2,303,435	2,253,410
Closing residual value according to plan	2,303,435	2,253,410

P11 PREPAID EXPENSES AND ACCRUED INCOME

	31/12/2020	31/12/2019
Prepaid expenses	646	955
Total prepaid expenses and accrued income	646	955

P12 ACCRUED EXPENSES AND DEFERRED INCOME

	31/12/2020	31/12/2019
Accrued interest	899	928
Accrued personnel-related expenses	2,732	1,583
Accrued administrative expenses	4,189	3,725
Total accrued expenses and deferred income	7,820	6,236

P13 EQUITY

Shares

The number of shares in the Parent Company totals 200,000,000, with a quotient value of SEK 0.005. Quotient value is defined as share capital divided by the number of shares. See Note G20 for additional information.

Profit/loss carried forward

Refers to profit or loss carried forward from previous years less profit distribution.

Changes in equity

For details on changes in equity during period, see the Parent Company's statement of changes in equity.

Proposed allocation of profits

Unappropriated earnings in the Parent Company at the disposal of the Annual General Meeting (SEK):

	31/12/2020	31/12/2019
Share premium reserve	1,779,407,445	1,775,928,446
Profit/loss brought forward	813,347,705	70,255,719
Net profit for the year	481,329,924	760,036,260
Total	3,074,085,074	2,606,220,425

The Board of Directors propose that these earnings be appropriated as follows (SEK):

Dividends to shareholders SEK 2.68 (2.10) per share	536,000,000	420,000,000
Carried forward	2,538,085,074	2,186,220,425
Total	3,074,085,074	2,606,220,425

The Board believes that the proposed dividend is justifiable with respect to the requirements that the nature, scope and risks of the operations impose on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and financial position.

P14 PLEDGED ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS

Resurs Holding AB has no pledged assets. According to the Board's assessment, Resurs Holding AB has no contingent liabilities.

SIGNATURES OF THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and the CEO give their assurance that the annual accounts have been prepared in accordance with Generally Accepted Accounting Principles in Sweden, and the consolidated accounts in accordance with International Financial Reporting Standards (IFRSs) as referenced by the European Parliament and the Council directive (EC) 1606/2002 dated 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated accounts give a true and fair view of the Parent Company's and the Group's financial position and results of operations. The Administration Reports for the Parent Company and the Group give a true and fair view of the development of the Parent Company's and the Group's operations, position and results and describe the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

As specified above, the Parent Company's and the Group's annual accounts were approved for publication by the Board of Directors on 22 March 2021. The income statements and balance sheets will be presented to the Annual General Meeting for approval on 28 April 2021.

Helsingborg 22 March 2021

Nils Carlsson
Chief Executive Officer

The Board of Directors,

Martin Bengtsson
Chairman of the Board

Johanna Berlinde
Member of the Board

Fredrik Carlsson
Member of the Board

Susanne Ehnåge
Member of the Board

Lars Nordstrand
Member of the Board

Marita Odélius Engström
Member of the Board

Kristina Patek
Member of the Board

Mikael Wintzell
Member of the Board

Our audit report was submitted on 22 March 2021

Ernst & Young AB

Jesper Nilsson
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Resurs Holding AB (publ), corporate identity number 556898-2291

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Resurs Holding AB (publ) except for the corporate governance statement on pages 53-59 for the year 2020 annual accounts and consolidated accounts of the company are included on pages 42-118 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 53-59. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Lending to the public and provision for credit losses

Detailed information and description of the area is presented in the annual consolidated accounts. Credit risk exposure and how it is managed is described in note G3 section Credit risk. The group's reported credit losses are specified in note G18 and the provision for credit losses is specified in note G23. Regarding the area relevant accounting policies for the group, these can be found in note G2, section Credit losses and impairment of financial assets.

Description	How our audit addressed this key audit matter
<p>As of 31 December 2020, lending to the public amounts to SEK 30 858 SEK million for the group. Lending to public consists of outstanding gross receivables at the amount of SEK 33 840 million less provision for expected credit losses of SEK 2 982 million. The Group's model for credit losses is based on IFRS 9.</p> <p>The model for credit losses implies that lending to the public are categorized into three stages depending on the grade of increase of credit risk. In stage 1 the provision for credit losses correspond to expected credit losses the coming 12 months. In stage 2 and 3 the provision for credit losses correspond to expected credit losses during the remaining duration of the credit.</p> <p>The model for credit losses is prospective which implies that the group estimate the credit risk in each exposure and the loss that could be realized. The model requires the Group to perform judgements and estimates for example of criteria's for defining a significant increase of the credit risk and methods for calculating expected credit losses. As part of the groups estimate also macro-economic factors and other factors not reflected by the model should be included.</p> <p>Lending to the public and provision for credit losses amount to significant amounts. There is a risk that credits are accepted on faulty grounds which could lead to an unwanted credit exposure. Further the calculation of expected credit losses means that the group performs judgements and estimates. This means that identifying doubtful credits and estimation of impairments have a significant influence on the results and position of the group. We have therefore considered lending to the public and provision for credit losses to be a key audit matter of the audit.</p>	<p>We have reviewed the group's process of granting credits. This review includes policies and guidelines, as well as the configuration of the processes focusing on identifying significant risks of errors and controls in order to prevent and detect those kinds of errors. We have evaluated the effectiveness of significant controls and verified that they operate as intended by testing a selection of transactions.</p> <p>We have assessed whether the group's model for calculating credit losses is in accordance with IFRS 9.</p> <p>We have, among other things, with support from our modelling specialists, evaluated if the company's model of calculating provisions is operating according to the requirements of IFRS 9. We have also tested for the group relevant controls relating to input to model data, the model and the result of the calculations.</p> <p>We have also, by testing samples assessed the reasonableness of the grouping of lending to public into the different stages. We have also tested the input data to the models.</p> <p>We have assessed supporting assumptions and calculations related to macro-economic factors and other factors not reflected by the model.</p> <p>We have also assessed the disclosures in the financial statements regarding lending to public and provision for credit losses are appropriate.</p>

Goodwill and impairment test

Detailed information and description of the area is presented in the annual consolidated accounts. The group's reported goodwill is specified in note G28. Regarding the area relevant accounting policies for the group, these can be found in note G2, section Goodwill. Estimates and assessments are described in note G2, section Judgements and estimates in the financial statements and also in note G46.

Description	How our audit addressed this key audit matter
The goodwill as of December 31 2020 amounts to SEK 1 667 million. The company tests the book value of goodwill and intangible assets with indefinite useful lives annually and whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. The recoverable amount per cash generating unit is determined based on estimates of value in use using a discounted cash flow model. Anticipated future cash flows are based on the first five years of forecasts of risk-weighted volumes, income, expenses, credit losses and anticipated future capital requirements. The forecasts are based primarily on an internal assessment of the company based on historical performance, market development of future revenue and cost trends, economic conditions, anticipated interest rate and anticipated effects of future regulations. In addition, a forecast is conducted after the first five-year forecast period based on a long-term growth rate assumption. The impairment test in 2020 did not result in an impairment. The calculated recoverable amount is dependent on a number of different variables. The most important variables are the assumption of capital requirement, interest rate and economic trends, future margins, credit losses and cost effectiveness. Considering that goodwill constitutes a significant amount and that the valuation is dependent on judgement we have considered goodwill to be key audit matter of the audit.	In our audit we have evaluated and tested the company's process for impairment testing, by analyzing earlier accuracy in forecasts and assumptions. We have together with our valuations specialists reviewed the company's model and method applied for the impairment test and we have evaluated the company's own sensitivity analyses. We have also together with our valuation specialists examined whether the assumptions of the interest rate and the long-term growth are based on marketable assumptions. We have evaluated whether the information in the annual report is appropriate.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-41 and 122-128. The remuneration report for the financial year 2020 also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by

the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- ▶ Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ABC AB (publ) for the year 2020 the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

About the Sustainability Report

This is the Resurs Group's fourth Sustainability Report that also includes Resurs Bank and Solid Försäkring. The report has been developed in accordance with the precautionary principle, and it has been prepared in accordance with the GRI Standards at Core level.

The contents of this Sustainability Report are based on the materiality analysis performed in 2017, which continues to guide the selection of the Group's most material sustainability topics.

Resurs issues the Sustainability Report annually, and it covers one calendar year. The most recent Sustainability Report, for 2019, was published on 17 March 2020.

The Sustainability Report also constitutes Resurs's report to the UN Global Compact, the Communication on Progress.

This Sustainability Report drawn up according to GRI Standards has not been the subject of an external third-party review.

Resurs's Sustainability Report constitutes the formal sustainability reporting according to Chapter 6, Section 11 of the Annual Accounts Act. The sustainability reporting is included as part of the Group's Annual Report, and is part of the Board of Directors'

Report. The auditor's review of the formal sustainability reporting is attached and is limited to a statement that the Sustainability Report has been prepared, which appears on page 130.

TARGET GROUPS

The primary target group for the Sustainability Report is Resurs's shareholders. Other important stakeholders such as partners, customers, employees and investors as well as society at large, should also be able to find explanations of the most important topics in this report.

POSITION GREEN

Position Green is Resurs's primary system for reporting sustainability data. It entails systematic management of the operations' sustainability data that ensures high data quality, traceability and follow-up over time.

CONTACT

For questions concerning the Group's Sustainability Report, please contact Henrik Linder, Nordic Sustainability Manager at Resurs, e-mail: henrik.linder@resurs.se

PARTICIPATION IN TRADE AND PROFESSIONAL ASSOCIATIONS

Resurs is a member of several associations, thereby complying with current industry requirements in the markets in which the Group conducts banking operations, as well as ensuring a responsible approach to both partners and customers, as well as employees and society. Resurs is a member of the Confederation of Swedish Enterprise, the Swedish Bankers' Association, FAR, Finance Norway, the Danish Chamber of Commerce and the Finnish Commerce Federation.

STAKEHOLDER DIALOGUE

Resurs continuously engages in dialogue with various stakeholder groups. Such engagement provides insight into the expectations of stakeholders and the external environment for the operations, which offers important guidance for the Group's priorities and activities relating to various sustainability topics.

The stakeholders considered to be the most concerned or directly affected by the operations are partners, customers, employees and owners. Dialogue takes place through several channels and at different frequencies depending on topic and stakeholder group.

Stakeholder group	Engagement channel	Key topics and concerns raised by stakeholders	Resurs Bank's management of key topics
CUSTOMERS	Customer meetings Customer service Social media Surveys Physical and digital customer meetings	Digital services, such as e-invoices, bank app, omni-solution Invoicing and questions on fees Paper mailings Customer experience Security Responsible credit lending Deep understanding of the partners business and needs	Development of new services that give customers greater ability to manage their banking themselves Open and clear communication Transition from paper print-outs to digital information, for example, through Kivra Consolidation of systems for better and quicker customer service Identification via mobile BankID in stores and via telephone
EMPLOYEES	Materiality analysis Employee appraisals Internet Introduction for new employees Employee surveys	Occupational health and safety Professional development and career Diversity and equal treatment Sustainability work	Internal and external training Management training Work environment training Dedicated HR role focusing on sustainability, diversity and health Diversity and health Sustainability council Guidelines/policy for diversity and equal treatment Health-promoting measures
PARTNERS Partners (e.g. retailers) End customers	Materiality analysis Correspondence (e-mail, post, etc.) Customer meetings Merchant Portal	Offering of payment and financing solutions to end customers, focusing on digitisation, simplification and security. The new rules and regulations that affect the services that partners use or broker via Resurs Bank. Digital services, such as e-invoices, bank app, omni-solution.	Further development of existing products and services, with a particular focus on digitisation and automation. Authentication and signing using electronic ID. Adjustments to and evaluation of effects and opportunities linked to new regulations (e.g. GDPR, PSD2, money laundering). Development of new services that give customers greater ability to manage their banking themselves.
OWNERS Shareholders, Investors and analysts	Materiality analysis Investor meetings Roadshows Annual General Meetings Presentation of quarterly reporting	Sustainable growth and return Risk management and financial stability Sustainability work	Work on clear and open communication to enhance understanding among the investor collective. Arranged Capital Market Day to further enhance communication.

MATERIALITY ANALYSIS

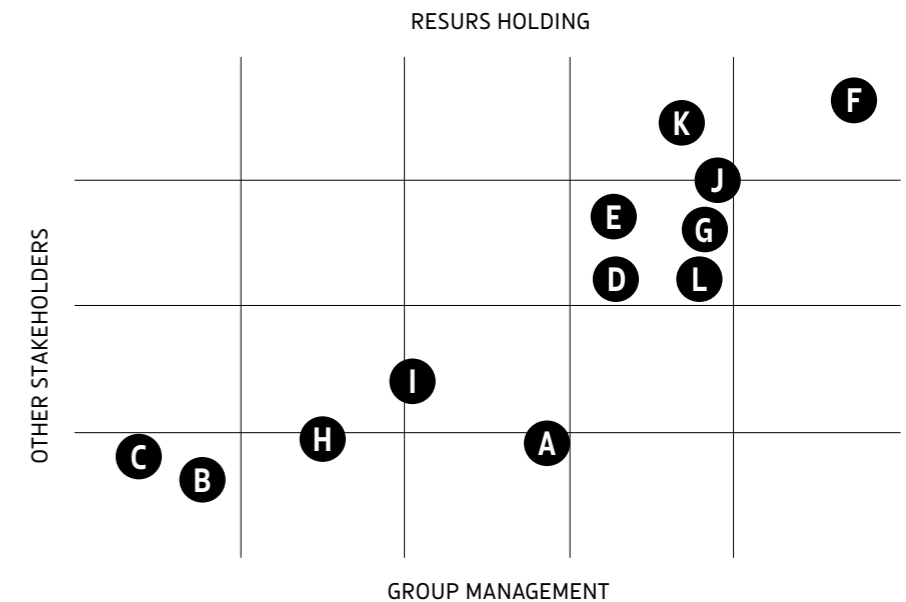
The materiality analysis helps the Group understand the sustainability topics that are of greatest importance to stakeholders and their expectations for the business. In addition, the results of the analysis provide information about the impact of operations on the economy, society, people and the environment. Resurs applies the principles and guidelines of the GRI Standards to determine what its Sustainability Report will cover. The results of the materiality analysis

performed in 2017 in order to identify the Group's most crucial sustainability topics are still considered relevant. In brief, the materiality analysis process began by defining the most important sustainability topics in the banking and finance industry. The topics were selected based on GRI's list of sustainability topics, as well as from a business strategy perspective. Representatives from a number of Group functions participated in this work. Guided by the workshop results, 12 sustainability topics

were selected to ask more than 1,000 stakeholders about: customers, employees, partners, owners and members of Group management.

The results were analysed together with a validation based on Resurs's overall business strategy perspective. The analysis also took into account the importance of sustainability topics in a global context, as well as the ability of Resurs's operations to directly or indirectly influence these topics.

- A MATERIALS
- B ENERGY CONSUMPTION
- C CLIMATE IMPACT
- D OCCUPATIONAL HEALTH AND SAFETY
- E TRAINING AND PROFESSIONAL DEVELOPMENT
- F CUSTOMER PRIVACY
- G DIVERSITY AND EQUAL OPPORTUNITY
- H ENVIRONMENTALLY SUSTAINABLE PROCUREMENT
- I SOCIALLY SUSTAINABLE PROCUREMENT
- J RESPONSIBLE CREDIT LENDING
- K ANTI-CORRUPTION
- L FINANCIAL RESULTS

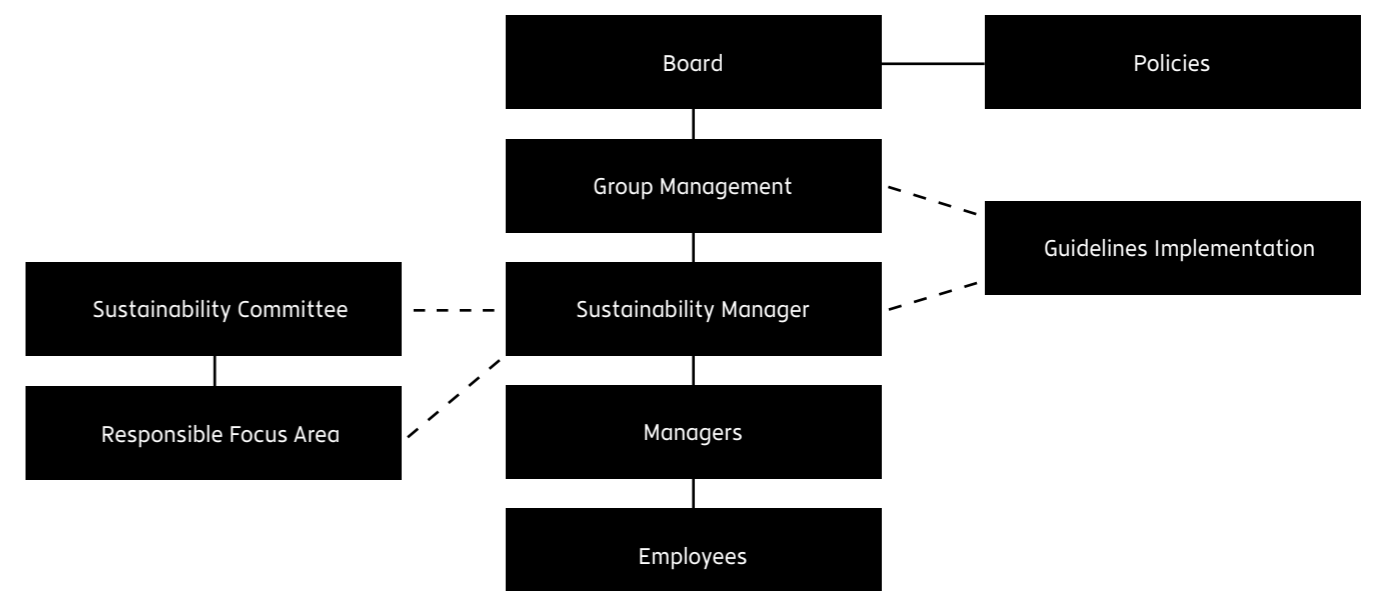


COMMENTS ON THE MATERIALITY ANALYSIS

The results of the materiality analysis demonstrated clear consensus between what the Group and its key stakeholders consider to be the most important topics. The greatest importance was attributed to the sustainability topics Customer privacy, Anti-Corruption, Responsible credit lending and Diversity and equal opportunity. For the 2018 report, Employees and Diversity and equal opportunity were combined, and

Social responsibility and the Environment were added as new material sustainability topics. For the 2019 report, Resurs included two new performance indicators to improve validating development in Responsible credit lending and Social responsibility. In 2020, the materiality analysis was evaluated on the basis of the prevailing pandemic, but it was decided that it would remain unchanged.

ORGANISATIONAL STRUCTURE



Management of Resurs's sustainability efforts

Resurs's operation as a banking and insurance group poses demands for conduct according to business ethics, as well as the assumption of responsibility for the operation's impact on people, society and the environment.

The Group's approach is based on following the laws and regulations of each country where it operates, such as competition law, environmental regulations, labour market regulations and collective agreements that affect the operation. Resurs respects international conventions on human rights, which guide its own business. Child labour and labour that is forced or performed under the threat of violence is not tolerated under any circumstances. Resurs makes targeted efforts to combat all forms of corruption.

Its shared corporate culture is based on the Group's values – Driven, Open, Innovative and Trustworthy – which have support throughout the Group.

MANAGEMENT APPROACH AND RESPONSIBILITY

The overall strategic direction of Resurs's sustainability efforts is determined by Group Management. Resurs's CEO is ultimately responsible for sustainability topics.

The new position of Nordic Sustainability Manager was created in 2021, whose task is to develop Resurs's strategic sustainability agenda and ensure that a sustainability perspective is integrated and incorporated into all areas and processes of the operations.

Resurs's sustainability committee functions as a link between the strategic and operative sustainability work and is responsible for initiating, driving and

following up the Group's operational sustainability efforts, with the objective of ensuring compliance with the Group's long-term commitments. The sustainability committee comprises a total of 11 employees from Insights & Customer Engagement, Corporate Communications, HR, Facility, Legal, Credit & NPL, Payment Solutions, Consumer Market, Procurement and Finance. The committee meets four times per year and reports directly to the Chief Human Resources and the Sustainability Director.

CODE OF CONDUCT – RESURS'S OVERALL MANAGEMENT TOOL

Resurs has been a member of the UN corporate sustainability initiative, the Global Compact, since 2018. This means that the Group is both in favour of the initiative and supports and furthers its ten principles. Resurs's Code of Conduct, which is based on these ten principles, clarifies issues including the Group's views on business ethics, working conditions, diversity, equality and equal opportunity. Resurs's Code of Conduct encompasses the entire Group and all of its employees, and is available in Swedish, Finnish and English. It is intended to guide how everyone, regardless of their function and role within the Group, acts according to business ethics and in a way that inspires trust on the part of partners, customers, authorities and other stakeholders.

The Code of Conduct is available on the intranet, as well as on Resurs's external websites, so that partners, customers and investors can read about the fundamental guidelines according to which the Group operates. From 2021, there is also a code

of conduct for Resurs's suppliers – the Code of Conduct Suppliers.

MANAGEMENT APPROACH: ANTI-CORRUPTION

Resurs has three levels of control functions, the three lines of defence, to manage corruption risks in the operation and ensure that the Group is doing business and entering into business relationships based on value creation and ethically proper grounds. The first body focuses on the risks that may arise in operations, consisting of control functions within the Group's various departments, as well as the Group's Legal and Anti-Corruption Compliance Officer, who coordinates and is responsible for operational anti-corruption efforts.

The second body consists of each Group company's Compliance and Risk Control function, as well as the Actuarial function within insurance operations, which continually and independently control the operations.

The third control body is Resurs' internal audit function, which independently examines the Group's operations and evaluates how the other control functions manage and assess risks.

MANAGEMENT APPROACH: CUSTOMER PRIVACY

The Group's control functions consist of the Internal Audit function, the Compliance and Risk Control function and the insurance operations' Actuarial function. They are independent and report regularly verbally and in writing to their respective company CEOs, risk committees, the Board and certain Board committees.

The Internal Audit function's review of the Group's operations includes reviewing activities in operations to determine whether the business is being adequately managed from a risk perspective.

The Risk Committees, in which senior executives participate, monitor and identify risks in the business as well as proactively addressing potential risks and following up on previously identified risks and approved actions.

The Group's processes for approving new or significant changes in existing products/services, markets, processes or other major changes in the business operations are intended to effectively and efficiently manage identified risks in the process.

MANAGEMENT APPROACH: RESPONSIBLE CREDIT LENDING

The limits for credit lending operations are based on the overall policy set by the Board. This policy defines the credit strategy to be followed by the Group and is based on the Group's products and business segments, laws and regulations, and the long-term sustainable level of credit losses that the business is prepared to accept.

The strategy is implemented in operational activities by being translated into scoring models and award criteria, which are then followed up and checked by several bodies.

Reports are made to the risk committee and the results of the control functions' examinations are also reported to the Board.

The national credit managers use monthly sampling checks to review the work based on prevailing criteria and regulations. The Risk Control function then examines parts of the credit lending process by measuring credit losses and following up on the product portfolios' credit risks. In addition, an internal audit of the credit lending operation is also continuously carried out.

MANAGEMENT APPROACH: EMPLOYEES, DIVERSITY AND EQUAL OPPORTUNITY

The roles of Nordic Sustainability Manager and HR Specialist Sustainability, Diversity & Health are dedicated to driving, developing and monitoring efforts in the areas of sustainability, diversity and health. The role includes working on sustainability projects and following up on them.

The Group furthermore has a Compensation & Benefit Manager, who manages compensation and benefits. This role is primarily responsible for reviewing remuneration levels and an annual salary survey, as well as developing policies and guidelines for salaries, pensions, benefits and company cars.

MANAGEMENT APPROACH: SOCIAL RESPONSIBILITY

Resurs's sustainability committee is responsible for driving, following up and reporting the Group's sustainability efforts. This includes working with continuous development and broadening the scope of the Group's social responsibility as well as forging new partnerships and networks in relevant areas.

POLICIES AND GUIDELINES :

- Guidelines for diversity and equal treatment
- Policy against victimisation in the workplace
- Physical security guidelines
- Salary guidelines
- Travel guidelines
- Occupational health and safety guidelines
- Sustainability policy
- Policy for governance risk management and control
- Policy for information security
- Credit policy
- Whistle-blower policy
- Anti-bribery policy
- Policy on anti-money laundering and financing of terrorism
- Policy on managing conflicts of interest
- Data protection policy
- Competition policy
- Policy on trade sanctions
- Complaint management policy
- Remuneration policy
- Insider policy
- Code of Conduct Suppliers

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TRUSTWORTHY**

GRI-Index

Number	Disclosure	Page	Comments
GRI 101 FOUNDATION			
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102-16	Values, principles, standards, and norms of behaviour	23, 38, 124	
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102-44	Key topics and concerns raised	14-15, 124	
102-45	Entities included in the consolidated financial statements	44-45	
102-46	Defining report content and topic Boundaries	125	
102-47	List of material topics	125	
102-48	Restatements of information	-	No significant restatements
102-49	Changes in reporting	124	
102-50	Reporting period	124	
102-51	Date of most recent report	124	
102-52	Reporting cycle	124	
102-53	Contact point for questions regarding the report	124	
102-54	Claims of reporting in accordance with the GRI Standards	124	
102-55	GRI content index	128-129	
102-56	External assurance		The Group's Sustainability Report has not been externally assured in accordance with GRI.

TOPIC-SPECIFIC DISCLOSURES

Number	Disclosure	Page	Comments
GRI 103 MANAGEMENT APPROACH (2016) SEE TOPIC-SPECIFIC DISCLOSURES			
GRI 205 ANTI-CORRUPTION (2016)			
103-1	Explanation of the material topic and its Boundaries	20, 38, 124-125	
103-2	The management approach and its components	126-127	
103-3	Evaluation of the management approach	126-127	
205-2	Communication and training about anti-corruption policies and procedures	38-39	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)			
103-1	Explanation of the material topic and its Boundaries	20, 22, 124-125	
103-2	The management approach and its components	126-127	
103-3	Evaluation of the management approach	126-127	
405-1	Diversity of governance bodies and employees	26	
GRI 418: CUSTOMER PRIVACY (2016)			
103-1	Explanation of the material topic and its Boundaries	20, 36, 124-125	
103-2	The management approach and its components	126-127	
103-3	Evaluation of the management approach	126-127	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	36	Complete information is not available. Resurs does not presently measure/monitor complaints from a strict privacy perspective.
(OWN DISCLOSURE) RESPONSIBLE CREDIT LENDING			
103-1	Explanation of the material topic and its Boundaries	20, 28-29, 124-125	
103-2	The management approach and its components	126-127	
103-3	Evaluation of the management approach	126-127	
Own	The total percentage of payment arrangements paid by customers	29, 31	
(OWN DISCLOSURE) SOCIAL RESPONSIBILITY			
103-1	Explanation of the material topic and its Boundaries	20, 32, 124-125	
103-2	The management approach and its components	126-127	
103-3	Evaluation of the management approach	126-127	
Own	Number of employees wanting to contribute by becoming a volunteer	33	Figures for the first year include only the Swedish part of the operations.

INDEX FOR THE SUSTAINABILITY REPORT ACCORDING TO CHAPTER 6 SECTION 11 OF THE ANNUAL ACCOUNTS ACT

	DISCLOSURE	PAGE REFERENCE
Overview	Business model	10, 17, 29
Social conditions and personnel	Approach and policies Risks, management and performance	126-127 22-27
Respect for human rights	Approach and policies Risks, management and performance	126-127 20
Anti-corruption	Approach and policies Risks, management and performance	126-127 38-39
Environment	Approach and policies Risks, management and performance	126-127 34-35

Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Resurs Holding AB (publ), corporate identity number 556898-2291

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2020 on pages 20-39 and 122-127 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A statutory sustainability statement has been prepared.

Helsingborg 22 March 2021
Ernst & Young AB

Jesper Nilsson
Authorized Public Accountant



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