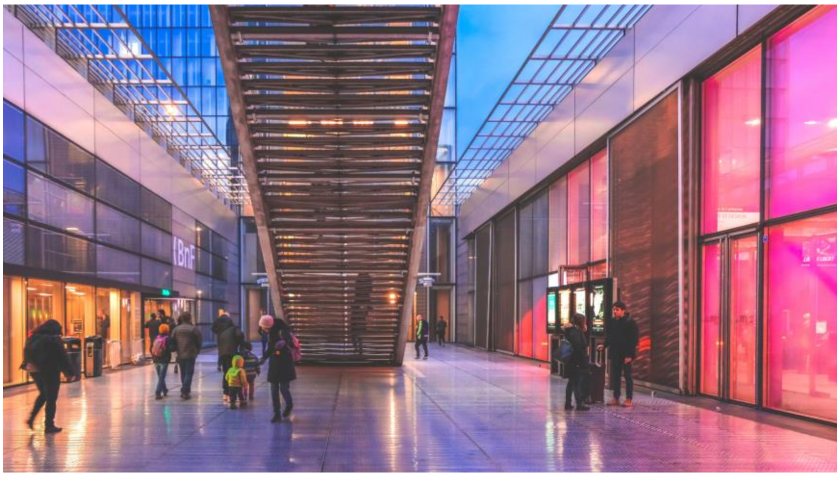


Year-end Report January—December 2018

1 July—31 December 2018*

- Lending to the public rose 16% to SEK 27,957 million
- Operating income increased 13% to SEK 1,692 million
- Operating profit increased 5% to SEK 743 million
- C/I before credit losses was 39.6% (38.6%)
- The credit loss ratio was 2.0% (1.8%)

1 January—31 December 2018*

- Lending to the public rose 16% to SEK 27,957 million
- Operating income increased 12% to SEK 3,293 million
- Operating profit increased 7% to SEK 1,437 million
- C/I before credit losses was 40.1% (40.1%)
- The credit loss ratio was 2.1% (1.8%)

"We ended 2018 with continued profitable growth and a strong trend in underlying earnings. All in all for 2018, we can present our best ever full-year earnings."

Kenneth Nilsson, CEO Resurs Bank AB

ABOUT RESURS BANK

Resurs us a Nordic niche bank that offers leading payment and financing solutions for the retail industry and its customers. We help companies and private individuals with lending, saving and payments. With more than 40 years of experience in the retail sector, we make shopping online and in stores quick, easy and secure. We focus on the customer experience and make good things happen and the hard feel easier. We have about 5.9 million private customers and more than 700 employees in the Nordics. When we use the term "Group" in this report, we are referring to the Resurs Bank Group.

** Certain performance measures provided in this section have not been prepared in accordance with IFRS or the capital adequacy rules, meaning that they are alternative performance measures. Calculations and reconciliation against information in the financial statements of these performance measures are provided on the website under "Financial information." Definitions of performance measures are provided on page 28. The figures in parentheses refer to 31 December 2017 in terms of financial position, and to the year-earlier period in terms of profit/loss items.*

STATEMENT BY THE CEO

OUR STRONG PERFORMANCE CONTINUES

We ended 2018 with continued profitable growth and a strong trend in underlying earnings. Lending rose 16 per cent year-on-year to SEK 28 billion. Growth remained strong in both segments and in all geographic markets. We are growing faster than the market and thus continuing to successively increase our market shares. However, earnings in the second half of the year were burdened by the general turmoil in the capital markets, which led to a lower valuation of our bond portfolio. We also incurred expenses of about SEK 10 million associated to completing the merger with yA Bank. Adjusted for these effects, operating profit increased 8 per cent compared with the year-earlier period.

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

New digital solutions generated positive growth for the company

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

Our proprietary credit engine made a strong contribution to growth in Consumer Loans. For us, it is a new tool with which to cultivate the market and we are continuously working on integrating it into the operations. As a result, we adjusted our prices in Sweden at the start of the third quarter, which led to higher lending growth but margins that were too low in relation to our targets. In the third quarter, we adjusted the pricing in the credit engine and, as expected, this led to rising margins on new lending in the fourth quarter. At the same time, the segment's total NBI margin was negatively impacted by mix changes.

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

Strategic initiatives strengthen capital position

During the year, we worked on a number of strategic initiatives to optimise our capital and liquidity situation. Implementing the merger with yA Bank strengthened our capital position since our regulatory capital requirements were reduced by about one percentage point. We also signed forward flow agreements with three credit management companies, enabling them to recover some of our delinquent receivables, starting from January 2019. Selling the receivables will accelerate the cash flow, thus reducing our risk exposure. The transfers positively impact our capital and liquidity situation.

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

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

LENDING
SEK 27,957 million

LENDING GROWTH
+16%

NET PROFIT 2018
SEK 1,105 million

Kenneth Nilsson,
CEO Resurs Bank AB

PERFORMANCE MEASURES

SEKm unless otherwise specified	Jul–Dec 2018	Jul–Dec 2017	Change	Jan–Dec 2018	Jan–Dec 2017	Change
Operating income	1,692	1,502	13%	3,293	2,928	12%
Operating profit*	743	710	5%	1,437	1,342	7%
Net profit for the period	570	549	4%	1,105	1,036	7%
C/I before credit losses, %*	39.6	38.6		40.1	40.1	
Common Equity Tier 1 ratio, %	13.4	13.6		13.4	13.6	
Total capital ratio, %	14.7	15.5		14.7	15.5	
Lending to the public	27,957	24,069	16%	27,957	24,069	16%
NIM, %*	10.3	10.6		10.6	10.6	
Risk-adjusted NBI margin, %*	10.4	11.1		10.7	11.1	
NBI margin, %*	12.4	13.0		12.8	12.9	
Credit loss ratio, %*	2.0	1.8		2.1	1.8	
Return on equity excl. intangible assets (RoTE), %*	31.3	30.4		31.0	28.5	

** 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 the performance measures are provided on the website under "Financial information." Definitions of all performance measures are provided on page 28.*

GROUP RESULTS*

SECOND HALF OF 2018, JULY—DECEMBER

Operating income

The Group's operating income increased 13 per cent to SEK 1,692 million (1,502). Net interest income increased 14 per cent to SEK 1,407 million (1,231), with interest income amounting to SEK 1,580 million (1,374) and interest expense to SEK -173 million (-143). Fee & commission income amounted to SEK 231 million (204) and fee & commission expense to SEK -31 million (-32), resulting in a total net commission for the banking operations of SEK 201 million (171).

Net expense from financial transactions amounted to SEK -25 million (-10). A deviation of SEK -15 million was primarily attributable to the major turmoil in the capital markets, which entailed a negative trend in the Group's investments in interest-bearing securities.

INTEREST INCOME

+13%

Other operating income, primarily comprising remuneration from lending operations, amounted to SEK 110 million (108).

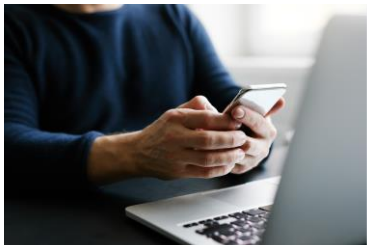
Operating expenses

The Group's expenses before credit losses increased 16 per cent to SEK -670 million (-579). The costs for the merger between Resurs Bank and yA Bank for the half-year amounted to approximately SEK -10 million. Personnel expenses rose SEK 33 million to SEK -270 million (-237) year-on-year. General administrative costs excluding personnel expenses increased SEK 33 million to SEK -280 million (-247), mainly a result of marketing and IT investments. Other operating expenses totalled SEK -94 million (-79). Viewed in relation to the operations' income, the cost level including merger costs amounted to 39.6 per cent (38.6 per cent).

Credit losses totalled SEK -280 million (-213) and the credit loss ratio was 2.0 per cent (1.8 per cent). The increase was primarily because provisions for all new lending have been made since year-end according to the new reporting standard IFRS 9. The risk-adjusted NBI margin was 10.4 per cent (11.1 per cent). The decline was mainly due to the net expense from financial transactions and lower NBI margin in Consumer Loans, primarily as a result of mix changes.

Profit

Operating profit increased by 5 per cent to SEK 743 million (710). Net profit for the period amounted to SEK 570 million (549). Tax expense totalled SEK -173 million (-161).



C/I-RATIO

39.6%

OPERATING PROFIT

+5%

FULL-YEAR 2018, JANUARY—DECEMBER

Operating income and expenses

The Group's operating income increased 12 per cent to SEK 3,293 million (2,928), primarily due to growth in lending. Net interest income increased 13 per cent to SEK 2,726 million (2,406), with interest income amounting to SEK 3,057 million (2,679) and interest expense to SEK -331 million (-274). Fee & commission income amounted to SEK 445 million (407) and fee & commission expense to SEK -57 million (-63). This resulted in a total net commission for the banking operations of SEK 388 million (344). Net expense from financial transactions amounted to SEK -41 million (-17). A deviation of SEK -24 million was primarily attributable to the general turmoil in the capital markets, which entailed a lower valuation in the Group's investments in interest-bearing securities.

The Group's expenses before credit losses increased 13 per cent to SEK -1,321 million (-1,173). Viewed in relation to the operations' income, the cost level including merger costs amounted to 40.1 per cent (40.1 per cent) for 2018.

Credit losses totalled SEK -536 million (-413) and the credit loss ratio was 2.1 per cent (1.8 per cent). The increase was primarily because provisions for all new lending have been made since year-end according to the new reporting standard IFRS 9 and lending growth has remained high throughout the period. The risk-adjusted NBI margin was 10.7 per cent (11.1 per cent).

Profit

Operating profit increased 7 per cent to SEK 1,437 million (1,342). Net profit for the year rose 7 per cent to SEK 1,105 million (1,036). Tax expense for the year amounted to SEK -332 million (-306).

NET PROFIT 2018

+7%

FINANCIAL POSITION AT 31 DECEMBER 2018*

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

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

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

Deposits from the public on 31 December 2018 rose 15 per cent to SEK 20,934 million (18,147). Financing through issued securities totalled SEK 7,832 million (5,597). Liquidity remained healthy and following the merger completed between Resurs Bank and the subsidiary yA Bank, the liquidity coverage ratio (LCR) was 146 per cent (201 per cent) in the consolidated situation. The minimum statutory LCR ratio is 100 per cent. Lending to credit institutions at 31 December 2018 amounted to SEK 3,670 million (2,624). Holdings of treasury and other bills eligible for refinancing, as well as bonds and other interest-bearing securities, totalled SEK 1,848 million (2,169).

Cash flow from operating activities amounted to SEK -323 million (-2,089) for the year. Cash flow from deposits amounted to SEK 2,699 million (-310) and the net change in investment assets totalled SEK 338 million (191). Cash flow from investing activities for the year totalled SEK -127 million (-85) and cash flow from financing activities was SEK 1,472 million (1,802). During the year, outstanding bonds issued under Resurs Bank's MTN programme have been expanded by SEK 1,400 million and ABS financing expanded by SEK 800 million.

Intangible assets amounted to SEK 1,946 million (1,846), and primarily comprise the goodwill that arose in the acquisition of Finaref and Danaktiv in 2014 and yA Bank in 2015.

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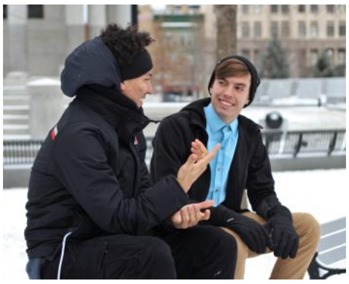
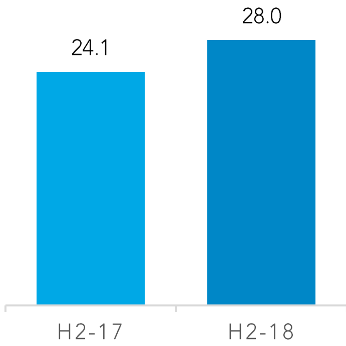


TOTAL CAPITAL RATIO

14.7%

LENDING TO THE PUBLIC



Trend in lending to the public in SEK billion.

LIQUIDITY COVERAGE RATIO

146%

SEGMENT REPORTING

RESURS BANK'S TWO SEGMENTS

Resurs Bank has divided its operations into two business segments based on the products and services offered: **Payment Solutions** and **Consumer Loans.**

The two segments differ in nature. **Payment Solutions** delivers finance, payment and loyalty solutions that drive retail sales, as well as credit cards to the public. **Consumer Loans** focuses primarily on lending to consumers. During the second half of 2018, the Payment Solutions segment accounted for 43 per cent of the Group's operating income and Consumer Loans for 57 per cent.

PERCENTAGE OF OPERATING INCOME JAN—DEC 2018

Payment Solutions
43%

Consumer Loans
57%

PAYMENT SOLUTIONS

Continued strong growth with stable margins

SECOND HALF OF 2018, JULY—DECEMBER

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

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

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

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

Operating income totalled SEK 735 million (647), up 14 per cent compared with the year-earlier period. Operating income was strengthened by higher business volumes in the half-year.

Operating income less credit losses totalled SEK 655 million (562), up 16 per cent compared with the year-earlier period. The risk-adjusted NBI margin was 12.7 per cent (12.3 per cent) and was thus better than the year-earlier period.

FULL-YEAR 2018, JANUARY—DECEMBER

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

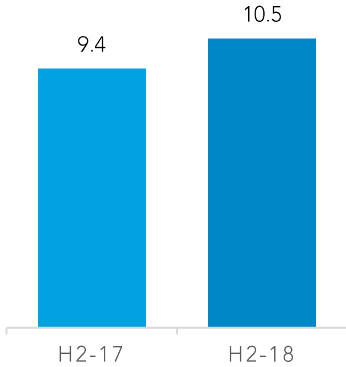
Operating income for the year totalled SEK 1,427 million (1,270), up 12 per cent year-on-year, with the increase primarily related to higher business volumes. Operating income less credit losses amounted to SEK 1,240 million (1,116), up 11 per cent year-on-year. The risk-adjusted NBI margin was 12.5 per cent (12.3 per cent).

ABOUT PAYMENT SOLUTIONS

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

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

LENDING TO THE PUBLIC



Trend in lending to the public in SEK billion.

PERFORMANCE MEASURES — PAYMENT SOLUTIONS

SEKm	Jul–Dec 2018	Jul–Dec 2017	Change	Jan–Dec 2018	Jan–Dec 2017	Change
Lending to the public at end of the period	10,508	9,419	12%	10,508	9,419	12%
Operating income	735	647	14%	1,427	1,270	12%
Operating income less credit losses	655	562	16%	1,240	1,116	11%
Risk-adjusted NBI margin, %	12.7	12.3		12.5	12.3	
NBI margin, %	14.3	14.2		14.4	14.0	
Credit loss ratio, %	1.6	1.9		1.9	1.7	

CONSUMER LOANS

Strong growth in all countries

SECOND HALF OF 2018, JULY—DECEMBER

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

The proprietary credit engine was launched in Sweden, Norway and Finland and is a robust tool for increasing growth with good control over credit lending. For us, it is a new tool with which to cultivate the market and we are continuously working on integrating it into the operations. It resulted in adjustments to prices in Sweden at the start of the half-year, which led to higher lending growth but margins that were too low. In the third quarter of 2018, the pricing in the credit engine in Sweden was adjusted and, as expected, this led to rising margins on new lending in the fourth quarter. At the same time, the segment's total NBI margin was negatively impacted by mix changes.

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

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

Operating income increased 12 per cent in the second half of the year to SEK 957 million (854), primarily due to higher business volumes. Operating income less credit losses rose 4 per cent to SEK 758 million (726). The risk-adjusted NBI margin was 8.9 per cent (10.3 per cent). The decline was mainly due to the margin effects described above and the credit loss ratio increasing to 2.3 per cent (1.8 per cent). The increase was mainly attributable to the introduction of the new reporting standard IFRS 9.

FULL-YEAR 2018, JANUARY —DECEMBER

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

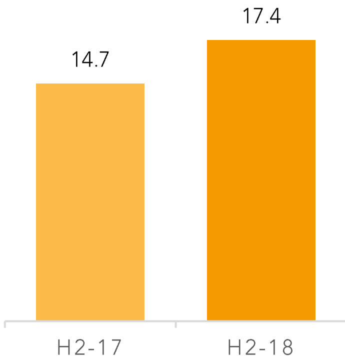
Operating income increased 13 per cent to SEK 1,866 million (1,659). Operating income less credit losses rose 8 per cent to SEK 1,517 million (1,399). The risk-adjusted NBI margin was 9.5 per cent (10.3 per cent). The decline was mainly due to the mix changes in the portfolio and the credit loss ratio increasing to 2.2 per cent (1.9 per cent). The increase was primarily attributable to the new reporting standard IFRS 9.

ABOUT CONSUMER LOANS

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

Resurs also provides help in consolidating loans held by consumers with other banks, with the aim of reducing the consumer's interest expense. Resurs currently holds approximately SEK 17.4 billion in outstanding consumer loans.

LENDING TO THE PUBLIC



Trend in lending to the public in SEK billion.

PERFORMANCE MEASURES — CONSUMER LOANS

SEKm	Jul–Dec 2018	Jul–Dec 2017	Change	Jan–Dec 2018	Jan–Dec 2017	Change
Lending to the public at end of the period	17,449	14,650	19%	17,449	14,650	19%
Operating income	957	854	12%	1,866	1,659	13%
Operating income less credit losses	758	726	4%	1,517	1,399	8%
Risk-adjusted NBI margin, %	8.9	10.3		9.5	10.3	
NBI margin, %	11.3	12.1		11.7	12.3	
Credit loss ratio, %	2.3	1.8		2.2	1.9	

SIGNIFICANT EVENTS

JANUARY—DECEMBER 2018

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

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

Resurs Bank planning to sell delinquent receivables

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

Resurs Bank expanded and extended ABS financing

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

AFTER THE END OF THE PERIOD

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

SOME OF RESURS'S RETAIL FINANCE PARTNERS:

OTHER INFORMATION

Risk and capital management

The Group's ability to manage risks and conduct effective capital planning is fundamental to its profitability. The business faces various forms of risk including credit risks, market risks, liquidity risks and operational risks. The Board has established operational policies with the aim of balancing the Group's risk taking, and to limit and control risks. All policies are updated as necessary and revised at least once annually. The Board and CEO are ultimately responsible for the Group's risk management. In general, there have been no significant changes regarding risk and capital management during the period. A more detailed description of the bank's risks, liquidity and capital management is presented in Note G3 Liquidity, Note G4 Capital Adequacy, and in the most recent annual report.

Information on operations

Resurs Bank AB conducts banking operations in the Nordic countries. Operations are primarily consumer-oriented and are licensed by the Swedish Financial Supervisory Authority. Consumer lending is subdivided into retail finance loans, consumer loans, MasterCard and Visa credit cards, and deposits. Retail finance loans are offered to finance both traditional in-store purchases and online purchases. Operations in Finland are conducted through branch office Resurs Bank AB Suomen sivuliike (Helsinki), in Denmark through branch office Resurs Bank filial af Resurs Bank (Vallensbæk Strand) and in Norway through branch office Resurs Bank AB NUF (Oslo).

Employees

There were 701 full-time employees within the Group at 31 December 2018, down 44 since 30 June and up 33 since the end of 2017. The increase was due to widespread growth in several different areas, mainly in IT and marketing. The decline since 30 June 2018 was primarily due to temporary staff for the summer who left the company.

EMPLOYEES

701

THE BOARD'S ATTESTATION

This year-end report has not been audited.

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

Helsingborg, 4 February 2019.

Kenneth Nilsson, CEO

Board of Directors,

Jan Samuelson, Chairman of the Board

Martin Bengtsson	Mariana Burenstam Linder	Fredrik Carlsson
Anders Dahlvig	Christian Frick	Lars Nordstrand
Marita Odélius Engström	Mikael Wintzell	

SUMMARY FINANCIAL STATEMENTS — GROUP

Condensed income statement

SEK thousand	Note	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Interest income	G6	1,579,779	1,374,444	3,056,886	2,679,207
Interest expense	G6	-173,161	-142,891	-331,232	-273,556
Fee & commission income		231,370	203,669	444,808	406,753
Fee & commission expense		-30,562	-32,212	-57,090	-63,130
Net income/expense from financial transactions		-25,041	-9,594	-40,868	-17,326
Other operating income	G7	109,970	108,188	220,716	196,412
Total operating income		**1,692,355**	**1,501,604**	**3,293,220**	**2,928,360**
General administrative expenses	G8	-550,787	-484,460	-1,096,889	-970,702
Depreciation, amortisation and impairment of non-current assets		-24,646	-15,553	-44,292	-30,466
Other operating expenses		-94,167	-79,045	-179,976	-171,983
Total expenses before credit losses		**-669,600**	**-579,058**	**-1,321,157**	**-1,173,151**
Earnings before credit losses		**1,022,755**	**922,546**	**1,972,063**	**1,755,209**
Credit losses, net	G9	-279,646	-212,790	-535,554	-413,454
Operating profit/loss		**743,109**	**709,756**	**1,436,509**	**1,341,755**
Income tax expense		-173,086	-160,584	-331,843	-305,507
Net profit for the period		**570,023**	**549,172**	**1,104,666**	**1,036,248**
Attributable to Resurs Bank AB shareholders		**570,023**	**549,172**	**1,104,666**	**1,036,248**

Statement of comprehensive income

SEK thousand	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net profit for the period	**570,023**	**549,172**	**1,104,666**	**1,036,248**
Other comprehensive income that will be reclassified to profit/loss				
Translation differences for the period, foreign operations	-123,953	-19,712	85,879	-107,070
Hedge accounting [1)]	37,953	675	-49,424	21,693
Hedge accounting - tax [1)]	-8,350	-148	10,873	-4,772
Total comprehensive income for the period	**475,673**	**529,987**	**1,151,994**	**946,099**
Attributable to Resurs Bank AB shareholders	**475,673**	**529,987**	**1,151,994**	**946,099**

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

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

Condensed statement of financial position

SEK thousand	Note	31 Dec 2018	1 Jan 2018 revaluated 1)	31 Dec 2017
Assets				
Cash and balances at central banks		63,215	61,539	61,539
Treasury and other bills eligible for refinancing		878,558	712,224	712,224
Lending to credit institutions		3,670,115	2,624,053	2,624,053
Lending to the public	G10	27,956,576	23,648,306	24,069,278
Bonds and other interest-bearing securities		969,699	1,456,954	1,456,954
Shares and participating interests		1,002	979	979
Intangible assets		1,945,773	1,846,399	1,846,399
Property, plant & equipment		51,326	39,625	39,625
Other assets		430,674	171,226	71,286
Prepaid expenses and accrued income		152,981	82,071	82,071
TOTAL ASSETS		**36,119,919**	**30,643,376**	**30,964,408**
Liabilities, provisions and equity				
Liabilities and provisions				
Liabilities to credit institutions		149,900		
Deposits and borrowing from the public		20,933,807	18,146,975	18,146,975
Other liabilities		829,840	968,701	968,701
Accrued expenses and deferred income		166,810	141,237	141,237
Other provisions	G11	22,462	24,399	6,690
Issued securities		7,832,186	5,597,271	5,597,271
Subordinated debt		498,171	540,044	540,044
Total liabilities and provisions		**30,433,176**	**25,418,627**	**25,400,918**
Equity				
Share capital		500,000	500,000	500,000
Other paid-in capital		1,975,000	1,975,000	1,975,000
Translation reserve		32,866	-14,462	-14,462
Retained earnings incl. profit for the period		3,178,877	2,764,211	3,102,952
Total equity		**5,686,743**	**5,224,749**	**5,563,490**
TOTAL LIABILITIES, PROVISIONS AND EQUITY		**36,119,919**	**30,643,376**	**30,964,408**

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

See Note G12 for information on pledged assets and commitments.

Statement of changes in equity

SEK thousand	Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit for the year	Total equity
Initial equity at 1 January 2017	500,000	1,975,000	75,687	2,866,704	5,417,391
Owner transactions					
Dividends paid				-500,000	-500,000
Dividends according to Extraordinary General Meeting				-300,000	-300,000
Net profit for the period				1,036,248	1,036,248
Other comprehensive income for the period			-90,149		-90,149
Equity at 31 December 2017	500,000	1,975,000	-14,462	3,102,952	5,563,490
Initial equity at 1 January 2018 according to IAS 39	500,000	1,975,000	-14,462	3,102,952	5,563,490
Impact of revaluation of credit loss reserves due to IFRS 9 implementation				-438,681	-438,681
Impact of revaluation of credit loss reserves due to IFRS 9 implementation - tax effect				99,940	99,940
Equity at 1 January 2018 according to IFRS 9, adjusted	500,000	1,975,000	-14,462	2,764,211	5,224,749
Initial equity at 1 January 2018	500,000	1,975,000	-14,462	2,764,211	5,224,749
Owner transactions					
Dividends paid				-360,000	-360,000
Dividends according to Extraordinary General Meeting				-330,000	-330,000
Net profit for the period				1,104,666	1,104,666
Other comprehensive income for the period			47,328		47,328
Equity at 31 December 2018	500,000	1,975,000	32,866	3,178,877	5,686,743

All equity is attributable to Parent Company shareholders.

Cash flow statement (indirect method)

SEK thousand	Jan-Dec 2018	Jan-Dec 2017
Operating activities		
Operating profit	1,436,509	1,341,755
- of which, interest received	*3,055,298*	*2,677,824*
- of which, interest paid	*-327,870*	*-272,165*
Adjustments for non-cash items in operating profit	602,688	469,953
Tax paid	-422,676	-350,288
Cash flow from operating activities before changes in operating assets and liabilities	**1,616,521**	**1,461,420**
Changes in operating assets and liabilities		
Lending to the public	-4,477,411	-3,520,949
Other assets	-668,018	-8,244
Liabilities to credit institutions	149,900	-1,700
Deposits and borrowing from the public	2,698,519	-309,977
Acquisition of investment assets	-1,315,481	-903,916
Divestment of investment assets	1,653,265	1,095,322
Other liabilities	19,975	98,785
Cash flow from operating activities	**-322,730**	**-2,089,259**
Investing activities		
Acquisition of non-current assets	-129,254	-85,860
Divestment of non-current assets	1,873	661
Cash flow from investing activities	**-127,381**	**-85,199**
Financing activities		
Dividends paid	-690,000	-800,000
Issued securities	2,205,138	2,301,863
Subordinated debt	-42,664	300,000
Cash flow from financing activities	**1,472,474**	**1,801,863**
Cash flow for the year	**1,022,363**	**-372,595**
Cash & cash equivalents at beginning of the year	2,685,592	3,088,840
Exchange rate differences	25,375	-30,653
Cash & cash equivalents at end of the period	**3,733,330**	**2,685,592**
Adjustment for non-cash items in operating profit		
Credit losses	535,554	413,454
Depreciation and impairment of property, plant & equipment	44,292	30,466
Profit/loss tangible assets	244	103
Profit/loss on investment assets	-4,830	-15,301
Change in provisions	-1,793	117
Adjustment to interest paid/received	5,993	2,704
Currency effects	17,850	33,007
Other items that do not affect liquidity	5,377	5,403
Sum non-cash items in operating profit	**602,688**	**469,953**

Investment assets are comprised of Bonds and other interest-bearing securities, Treasury and other bills eligible for refinancing, shares and participating interest.
Liquid assets are comprised of Lending to credit institutions and Cash and balances at central banks.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

G1. Accounting principles

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and with applicable provisions of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's regulations and general guidelines on Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25), and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups.

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

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

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

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

Alongside the significant PD changes described above, the bank uses a "back stop," meaning that a credit that is between 30 and 90 days past due is attributable to stage 2 even if there is no significant increase in PD.

The calculation of the lifetime for credit cards and other revolving credits is based on predictive models about the future limit use and statistical repayment plans. The models are based on internal historical data where different models are used for homogeneous groups of credits with similar explanatory variables.

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

IFRS 16 replaces IAS 17 from 1 January 2019. Under the new standard, existing leases and right-of-use agreements are to be capitalised as assets and liabilities in the statement of financial position, with the associated effect that the cost in profit or loss is divided between depreciation in operating profit and interest expense in net financial items. The Group will be primarily affected by the right-of-use assets attributable to leases for premises and vehicle leases. The Group has chosen to apply the forward-looking method and will not restate the comparative year in accordance with the standard.

The Group has decided to apply several of the exemptions available, the most important of which are excluding leases with a low value and leases that have a remaining term of a maximum of 12 months on the transition date. The liability for unutilised lease obligations on 1 January 2019 will amount to approximately SEK 93 million and for unutilised right-of-use assets to approximately SEK 97 million. Equity will not be affected by the transition to IFRS 16. For further information about current leases, see Note G11 in the Annual Report.

The Group's accounting principles are presented in more detail in the latest annual report for 2017.

The interim information on pages 2-37 comprises an integrated component of this financial report.

G2. Effect of IFRS 9

Summary of effects on statement of financial position

In the condensed statement of finacial postition, Lending to the public, Other assets and Other provisions were impacted since the credit loss reserves under IFRS 9 are calculated on expected credit losses, as opposed to the previous model that was based on credit loss events that have occurred. In the item Other assets, the current tax asset was changed.

SEK thousand	31 Dec 2017 according to earlier accounting principles	Adjustment Lending to the public	Adjustment Current tax asset	Adjustment Other provisions	1 Jan 2018
Assets					
Lending to the public	24,069,278	-420,972			23,648,306
Other assets	71,286		99,940		171,226
Liabilities and provisions					
Other provisions	6,690			17,709	24,399
Equity					
Revaluation of credit loss reserves according to IFRS 9		-420,972	99,940	-17,709	-338,741

G3. Financing - Consolidated situation

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

The main type of financing remains deposits from the public. This type of financing has been offered to customers in Sweden and Norway for several years. This form of financing has been offered to customers in Sweden and Norway for several years. Deposits to customers in Germany have also been offered since the end of 2018.

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

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 8,000 million (5,000). Within the programme, Resurs Bank has been working successfully to issue bonds on a regular basis and sees itself as an established issuer on the market. Resurs Bank has primarily issued bonds in Sweden but also in Norway. The programme has ten outstanding issues at a nominal amount of SEK 4,250 million (2,850) and NOK 400 million (400).

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

Resurs Bank has completed a securitisation of loan receivables, a form of structured financing, referred to as Asset Backed Securities (ABS). This took place by transferring loan receivables to Resurs Bank's wholly owned subsidiaries Resurs Consumer Loans 1 Limited. In January 2018 the financing expanded and at 31 December 2018 a total of appoximately SEK 3.7 billion in loan receivables had been transferred to Resurs Consumer Loans. The acquisition of loan receivables by Resurs Consumer Loans was financed by an international financial institution. Resurs Bank has, for a period of 18 months (revolving period), the right to continue sale of certain additional loan receivables to Resurs Consumer Loans. Resurs Bank and Resurs Consumer Loans have provided security for the assets that form part of the securitisation. At the balance sheet date, the external financing amounted to SEK 2.9 billion (2.1) of the ABS financing.

Liquidity - Consolidated situation

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

The Group's liquidity risk is managed through policies that specify limits, responsibilities and monitoring and include a contingency plan. The purpose of the contingency plan is to make preparations for various courses of action should the liquidity situation trend unfavourably. The contingency plan includes, among other things, risk indicators and action plans. The Group's liquidity risk is controlled and audited by independent functions.

Liquidity comprises both a liquidity reserve and another liquidity portfolio that is monitored on a daily basis. The main liquidity risk is deemed to arise in the event multiple depositors simultaneously withdraw their deposited funds. An internal model is used to set minimum requirements for the amount of the liquidity reserve, calculated based on deposit volumes, the proportion covered by deposit insurance and relationship to depositors. The model also takes into account the future maturities of issued securities. The Board has stipulated that the liquidity reserve may never fall below SEK 1,300 million. Apart from the liquidity reserve, there is an intraday liquidity requirement of at least 4 per cent of deposits from the public, or a minimum SEK 700 million. There are also other liquidity requirements regulating and controlling the business.

The liquidity reserve, totalling SEK 1,899 million (1 744), is in accordance with Swedish Financial Supervisory Authority regulations on liquidity risk management (FFFS 2010:7) and applicable amendments thereto) for the consolidated situation. Accordingly, assets are segregated, unutilised and of high quality. The liquidity reserve largely comprises assets with the highest credit quality rating.

The liquidity reserve largely comprises assets with the highest credit quality rating. In addition to the liquidity reserve, the consolidated situation has other liquid assets primarily comprised of cash balances with other banks. These assets are of high credit quality and total SEK 3,688 million (3,113) for the consolidated situation. Accordingly, total liquidity amounted to SEK 5,588 million (4,857). Total liquidity corresponded to 27 per cent (27 per cent) of deposits from the public. The Group also has unutilised credit facilities of NOK 50 million (50).

Liquidity Coverage Ratio (LCR) for the consolidated situation is reported to the authorities on a monthly basis. The LCR shows the ratio between high qualitative assets and net outflow during a 30-day stressed period. A ratio of 100 per cent means the assets managed the stress test scenario and is also the authority's limit. As at 31 December 2018, the ratio for the consolidated situation is 146 per cent (201 per cent). For the period January to December 2018, the average LCR measures 200 per cent for the consolidated situation.

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

Summary of liquidity – Consolidated situation

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

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

SEK thousand	31 Dec 2018	31 Dec 2017
Liquid assets, Level 1	1,030,930	1,215,651
Liquid assets, Level 2	572,680	649,904
Total liquid assets	**1,603,610**	**1,865,555**
Net liquidity outflow	**1,031,174**	**855,945**
LCR measure	**146%**	**201%**

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

Additional information on the Group's management of liquidity risks is available in the Group's 2017 Annual report.

G4. Capital adequacy - Consolidated situation

Capital requirements are calculated in accordance with European Parliament and Council Regulation EU 575/2013 (CRR) and Directive 2013/36 EU (CRD IV). The Directive was incorporated via the Swedish Capital Buffers Act (2014:966), and the Swedish Financial Supervisory Authority's (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.

The combined buffer requirement for the consolidated situation comprises a capital conservation buffer requirement and a countercyclical capital buffer requirement. The capital conservation buffer requirement amounts to 2.5 per cent of the risk-weighted assets. The countercyclical capital buffer requirement is weighted according to geographical requirements, which amounts to 2 per cent of the risk-weighted assets for Swedish and Norwegian exposures of the risk-weighted assets. The countercyclical capital buffer requirement will increase to 2.5 per cent for Swedish exposures from 19 September 2019 and for Norwegian exposures from 31 December 2019.

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

The consolidated situation calculates the capital requirement for credit risk, credit valuation adjustment risk, market risk and operational risk.

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

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

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

Capital base

SEK thousand	31 Dec 2018	31 Dec 2017
Tier 1 capital		
Equity, Group	4,582,077	4,527,242
Net profit for the period, Group	1,104,666	1,036,248
Proposed dividend	-390,000	-360,000
Equity, added in the consolidated situation	85,240	64,924
Net profit, which is added/deducted in the consolidated situation	163,223	20,315
Equity, consolidated situation (adjusted for proposed/foreseeable dividend)	**5,545,206**	**5,288,729**
Adjustments according to transition rules IFRS 9:		
Initial revaluation effect, net 95 %	321,804	
Dynamic effect category 1 and 2, net 95 %		
Less:		
Additional value adjustments	-2,039	-2,211
Intangible assets	-1,945,773	-1,846,399
Deferred tax asset [1)]		-8,171
Shares in subsidiaries	-120	-100
Total Common Equity Tier 1 capital	**3,919,078**	**3,431,848**
Total Tier 1 capital	**3,919,078**	**3,431,848**
Tier 2 capital		
Dated subordinated loans	362,806	473,231
Total Tier 2 capital	**362,806**	**473,231**
Total capital base	**4,281,884**	**3,905,079**

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

Capital requirement

SEK thousand	31 Dec 2018		31 Dec 2017	
	Risk-weighted exposure amount	Capital require-ment1)	Risk-weighted exposure amount	Capital require-ment1)
Exposures to institutions	748,532	59,883	146,633	11,731
Exposures to corporates	366,130	29,290	346,486	27,719
Retail exposures	19,027,139	1,522,171	16,446,397	1,315,712
Exposures in default	2,666,279	213,302	1,806,015	144,481
Exposures in the form of covered bonds	86,879	6,950	84,801	6,784
Exposures to institutions and companies with short-term credit rating	99,943	7,995	373,659	29,893
Exposures in the form of units or shares in collective investment undertakings (funds)			65,265	5,221
Equity exposures	80,001	6,400	79,978	6,398
Other items	545,212	43,618	243,081	19,446
Total credit risks	**23,620,115**	**1,889,609**	**19,592,315**	**1,567,385**
Credit valuation adjustment risk	**45,050**	**3,604**	**4,948**	**396**
Market risk				
Currency risk			472,850	37,828
Operational risk	**5,552,748**	**444,220**	**5,096,823**	**407,746**
Total riskweighted exposure and total capital requirement	**29,217,913**	**2,337,433**	**25,166,936**	**2,013,355**

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

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

Capital ratio and capital buffers

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

Leverage ratio

The leverage ratio is a non-risk-sensitive capital requirement defined in Regulation (EU) no 575/2013 of the European Parliament and of the Council. The ratio states the amount of equity in relation to the bank's total assets including items that are not recognised in the balance sheet and is calculated by the Tier 1 capital as a percentage of the total exposure measure. The bank currently has a reporting requirement to the Swedish Financial Supervisory Authority but no decision has yet been made regarding a quantitative requirement for the level of the leverage ratio. A quantitative requirement of 3 per cent is expected to be adopted.

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

G5. Segment reporting

The CEO for Resurs Bank 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 and Consumer Loans. The CEO evaluates segment development based on net operating income less credit losses, net. 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.

Jul-Dec 2018

SEK thousand	Payment Solutions	Consumer Loans	Total Group
Interest income	579,220	1,000,559	1,579,779
Interest expense	-54,019	-119,142	-173,161
Provision income	168,225	63,145	231,370
Provision expenses	-30,562		-30,562
Net income/expense from financial transactions	-12,607	-12,434	-25,041
Other operating income	84,911	25,059	109,970
Total operating income	**735,168**	**957,187**	**1,692,355**
of which, internal			*0*
Credit losses, net	-80,187	-199,459	-279,646
Operating income less credit losses	**654,981**	**757,728**	**1,412,709**

Jul-Dec 2017

SEK thousand	Payment Solutions	Consumer Loans	Total Group
Interest income	501,425	873,019	1,374,444
Interest expense	-48,924	-93,967	-142,891
Provision income	152,731	50,938	203,669
Provision expenses	-32,212		-32,212
Net income/expense from financial transactions	-5,967	-3,627	-9,594
Other operating income	80,268	27,920	108,188
Total operating income	**647,321**	**854,283**	**1,501,604**
of which, internal			*0*
Credit losses, net	-84,951	-127,839	-212,790
Operating income less credit losses	**562,370**	**726,444**	**1,288,814**

Jan-Dec 2018

SEK thousand	Payment Solutions	Consumer Loans	Total Group
Interest income	1,121,384	1,935,502	3,056,886
Interest expense	-107,507	-223,725	-331,232
Provision income	325,477	119,331	444,808
Provision expenses	-57,090		-57,090
Net income/expense from financial transactions	-21,179	-19,689	-40,868
Other operating income	165,775	54,941	220,716
Total operating income	**1,426,860**	**1,866,360**	**3,293,220**
of which, internal			*0*
Credit losses, net	-186,442	-349,112	-535,554
Operating income less credit losses	**1,240,418**	**1,517,248**	**2,757,666**

Jan-Dec 2017

SEK thousand	Payment Solutions	Consumer Loans	Total Group
Interest income	990,685	1,688,522	2,679,207
Interest expense	-93,650	-179,906	-273,556
Provision income	297,029	109,724	406,753
Provision expenses	-63,130		-63,130
Net income/expense from financial transactions	-12,370	-4,956	-17,326
Other operating income	151,291	45,121	196,412
Total operating income	**1,269,855**	**1,658,505**	**2,928,360**
of which, internal			*0*
Credit losses, net	-153,683	-259,771	-413,454
Operating income less credit losses	**1,116,172**	**1,398,734**	**2,514,906**

Lending to the public

SEK thousand	Payment Solutions	Consumer Loans	Total Group
31 Dec 2018	10,507,819	17,448,757	27,956,576
1 Jan 2018	9,270,137	14,378,169	23,648,306
31 Dec 2017	9,419,373	14,649,905	24,069,278

G6. Net interest income/expense

SEK thousand	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Interest income				
Lending to credit institutions	1,322	1,739	3,296	3,130
Lending to the public	1,577,667	1,372,610	3,052,213	2,675,921
Interest-bearing securities	790	95	1,377	156
Total interest income	**1,579,779**	**1,374,444**	**3,056,886**	**2,679,207**
Interest expense				
Liabilities to credit institutions	-4,949	478	-7,228	-2,202
Deposits and borrowing from the public	-120,382	-110,304	-235,189	-212,066
Issued securities	-37,751	-23,737	-68,429	-40,790
Subordinated debt	-7,763	-9,460	-17,476	-18,257
Other liabilities	-2,316	132	-2,910	-241
Total interest expense	**-173,161**	**-142,891**	**-331,232**	**-273,556**
Net interest income/expense	**1,406,618**	**1,231,553**	**2,725,654**	**2,405,651**

G7. Other operating income

SEK thousand	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Other income, lending to the public	89,834	75,509	170,069	151,875
Other operating income	20,136	32,679	50,647	44,537
Total operating income	**109,970**	**108,188**	**220,716**	**196,412**

G8. General administrative expenses

SEK thousand	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Personnel expenses	-270,323	-237,308	-537,959	-468,508
Postage, communication and notification expenses	-63,221	-67,287	-128,184	-139,114
IT expenses	-90,421	-70,007	-177,306	-152,510
Cost of premises	-18,758	-17,899	-35,916	-35,364
Consultant expenses	-35,867	-25,936	-73,888	-52,481
Other	-72,197	-66,023	-143,636	-122,725
Total general administrative expenses	**-550,787**	**-484,460**	**-1,096,889**	**-970,702**

G9. Credit losses

SEK thousand	Jul-Dec 2018	Jan-Dec 2018
Provision of credit reserves		
Stage 1	4,035	15,288
Stage 2	42,925	19,114
Stage 3	-43,583	-235,908
Total	**3,377**	**-201,506**
Provision of credit reserves off balance (unutilised limit)		
Stage 1	4,086	2,490
Stage 2	1,020	-416
Stage 3		
Total	**5,106**	**2,074**
Write-offs of stated credit losses for the period	-296,832	-354,487
Recoveries of previously confirmed credit losses	8,703	18,365
Total	**-288,129**	**-336,122**
Credit losses	**-279,646**	**-535,554**
off which lending to the public	*-284,752*	*-537,628*

SEK thousand	Jul-Dec 2017	Jan-Dec 2017
Individually assessed loan receivables under IAS 39		
Write-offs of stated credit losses for the period	-2,383	-3,379
Recoveries of previously confirmed credit losses	1,564	2,236
Transfer/reversal of provision for credit losses on utilised limit	8,292	5,387
Net result of individually assessed loan receivables for the period	**7,473**	**4,244**
Collectively assessed loan receivables under IAS 39		
Write-offs of stated credit losses for the period	-55,389	-110,750
Recoveries of previously confirmed credit losses	8,780	18,092
Transfers/reversal of provision for credit losses	-173,654	-325,040
Net cost of collectively assessed homogeneous groups of loan receivables	**-220,263**	**-417,698**
Net cost of credit losses for the period	**-212,790**	**-413,454**

G10. Lending to the public

SEK thousand	31 Dec 2018	1 Jan 2018	31 Dec 2017
Retail sector	30,139,006	25,617,746	25,617,746
Corporate sector	405,607	371,258	371,258
Total lending to the public, gross	**30,544,613**	**25,989,004**	**25,989,004**
Stage 1	22,511,152	19,317,404	
Stage 2	3,377,690	2,830,968	
Stage 3	4,655,770	3,840,632	
Total lending to the public, gross	**30,544,612**	**25,989,004**	**25,989,004**
Less provision for anticipated credit losses under IAS 39			-1,919,726
Less provision for anticipated credit losses under IFRS 9			
Stage 1	-167,847	-133,315	
Stage 2	-312,399	-322,150	
Stage 3	-2,107,790	-1,885,233	
Total anticipated credit losses	**-2,588,036**	**-2,340,698**	**-1,919,726**
Stage 1	22,343,305	19,184,089	
Stage 2	3,065,291	2,508,818	
Stage 3	2,547,980	1,955,399	
Total net lending to the public	**27,956,576**	**23,648,306**	**24,069,278**
Doubtful receivables under IAS 39			
Gross doubtful receivables for which interest is not entered as income until payment is made			3,787,672
Provision for anticipated credit losses			-1,919,726
Doubtful receivables, net	**0**	**0**	**1,867,946**

G11. Other provisions

SEK thousand	31 Dec 2018	1 Jan 2018	31 Dec 2017
Reporting value at the beginning of the period	24,399	6,690	6,844
Provision made during the period	-2,019	17,709	119
Exchange rate differences	82		-273
Total	**22,462**	**24,399**	**6,690**
Provision of credit reserves, unutilised limit, Stage 1	9,762	12,151	
Provision of credit reserves, unutilised limit, Stage 2	6,016	5,558	
Other provisions	6,684	6,690	6,690
Reported value at the end of the period	**22,462**	**24,399**	**6,690**

G12. Pledged assets, contingent liabilities and commitments

SEK thousand	31 Dec 2018	31 Dec 2017
Collateral pledged for own liabilities		
Lending to credit institutions	163,728	204,909
Lending to the public [1)]	3,617,840	2,653,185
Restricted bank deposits [2)]	28,190	28,354
Total collateral pledged for own liabilities	**3,809,758**	**2,886,448**
Contingent liabilities		
Guarantees	311	1,563
Total contingent liabilities	**311**	**1,563**
Other commitments		
Unutilised credit facilities granted	27,533,519	26,348,967
Total other commitments	**27,533,519**	**26,348,967**

[1)] Refers to securitisation.

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

G13. Related-party transactions

Resurs Bank AB is a wholly owned subsidiary of Resurs Holding AB, corporate identity number 556898-2291, which is owned 28.9 per cent by Waldakt AB and by Cidron Semper S.A.R.L to 17.4 %. Of the remaining owners, no single owner holds 20 per cent or more.

There have not been any significant changes to key persons since publication of the 2017 annual report.

Companies with significant influence through direct or indirect ownership of the Resurs Group also have controlling or significant influence of Ellos Group AB and NetOnNet AB, with which the Resurs Group conducted significant transactions during the period. Normal business transactions conducted during the period between the Resurs Group and these related companies are presented below. The Parent Company only conducted transactions with Group companies.

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

Transactions with Parent Company

SEK thousand	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Interest expense	-674		-674	
Other operating income	2,348	1,610	4,697	3,220
General administrative expenses	-7,342	-6,419	-15,497	-13,277

SEK thousand	31 Dec 2018	31 Dec 2017
Other liabilities	-1,539	-2,067
Deposits and borrowing from the public	-160,673	

Transactions with other Group Companies

SEK thousand	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Interest expense	-3,419	-2,980	-6,663	-5,882
Fee & commission income	120,442	99,746	226,972	172,202
Other operating income	4,954	2,797	9,909	5,534
General administrative expenses	-1,719	-605	-2,524	-720

SEK thousand	31 Dec 2018	31 Dec 2017
Deposits and borrowing from the public	-194,981	-113,962
Other liabilities	-9,309	-4,344
Subordinated debt	-200,000	-200,000

Transactions with other companies with significant influence

SEK thousand	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Processing fees	-225,444	-225,863	-452,009	-456,231
Interest expense – deposits and borrowing from the public	-2,508	-3,762	-6,390	-6,884
Fee & commission income	18,444	18,481	36,912	36,846
General administrative expenses	-12,217	-16,611	-27,232	-28,316

SEK thousand	31 Dec 2018	31 Dec 2017
Other assets	3,210	6,243
Deposits and borrowing from the public	-953,166	-1,325,083
Other liabilities	-97,650	-81,960

Transactions with key persons

SEK thousand	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Interest expense – deposits and borrowing from the public	-123	-222	-237	-438

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

G14. Financial instruments

SEK thousand	31 Dec 2018		31 Dec 2017	
	Carrying amount	Fair value	Carrying amout	Fair value
Assets				
Cash and balances at central banks	63,215	63,215	61,539	61,539
Treasury and other bills eligible for refinancing	878,558	878,558	712,224	712,224
Lending to credit institutions	3,670,115	3,670,115	2,624,053	2,624,053
Lending to the public	27,956,576	28,575,822	24,069,278	24,650,382
Bonds and other interest-bearing securities	969,699	969,699	1,456,954	1,456,954
Shares and participating interests	1,002	1,002	979	979
Derivatives	190,175	190,175	33,577	33,577
Derivatives instruments hedge accounting			7,397	7,397
Other assets	132,631	132,631	22,435	22,435
Accrued income	93,069	93,069	30,663	30,663
Total financial assets	**33,955,040**	**34,574,286**	**29,019,099**	**29,600,203**
Intangible assets	1,945,773		1,846,399	
Tangible assets	51,326		39,625	
Other non-financial assets	167,780		59,285	
Total assets	**36,119,919**		**30,964,408**	

SEK thousand	31 Dec 2018		31 Dec 2017	
	Carrying amount	Fair value	Carrying amout	Fair value
Liabilities				
Liabilities to credit institutions	149,900	149,900		
Deposits and borrowing from the public	20,933,807	20,932,007	18,146,975	18,146,594
Derivatives	12,353	12,353	101,745	101,745
Other liabilities	588,885	588,885	536,711	536,711
Accrued expenses	138,711	138,711	118,301	118,301
Issued securities	7,832,186	7,860,533	5,597,271	5,620,835
Subordinated debt	498,171	507,601	540,044	553,612
Total financial liabilities	**30,154,013**	**30,189,990**	**25,041,047**	**25,077,798**
Provisions	22,462		6,690	
Other non-financial liabilities	256,701		353,181	
Equity	5,686,743		5,563,490	
Total equity and liabilities	**36,119,919**		**30,964,408**	

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

Financial instruments

Financial assets and liabilities at fair value

SEK thousand	31 Dec 2018 Level 1	31 Dec 2018 Level 2	31 Dec 2018 Level 3	31 Dec 2017 Level 1	31 Dec 2017 Level 2	31 Dec 2017 Level 3
Financial assets at fair value through profit or loss:						
Treasury and other bills eligible for refinancing	878,558			712,224		
Bonds and other interest-bearing securities	969,699			1,456,954		
Shares and participating interests			1,002			979
Derivatives		190,175			33,577	
Derivatives instruments hedge accounting [1)]					7,397	
Total	**1,848,257**	**190,175**	**1,002**	**2,169,178**	**40,974**	**979**
Financial liabilities at fair value through profit or loss:						
Derivatives		-12,353			-101,745	
Total	**0**	**-12,353**	**0**	**0**	**-101,745**	**0**

[1)] Derivatives instruments hedge accounting is accounted for in the Statement of comprehensive income.

Changes in level 3

SEK thousand	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Shares and participating interests				
Opening balance	1,076	987	979	1,039
Exchange-rate fluctuations	-74	-8	23	-60
Closing balance	**1,002**	**979**	**1,002**	**979**

Determination of fair value of financial instruments

Level 1
Listed prices (unadjusted) on active markets for identical assets or liabilities.

Level 2
Inputs that are observable for the asset or liability other than listed prices included in Level 1, either directly (i.e., as price quotations) or indirectly (i.e., derived from price quotations).

Level 3
Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

Financial instruments measured at fair value for disclosure purposes

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

For fixed rate deposits and borrowing from the public, fair value is calculated based on current market rates, with the initial credit spread for deposits kept constant. Fair value has been classified as level 2.

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

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

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

The fair value of the portion of lending that has been sent to debt recovery and purchased non-performing consumer loans is calculated by discounting calculated cash flows at the estimated market interest rate instead of at the original effective interest rate. Fair value has been classified as level 2.

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

Transfer between levels

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

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

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

Assets for the derivative agreements total to SEK 190 million (41) while liabilities total SEK 12 million (102). Collateral corresponding to SEK 0 million (61) was provided and received SEK 150 million (0) that had a net effect of SEK 0 million (61) on loans to credit institutions and liabilities to credit institutions total SEK 150 million (0).

DEFINITIONS

In addition to the financial definitions under IFRS and the Capital adequacy rules, Alternative Performance Measures are used to describe the development of the underlying business and increase the comparability of the periods. Definitions and calculations can be found on the website under Financial informations.

Return on equity excl. intangible assets, (RoTE), %
Net profit for the period as a percentage of average equity less intangible assets.

C/I before credit losses, %
Expenses before credit losses in relation to operating income.

Capital base
The sum of Tier 1 capital and Tier 2 capital.

Credit loss ratio, %
Net credit losses in relation to the average balance of loans to the public.

Common Equity Tier 1 ratio, %
Common Tier 1 capital in relation to risk-weighted amount as per the Swedish Financial Supervisory Authority's directive; see Note G4.

NBI margin, %
Operating income in relation to the average balance of loans to the public.

NIM, %
Interest income less interest expense in relation to the average balance of loans to the public.

Tier 1 capital
The sum of core Tier 1 capital and other Tier 1 capital.

Risk adjusted NBI margin,%
NBI margin adjusted for credit loss ratio.

Net interest income/expense
Interest income less interest expenses, see note G6.

Tier 2 capital
Mainly subordinated loans that cannot be counted as Tier 1 capital.

Total capital ratio, %
Total capital in relation to risk-weighted amount as per the Swedish Financial Supervisory Authority's directive; see Note G4.

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

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

Parent Company

Income statement

SEK Thousand	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Interest income	1,901,759	1,065,347	3,056,191	2,089,649
Lease income	7,989	14,012	21,119	29,490
Interest expense	-236,054	-85,750	-331,240	-164,152
Fee & commission income	248,455	189,241	444,808	369,145
Fee & commission expense	-36,068	-25,349	-57,090	-48,289
Net income/expense from financial transactions	-27,292	-19,082	-53,905	-39,970
Other operating income	120,041	96,517	220,728	173,896
Total operating income	**1,978,830**	**1,234,936**	**3,300,611**	**2,409,769**
General administrative expenses	-642,774	-471,633	-1,168,508	-920,741
Depreciation, amortisation and impairment of non-current assets	-111,401	-29,561	-147,657	-70,056
Other operating expenses	-112,445	-56,647	-179,976	-129,089
Total expenses before credit losses	**-866,620**	**-557,841**	**-1,496,141**	**-1,119,886**
Earnings before credit losses	**1,112,210**	**677,095**	**1,804,470**	**1,289,883**
Credit losses, net	-341,891	-162,410	-537,748	-319,726
Operating profit/loss	**770,319**	**514,685**	**1,266,722**	**970,157**
Appropriations				
Reversal/Transfer to tax allocation reserve		200,000		200,000
Profit before tax	**770,319**	**714,685**	**1,266,722**	**1,170,157**
Income tax expense	-208,403	-163,254	-305,682	-274,709
Net profit for the period	**561,916**	**551,431**	**961,040**	**895,448**
Attributable to Resurs Bank AB shareholders	**561,916**	**551,431**	**961,040**	**895,448**

Statement of comprehensive income

SEK Thousand	Jul-Dec 2018	Jul-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net profit for the period	**561,916**	**551,431**	**961,040**	**895,448**
Other comprehensive income that will be reclassified to profit/loss				
Translation differences for the period, foreign operations	977		977	
Comprehensive income for the period	**562,893**	**551,431**	**962,017**	**895,448**
Attributable to Resurs Bank AB shareholders	**562,893**	**551,431**	**962,017**	**895,448**

Balance sheet

SEK Thousand	Note	31 Dec 2018	1 Jan 2018 revaluated [1)]	31 Dec 2017
Assets				
Cash and balances at central banks		63,215		
Treasury and other bills eligible for refinancing		878,558	712,224	712,224
Lending to credit institutions		3,539,013	1,827,757	1,827,757
Lending to the public		27,998,470	17,974,383	18,395,356
Bonds and other interest-bearing securities		969,699	848,858	848,858
Shares and participating interests		1,002		
Shares and participating interests, in Group companies		50,099	1,863,905	1,863,905
Intangible assets		1,634,097	552,577	552,577
Property, plant & equipment		83,160	74,700	74,700
Other assets		431,442	168,331	68,391
Prepaid expenses and accrued income		155,303	77,308	77,308
TOTAL ASSETS		**35,804,058**	**24,100,044**	**24,421,076**
Liabilities, provisions and equity				
Liabilities and provisions				
Liabilities to credit institutions		149,900		
Deposits and borrowing from the public		20,933,807	12,816,921	12,816,921
Other liabilities		3,649,321	2,916,684	2,916,684
Accrued expenses and deferred income		166,685	121,430	121,430
Other provisions		22,462	24,399	6,690
Issued securities		4,934,508	2,946,666	2,946,666
Subordinated debt		498,171	500,000	500,000
Total liabilities and provisions		**30,354,854**	**19,326,100**	**19,308,391**
Untaxed reserves		**216,340**	**216,340**	**216,340**
Equity				
Restricted equity				
Share capital		500,000	500,000	500,000
Statutory reserve		12,500	12,500	12,500
Unrestricted equity				
Fair value reserve		34,548	33,571	33,571
Retained earnings		3,724,776	3,116,085	3,454,826
Net profit for the year		961,040	895,448	895,448
Total equity		**5,232,864**	**4,557,604**	**4,896,345**
TOTAL LIABILITIES, PROVISIONS AND EQUITY		**35,804,058**	**24,100,044**	**24,421,076**

[1)] Revaluation of Lending to the public, Other assets and Other provisions have been made as of 1 January 2018 due to IFRS 9. For additional information see Note P2.

See Note P5 for information on pledged assets and commitments.

Statement of changes in equity

SEK Thousand	Share capital	Share premium reserve	Translation reserve	Retained earnings	Profit/loss for the period	Total equity
Initial equity at 1 January 2017	**500,000**	**12,500**	**33,571**	**3,414,026**	**840,800**	**4,800,897**
Owner transactions						
Dividends paid				-500,000		**-500,000**
Dividends according to Extraordinary General Meeting				-300,000		**-300,000**
Appropriation of profits according to resolution by Annual General Meeting				840,800	-840,800	**0**
Net profit for the period					895,448	**895,448**
Equity at 31 December 2017	**500,000**	**12,500**	**33,571**	**3,454,826**	**895,448**	**4,896,345**
Initial equity at 1 January 2018 according to IAS 39	**500,000**	**12,500**	**33,571**	**3,454,826**	**895,448**	**4,896,345**
Impact of revaluation of credit loss reserves due to IFRS 9 implementation				-438,681		**-438,681**
Impact of revaluation of credit loss reserves due to IFRS 9 implementation - tax effect				99,940		**99,940**
Equity at 1 January 2018 according to IFRS 9, adjusted	**500,000**	**12,500**	**33,571**	**3,116,085**	**895,448**	**4,557,604**
Initial equity at 1 January 2018	**500,000**	**12,500**	**33,571**	**3,116,085**	**895,448**	**4,557,604**
Owner transactions						
Dividends paid				-360,000		**-360,000**
Dividends according to Extraordinary General Meeting				-330,000		**-330,000**
Profit from merger			-50,983	403,243		**352,260**
Appropriation of profits according to resolution by Annual General Meeting				895,448	-895,448	**0**
Net profit for the year					961,040	**961,040**
Other comprehensive income for the period			51,960			**51,960**
Equity at 31 December 2018	**500,000**	**12,500**	**34,548**	**3,724,776**	**961,040**	**5,232,864**

[1)] whereof SEK 112,937 refers to the cross-boarder merger with yA Bank A/S.

[2)] whereof SEK 28,234 refers to the cross-boarder merger with yA Bank A/S.

Cash flow statement (indirect method)

SEK Thousand	Jan-Dec 2018	Jan-Dec 2017
Operating activities		
Operating profit	1,266,722	970,157
- of which, interest received	*3,054,577*	*2,117,733*
- of which, interest paid	*-325,018*	*-164,070*
Adjustments for non-cash items in operating profit	785,064	433,355
Tax paid	-400,312	-288,877
Cash flow from operating activities before changes in operating assets and liabilities	**1,651,474**	**1,114,635**
Changes in operating assets and liabilities		
Lending to the public	-4,875,357	-2,198,656
Other assets	359,303	-8,341
Liabilities to credit institutions	149,900	-1,700
Deposits and borrowing from the public	3,047,254	-989,097
Acquisition of investment assets	-1,315,480	-298,910
Divestment of investment assets	1,653,265	329,879
Other liabilities	-244,460	111,175
Cash flow from operating activities	**425,899**	**-1,941,015**
Investing activities		
Acquisition of non-current assets	-76,681	-44,589
Divestment of non-current assets	5,992	14,950
Provided shareholder contributions		-144,844
Cash flow from investing activities	**-70,689**	**-174,483**
Financing activities		
Dividends paid	-690,000	-800,000
Issued securities	1,412,450	2,146,733
Subordinated debt	-42,664	300,000
Cash flow from financing activities	**679,786**	**1,646,733**
Cash flow for the year	**1,034,996**	**-468,765**
Cash & cash equivalents at beginning of the year	1,827,757	2,288,850
Cash & cash equivalents taken over by merger	764,095	
Exchange rate differences	-24,620	7,672
Cash & cash equivalents at end of the period	**3,602,228**	**1,827,757**
Adjustment for non-cash items in operating profit		
Credit losses	537,748	319,726
Depreciation and impairment of property, plant & equipment	147,657	70,056
Profit/loss tangible assets	244	103
Profit/loss on investment assets	-4,830	-3,764
Change in provisions	-1,792	117
Adjustment to interest paid/received	8,827	1,372
Currency effects	96,842	44,278
Other items that do not affect liquidity	368	1,467
Sum non-cash items in operating profit	**785,064**	**433,355**

Investment assets are comprised of Bonds and other interest-bearing securities, Treasury and other bills eligible for refinancing,
Liquid assets are comprised of Lending to credit institutions and Cash and balances at central banks.

P1. Accounting principles

The Parent Company's interim report has been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Financial Supervisory Authority's regulations and general guidelines on Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25). The same accounting and valuation policies were applied as in the latest annual report.

IFRS 16 replaces IAS 17 from 1 January 2019. The new standard does not represent any major changes for Resurs Bank AB as a lessor, and leases are essentially to be recognised in accordance with the current rules under IAS 17. For Resurs Bank AB as a lessee there will be no change as the impact will only effect the Group. For further information about current leases, see Note P10 in the Annual Report.

P2. Effect of IFRS 9

Summary of effects on statement of financial position

In the condensed statement of finacial postition, Lending to the public, Other assets and Other provisions were impacted since the credit loss reserves under IFRS 9 are calculated on expected credit losses, as opposed to the previous model that was based on credit loss events that have occurred. In the item Other assets, the current tax asset was changed.

SEK Thousand	31 Dec 2017 according to earlier accounting principles	Adjustment Lending to the public	Adjustment Current tax asset	Adjustment Other provisions	1 Jan 2018
Assets					
Lending to the public	18,395,356	-420,973			17,974,383
Other assets	68,391		99,940		168,331
Liabilities and provisions					
Other provisions	6,690			17,708	24,398
Equity					
Revaluation of credit loss reserves according to IFRS 9		-420,973	99,940	-17,708	-338,741

The merger between Resurs Bank AB and its subsidiary yA Bank AS was registered in November 2018. The merger is effected with retroactive effect as of 1 January 2018. Due to this, yA Bank AS revaluation has been added to the opening balances for IFRS 9 in the items Lending to the public, Other assets, Other provisions and Equity compared to the half-year report for Jan-Jun 2018.

P3. Financing

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.

During 2018, the wholly-owned subsidiary yA Bank AS was merged and is included in the information as of 31 December 2018, but not in the comparative figures.

The main type of financing remains deposits from the public. This type of financing has been offered to customers in Sweden and Norway for several years. Since the end of 2018, customers in Germany have also been offered deposits.

Deposits, which are analysed on a regular basis, totalled SEK 20,934 million (12,817), whereof in Sweden SEK 14,216 million (12,817), in Norway SEK 6,337 million (0) and in Germany SEK 381 million (0). The lending to the public/deposits from the public ratio for the consolidated situation is 134 per cent (144 per cent).

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 8,000 million (5,000). Within the programme, Resurs Bank has been working successfully to issue bonds on a regular basis and sees itself as an established issuer on the market. Resurs Bank has primarily issued bonds in Sweden but also in Norway. The programme has ten outstanding issues at a nominal amount of SEK 4,250 million (2,850) and NOK 400 million (400).

Of the ten issues, nine are senior unsecured bonds and one issue is a subordinated loan of SEK 300 million (300). Resurs Bank has, outside the programme, issued NOK 600 million (0) of senior unsecured bonds and subordinated loan SEK 200 million (200).

Resurs Bank has completed a securitisation of loan receivables, a form of structured financing, referred to as Asset Backed Securities (ABS). This took place by transferring loan receivables to Resurs Bank's wholly owned subsidiaries Resurs Consumer Loans 1 Limited. In January 2018 the financing expanded and at 31 December 2018 a total of appoximately SEK 3.7 billion in loan receivables had been transferred to Resurs Consumer Loans. The acquisition of loan receivables by Resurs Consumer Loans was financed by an international financial institution. Resurs Bank has, for a period of 18 months (revolving period), the right to continue sale of certain additional loan receivables to Resurs Consumer Loans. Resurs Bank and Resurs Consumer Loans have provided security for the assets that form part of the securitisation. At the balance sheet date, the external financing amounted to SEK 2.9 billion (2.1) of the ABS financing.

Liquidity

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

Liquidity risks are managed through policies that specify limits, responsibilities and monitoring and include a contingency plan. The purpose of the contingency plan is to make preparations for various courses of action should the liquidity situation trend unfavourably. The contingency plan includes, among other things, risk indicators and action plans. The Bank's liquidity risk is controlled and audited by independent functions.

During 2018, the wholly-owned subsidiary yA Bank AS was merged and is included in the information as of 31 December 2018, but not in the comparative figures.

Liquidity comprises both a liquidity reserve and another liquidity portfolio that is monitored on a daily basis. The main liquidity risk is deemed to arise in the event multiple depositors simultaneously withdraw their deposited funds. An internal model is used to set minimum requirements for the amount of the liquidity reserve, calculated based on deposit volumes, the proportion covered by deposit insurance and relationship to depositors. The model also takes into account the future maturities of issued securities. The Board has stipulated that the liquidity reserve may never fall below SEK 1,300 million. Apart from the liquidity reserve, there is an intraday liquidity requirement of at least 4 per cent of deposits from the public, or a minimum SEK 700 million. There are also other liquidity requirements regulating and controlling the business.

The liquidity reserve, totalling SEK 1,899 million (1,744), is in accordance with Swedish Financial Supervisory Authority regulations on liquidity risk management (FFFS 2010:7) and applicable amendments thereto) for Resurs Bank. 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, Resurs Bank has other liquid assets primarily comprised of cash balances with other banks. These assets are of high credit quality and total SEK 3,552 million (1,645). Accordingly, total liquidity amounted to SEK 5,452 million (3,389). Total liquidity corresponded to 26 per cent (26 per cent) of deposits from the public. The Bank also has unutilised credit facilities of NOK 50 million (0).

Liquidity Coverage Ratio (LCR) for the consolidated situation is reported to the authorities on a monthly basis. The LCR shows the ratio between high qualitative assets and net outflow during a 30-day stressed period. A ratio of 100 per cent means the assets managed the stress test scenario and is also the authority's limit. As at 31 December 2018 the ratio for the consolidated situation is 146 per cent (180 per cent). For the period January to December 2018, the average LCR measures 171 per cent for the consolidated situation.

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

Summary of liquidity

SEK thousand	31 Dec 2018	31 Dec 2017
Liquidity reserve as per FFFS 2010:7 definition		
Securities issued by sovereigns	49,117	48,268
Securities issued by municipalities	729,974	664,222
Lending to credit institutions	250,000	183,000
Bonds and other interest-bearing securities	870,196	848,957
Summary Liquidity reserve as per FFFS 2010:7	**1,899,287**	**1,744,447**
Other liquidity portfolio		
Cash and balances at central banks	63,215	
Securities issued by municipalities	100,033	
Lending to credit institutions	3,289,013	1,644,757
Bonds and other interest-bearing securities	100,043	
Total other liquidity portfolio	**3,552,304**	**1,644,757**
Total liquidity portfolio	**5,451,591**	**3,389,204**
Other liquidity-creating measures		
Unutilised credit facilities	51,225	

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

SEK thousand	31 Dec 2018	31 Dec 2017
Liquid assets, Level 1	1,030,930	940,037
Liquid assets, Level 2	572,680	420,974
Total liquid assets	**1,603,610**	**1,361,011**
Net liquidity outflow	**1,031,174**	**710,492**
LCR measure	**146%**	**180%**

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

Additional information on the Group's management of liquidity risks is available in the Group's 2017 Annual report.

P4. Capital adequacy

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.

The combined buffer requirement for the consolidated situation comprises a capital conservation buffer requirement and a countercyclical capital buffer requirement. The capital conservation buffer requirement amounts to 2.5 per cent of the risk-weighted assets. The countercyclical capital buffer requirement is weighted according to geographical requirements, which amounts to 2 per cent of the risk-weighted assets for Swedish and Norwegian exposures of the risk-weighted assets. The countercyclical capital buffer requirement will increase to 2.5 per cent for Swedish exposures from 19 September 2019 and for Norwegian exposures from 31 December 2019.

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

The consolidated situation calculates the capital requirement for credit risk, credit valuation adjustment risk, market risk and operational risk.

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

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

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

Capital base

SEK thousand	31 Dec 2018	31 Dec 2017
Tier 1 capital		
Equity	4,271,826	4,000,897
Net profit of the year	961,040	895,448
Proposed dividend	-330,000	-360,000
Untaxed reserves (78% thereof)	168,745	168,745
Equity, (adjusted for proposed/foreseeable dividend)	**5,071,611**	**4,705,090**
Adjustments according to transition rules IFRS 9:		
Initial revaluation effect, net 95 %	321,804	
Dynamic effect category 1 and 2, net 95 %		
Less:		
Additional value adjustments	-2,039	-1,602
Intangible assets	-1,634,097	-552,577
Deferred tax asset [1)]		-6,627
Total Common Equity Tier 1 capital	**3,757,279**	**4,144,284**
Total Tier 1 capital	**3,757,279**	**4,144,284**
Tier 2 capital		
Dated subordinated loans	391,380	433,187
Total Tier 2 capital	**391,380**	**433,187**
Total capital base	**4,148,659**	**4,577,471**

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

Capital requirement

SEK thousand	31 Dec 2018 Risk-weighted exposure amount	31 Dec 2018 Capital require-ment1)	31 Dec 2017 Risk-weighted exposure amount	31 Dec 2017 Capital require-ment1)
Exposures to institutions	721,325	57,706	6,122	490
Exposures to corporates	439,859	35,189	403,718	32,297
Retail exposures	19,027,139	1,522,171	12,345,190	987,615
Exposures in default	2,666,279	213,302	1,583,946	126,716
Exposures in the form of covered bonds	86,879	6,950	84,801	6,784
Exposures to institutions and companies with short-term credit rating	99,943	7,995	354,506	28,361
Equity exposures	51,100	4,088	1,863,905	149,112
Other items	535,705	42,856	176,143	14,091
Total credit risks	**23,628,229**	**1,890,257**	**16,818,331**	**1,345,466**
Credit valuation adjustment risk	**45,050**	**3,604**	**4,948**	**396**
Market risk				
Foreign exchange risk	0	0	669,551	53,564
Operational risk	**5,544,603**	**443,568**	**4,225,947**	**338,076**
Total riskweighted exposure and total capital requirement	**29,217,882**	**2,337,429**	**21,718,777**	**1,737,502**

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

In addition to the treatment of Pillar 1 risks above, 1.0 per cent (1.21) of the bank's risk-weighted assets are allocated for Pillar 2 requirements as at 31 December 2018.

Capital ratio and capital buffers

	31 Dec 2018	31 Dec 2017
Common Equity Tier 1 ratio, %	12.9	19.1
Tier 1 ratio, %	12.9	19.1
Total capital ratio, %	14.2	21.1
Common Equity Tier 1 capital requirement incl. buffer requirement, %	8.6	8.5
- of which, capital conservation buffer requirement, %	2.5	2.5
- of which, countercyclical buffer requirement, %	1.6	1.5
Common Equity Tier 1 capital available for use as buffer, %	6.2	13.1

Leverage ratio

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

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

SEK Thousand	31 Dec 2018	31 Dec 2017
Tier 1 capital	3,757,279	4,144,284
Leverage ratio exposure	37,354,088	26,457,066
Leverage ratio, %	10.1	15.7

P5. Pledged assets, contingent liabilities and commitments

SEK Thousand	31 Dec 2018	31 Dec 2017
Collateral pledged for own liabilities		
Lending to credit institutions	90,000	150,900
Lending to the public [1]	3,617,840	2,653,185
Restricted bank deposits [2]	28,190	26,540
Total collateral pledged for own liabilities	**3,736,030**	**2,830,625**
Contingent liabilities		
Guarantees	311	1,563
Total contingent liabilities	**311**	**1,563**
Other commitments		
Unutilised credit facilities granted	27,533,519	25,120,338

[1] Refers to securitisation.
[2] As at 31 December 2018 SEK 26,701 thousand (24,615) refers to requirement account at the Bank of Finland.

For additional information, please contact:

Kenneth Nilsson, CEO, kenneth.nilsson@resurs.se; +46 42 382000
Peter Rosén, CFO, peter.rosen@resurs.se; +46 736 564934
Sofie Tarring, IR Officer, sofie.tarring@resurs.se; +46 736 443395

Resurs Bank AB

Ekslingan 9, Väla Norra
Box 222 09
250 24 Helsingborg

Tel: +46 42 382000
www.resursbank.se