

Interim Report

January–June 2021

First half of the year

January–June

Significant events

- Resurs sold non-performing loans to leading international investor
- Resurs appointed Sofie Tarring Lindell as the new CFO & Head of IR, focusing on Resurs's continuing profitable growth

+3%

Growth in lending excl. NPL sales

2.4%

Credit loss ratio

BBB

Credit rating from Nordic Credit Rating
(April 2021)

17.4%

Total capital ratio
(Regulatory requirement 11.6%)



“During the first half of the year, a number of sustainable partnerships were entered into, digital wallets were launched and our responsible credit lending generated results. The situation in Norway is improving and society is increasingly opening up. Our lending growth amounted to 3 per cent excluding NPL sales during the year and we are capturing market shares.”

Nils Carlsson, CEO Resurs Bank AB

January–June 2021

Interim Report 2021

1 January–30 June 2021*

Lending to the public rose 1% to SEK 31,148 million,
up 1% in constant currencies Excluding NPL sales, growth was 3%

Operating income fell 11% to SEK 1,558 million

C/I before credit losses was 41.2% (38.1%)

The credit loss ratio improved to 2.4% (3.0%)

Operating profit fell 12% to SEK 542 million

* 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 31. In this section, changes and comparative figures refer to the same period in the preceding year. This applies to all other sections of text in this interim report, profit/loss items and cash flow that are compared with the same period in the preceding year. The exception is for financial position for which the comparative figure refers to 31 December 2020.

About Resurs Bank

Resurs is 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 a customer base of about 6 million private customers and 666 employees in the Nordics. When we use the term "Group" in this report, we are referring to the Resurs Bank Group.

Our partners

We partner with a wide variety of major brands and help them prepare flexible payment options to make shopping easier.



Statement by the CEO

Acceleration of digitalised retail and business-driven sustainability in focus

A new gear. The first half of the year has passed and the process of transforming Resurs to a more competitive, sustainable and digital player has started to yield effects. During the first half of the year, a number of sustainable partnerships were entered into, digital wallets were launched and our responsible credit lending have generated results. Our credit rating was also raised (BBB, stable outlook) as a result of an improved underlying Nordic consumer credit market and our strong position for attracting new partners. The situation in Norway is improving and society is increasingly opening up, particularly in the Danish and Norwegian markets that were completely closed in the first half-year. Growth in lending excl. NPL sales increased 3 per cent year-on-year.

+3%
Growth in lending excl.
NPL sales

Operating income for the period declined 11 per cent year-on-year. Expenses were 4 per cent lower than last year, but the cost/income ratio increased as a result of lower income. Enhancing the efficiency of the operations and thus reducing the cost/income ratio is an important part of the ongoing transformation journey. Credit losses improved as a result of responsible credit lending. In total, operating profit fell 12 per cent year-on-year.

Strong in Sweden. The Swedish market reported strong growth in both Consumer Loans and Payment Solutions due to the continuing positive performance of existing partnerships and good utilisation of our customer database. During the first half of the year, more than 85 per cent of new sales in Consumer Loans Sweden were to customers who are already in our database. Using our own database means that we can make better credit assessments by supplementing external data with internal data, which results in lower credit risk and lower acquisition costs and thus contributes to

Resurs's sustainable credit lending.

Positive tendencies in Norway. Lending volumes in the Norwegian market have fallen overall since the introduction of new legislation in the country in 2019. In 2021, we shrank less than the market as a whole in consumer loans – the largest product we offer in Norway.

We continued to report healthy growth in new lending in the first half-year, although we can still see that customers are repaying their loans in advance. To manage this, we are working in a variety of ways to improve the customer journey. For example, we launched Resurs Bank's app in Norway at the end of the first half-year.

Due to our clear Nordic focus and new agile work methods, we will be able to launch and develop our products and services to all markets at a faster pace moving forward.

Speaking of apps. We continued to see solid growth in the use of our Swedish app, with the number of downloads increasing 31 per cent between the first and second quarter of 2021. We are approaching a quarter of a million downloads since the app was launched in Q4 2020. Launches in Denmark and Finland are planned later this year.

+31%
Increase in number of downloads
of our app between Q1 and Q2

Sustainable partnerships. In line with our strategy of offering sustainable credit solutions, we signed a partner agreement with mortgage institution Hemma, a platform for the transition to sustainable homes. Together with Hemma, we will be able to offer our customers the opportunity of investing in climate-smart solutions, with the condition that the consumer loan from Resurs is used for sustainable energy investments in the home.



During the half-year, we broadened our offering of subscription solutions by entering into a partnership with Fairown in the Swedish and Norwegian markets. Together with Fairown, we can offer customers the option of subscribing for products in different industries, such as home electronics, construction, gardening and watches. The development of various types of subscription solutions involves both offering a smooth customer journey for our customers in addition to sustainability and the development of circular business models where older products can be exchanged and sold on the second-hand market.

During the half-year, we also completed our first comprehensive climate calculations according to the GHG Protocol, and this now forms the basis of our future action on reducing our impact on the environment and climate. We will present more about our updated sustainability strategy at our Capital Market Day in September.

Digital wallets for a smoother customer journey We have rolled out both Google Pay and Apple Pay – two in-demand payment services that make payments smoother and more secure – to our customers in the Nordic market. Adding a MasterCard from Resurs Bank to a digital wallet means that our customers can make secure and contactless payments via, for example, their mobile phone in stores or by verifying their identity on their mobile when they shop online or in apps. Accordingly, Resurs is taking yet another conscious step towards a more digital customer journey and positive customer experience.

2.4%

Credit loss ratio

High credit quality a condition for sustainable development. Since we actively introduced austerity measures in our credit lending when the pandemic broke out, we have seen a positive development in the underlying credit quality of our portfolios, which can also be observed in the lower credit loss ratio compared with both last year and the preceding period. This positive development is clear in both Payment Solutions and Consumer Loans and in all of our Nordic markets.

During the half-year, we also signed an agreement with PRA Group, a leading international credit management company in non-performing loans to sell parts of our non-performing loans in Norway for a gross carrying amount of approximately NOK 800 million. The sale had a positive impact on Resurs Bank's capital requirements and liquidity and ultimately had a neutral effect on earnings. The fact that we were able to carry out this type of transaction demonstrates that our underlying assets are of high quality and that we enjoy a high level of confidence in the market.

Long-term diversified financing In line with Resurs's strategy of long-term diversified financing, Resurs Bank issued senior unsecured bonds of SEK 1 050 million and NOK 600 million in the period. There was very high interest in this issue. Issuing bonds in both Sweden and Norway is proof that we are a Nordic player that intends to continue to maintain diversified financing in the long term. Nordic Credit Rating (NCR) raised our credit rating to BBB, stable outlook, in April, which gives us continuing good conditions to secure financing at favourable terms.

17.4%

Total capital ratio
(Regulatory requirement 11.7%)

What's happening in the future? There is a high level of activity across the entire Nordic organisation and we have started to accelerate on several fronts based on our solid transformation work. We are currently evaluating different suppliers of a new hyper-modern and competitive fintech platform. We will present more about our transformation journey and our strategy to become a more sustainable, competitive and digital player at our Capital Market Day on 29 September 2021.

You will not want to miss it!

Nils Carlsson
CEO



Performance measures

SEKm unless otherwise specified	Jan-Jun 2021	Jan-Jun 2020	Change	Jan-Dec 2020
Operating income	1,558	1,750	-11%	3,407
Operating profit*	542	618	-12%	1,186
Net profit for the period	423	483	-12%	880
C/I before credit losses, %*	41.2	38.1		40.1
Common Equity Tier 1 ratio, %	15.2	14.3		15.1
Total capital ratio, %	17.4	16.7		17.4
Lending to the public	31,148	30,853	1%	30,858
NIM, %*	8.4	9.4		9.1
Risk-adjusted NBI margin, %*	7.6	8.3		8.2
NBI margin, %*	10.0	11.3		11.0
Credit loss ratio, %*	2.4	3.0		2.7
Return on equity excl. intangible assets (RoTE), %*	16.0	21.0		18.2



Performance measures business lines

Payment Solutions

SEKm unless otherwise specified	Jan-Jun 2021	Jan-Jun 2020	Change	Jan-Dec 2020
Lending to the public at end of the period	10,688	10,921	-2%	10,994
Operating income	633	732	-13%	1,409
Operating income less credit losses	553	585	-6%	1,147
Risk-adjusted NBI margin, %	10.2	10.5		10.2
Credit loss ratio, %	1.5	2.6		2.3

Consumer Loans

SEKm unless otherwise specified	Jan-Jun 2021	Jan-Jun 2020	Change	Jan-Dec 2020
Lending to the public at end of the period	20,460	19,932	3%	19,865
Operating income	924	1,017	-9%	1,999
Operating income less credit losses	631	700	-10%	1,406
Risk-adjusted NBI margin, %	6.3	7.0		7.1
Credit loss ratio, %	2.9	3.2		3.0



January–June 2021

Group results*

First half of 2021, January–June

Operating income

The Group's operating income declined 11 per cent to SEK 1,558 million (1,750). Net interest income fell 12 per cent to SEK 1,296 million (1,468), with interest income amounting to SEK 1,480 million (1,681) and interest expense to SEK –184 (–213). The relatively lower income was mainly due to lower lending in Norway, lower interest income in Denmark, and mix effects in Payment Solutions where many of Resurs's retail finance partners noted higher demand in connection with the pandemic. At the same time, these large partnerships involve lower margins for Resurs, which negatively impacted the overall NBI margin.

SEK 1,558 million

Operating income for the period

Fee & commission income amounted to SEK 199 million (213) and fee & commission expense to SEK –39 million (–30), resulting in a total net commission of SEK 160 million (183). The net commission remained impacted by effects of COVID-19, attributable to lower credit card income and lower factoring income.

The market value of bond portfolios increased slightly, which resulted in a positive outcome for net income from financial transactions of SEK 2 million (–6). Other operating income, primarily comprising remuneration from lending operations, amounted to SEK 99 million (105).

Operating expenses

The Group's expenses before credit losses declined 4 per cent to SEK –642 million (–667). Viewed in relation to the operations' income, the cost level (excluding Insurance and nonrecurring costs) amounted to 41.2 per cent (38.1 per cent) as a result of the lower income level. Enhancing the efficiency of the operations and thus reducing the cost/income ratio is an important part of the ongoing transformation journey.

–4%

Expenses for the period

Credit losses totalled SEK –374 million (–464) and the credit loss ratio was 2.4 per cent (3.0 per cent), meaning a decline in both absolute terms and as a share of lending due to the higher credit quality of the loan portfolio. The high credit quality was a result of the active austerity measures implemented in credit lending when pandemic started. This positive development is clear in both Payment Solutions and Consumer Loans and in all Nordic markets. The bank has not yet seen any changed payment patterns among its customers due to COVID-19, which is why credit losses for the period were not impacted by direct effects related to COVID-19. The risk-adjusted NBI margin totalled 7.6 per cent (8.3 per cent), which was mainly due to mix changes in Payment Solutions.

Profit

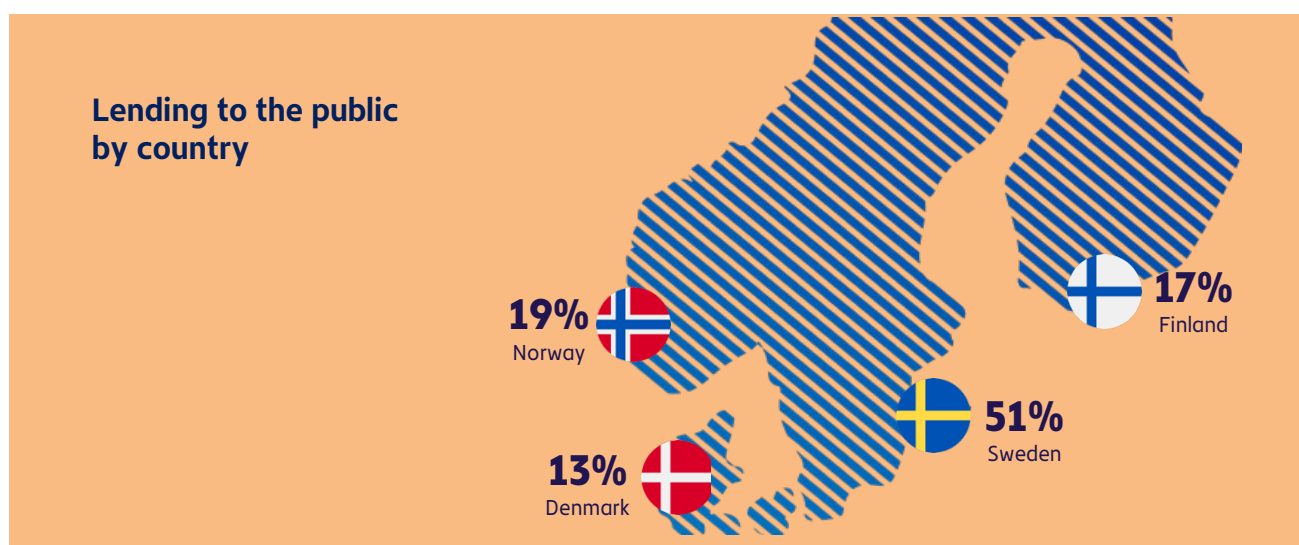
Operating profit fell 12 per cent to SEK 542 million (618). Tax expense for the period amounted to SEK –119 million (–136), corresponding to an effective tax rate of 21.9 per cent (21.9 per cent). Net profit for the period amounted to SEK 423 million (483).

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COVID-19

An extra forward-looking credit provision of SEK 75 million was made in the first half of 2020 to meet potential higher credit losses, in addition to the model-based reserves, in accordance with IFRS 9. The company has not noted any negative trend in customers' payment patterns. We continue to believe that the risk of default could be negatively affected from the, which has been taken into consideration in the extra credit provision. Future risks have reduced, but there is still uncertainty regarding the ongoing economic recovery and the trend in unemployment and its associated effects on customers' solvency. Currently, the overall assessment is that no changes to the loss allowance are necessary due to COVID-19.

Resurs took action at an early stage of COVID-19 to introduce temporary austerity measures in credit lending in Consumer Loans in order to ensure continued high control of the risk level, which reduced the risk in new lending in all markets, with the associated declining volumes. In addition to this, new lending in Finland was primarily negatively affected by interest limitation and direct marketing regulations that were temporarily introduced at the beginning of the second half of 2020. The direct effect on the Group's earnings was mainly related to the decline in the travel industry, which in turn has negatively impacted and is expected to continue to impact credit card commission and currency exchange fees negatively, while lower factoring activity resulted in lower commissions.



Financial position on 30 June 2021*

Comparative figures in this section refer to 31 December 2020, except for cash flow for which the comparative figure refers to the same period in the preceding year.

The Group's financial position is strong and on 30 June 2021, the capital base amounted to SEK 5,433 million (5,367) in the consolidated situation, comprising the Parent Company, Resurs Holding, and the Resurs Bank Group. The total capital ratio was 17.4 per cent (17.4 per cent) and the Common Equity Tier 1 ratio was 15.2 per cent (15.1 per cent).

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

Lending to the public on 30 June 2021 amounted to SEK 31,148 million (30,858), entailing an increase of 1 per cent in both SEK and constant currencies. The trend in lending was impacted by the sale of a NPL portfolio in Norway in the second quarter; excluding the sale, growth in lending was about 2 per cent since year-end. The specification of lending on 30 June 2021 was as follows: Sweden 51 per cent, Norway 19 per cent, Denmark 13 per cent and Finland 17 per cent.

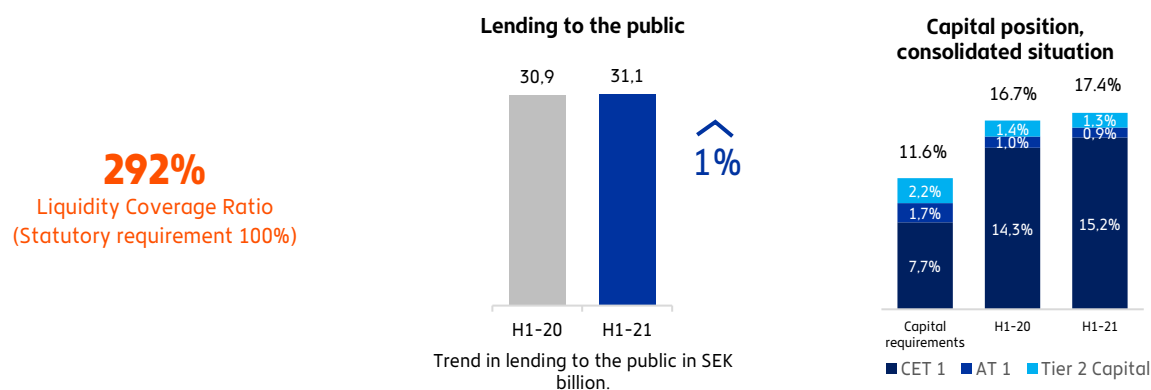
In addition to capital from shareholders and bond investors, the operations are financed by deposits from the public. The Group is working actively on various sources of financing to create and maintain diversified financing for the long term.

Deposits from the public on 30 June 2021 amounted to SEK 25,203 million (24,872). The bank has deposits in SEK, NOK and EUR. Financing through issued securities totalled SEK 6,877 million (6,297). Liquidity remained extremely healthy and the liquidity coverage ratio (LCR) was 292 per cent (288 per cent) in the consolidated situation. The minimum statutory LCR is 100 per cent. Lending to credit institutions on 30 June 2021 amounted to SEK 4,428 million (2,819). Holdings of treasury and other bills eligible for

refinancing, as well as bonds and other interest-bearing securities, totalled SEK 2,792 million (2,953). Bonds of a nominal SEK 1,050 million and NOK 600 million were issued under Resurs Bank's MTN programme in 2021. The Group has a high level of liquidity for meeting its future commitments.

Intangible assets amounted to SEK 1,902 million (1,847), and primarily comprise the goodwill that arose in the acquisition of Finaref and Danaktiv in 2014 and yA Bank in 2015.

Cash flow from operating activities amounted to SEK 711 million (388) for the period. Cash flow from deposits amounted to SEK 66 million (359) and the net change in investment assets totalled SEK 171 million (-456). Cash flow from investing activities for the year totalled SEK -35 million (-32) and cash flow from financing activities was SEK -80 million (-237).



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Payment Solutions

Launch of new subscription service and digital wallets

First half of 2021, January–June

New lending in the Swedish market continued to perform positively in the first half of the year, with primarily many of the larger retail finance partners managing the pandemic very well with unchanged, or in some cases higher, demand. This is positive, but at the same time means that these partnerships involved lower margins, which negatively impacted the total NBI margin.

Resurs has focused its efforts specifically on activating partners with higher margins in order to minimise the negative margin trend. An example of such efforts is the *Partner Success Program* that was launched in the first half of the year, whereby developing collaborations with existing partners takes place at a new, modern and automated level.

During the first half of the year, the offering of subscription services was broadened to our retailers through a partnership with Fairown in the Swedish and Norwegian markets. Together with Fairown, Resurs can now offer customers the option of subscription solutions in several different industries. Based on this partnership, a successful collaboration was started with the e-commerce company Komplet in Norway during the period. Launch in the Swedish market with Komplet is planned for the start of the second half of the year.

Society in Denmark and Norway gradually opened up during the period, which positively impacted new lending, although demand in these markets is not back at pre-pandemic levels.

Supreme Card remained challenged by reduced travel and restaurant visits. The option of paying using Apple and Google Pay was launched during the period, a payment method that further digitalises and simplifies the customer journey and makes payments more secure. Supreme Card developed and simplified its

application flows during the first half of the year, which led to a 24-per cent increase in the number of customers completing their applications.

Lending to the public on 30 June 2021 fell 2 per cent to SEK 10,668 million (10,921). Operating income amounted to SEK 633 million (732), down 13 per cent compared with the year-earlier period. Operating income less credit losses amounted to SEK 553 million (585). The risk-adjusted NBI margin fell to 10.2 per cent (10.5).

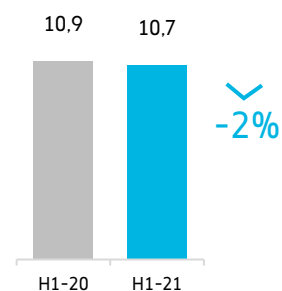
Credit losses declined both in absolute terms and as a percentage of lending, which was mainly an effect of the extra credit provision made in the first half of the year as a result of the expected future effects of COVID-19.

About Payment Solutions

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

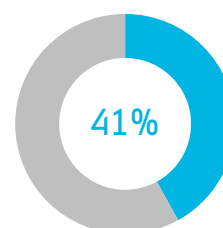
Credit cards includes the Resurs credit cards (with Supreme Card being the foremost), as well as cards that enable retail finance partners to promote their own brands.

Lending to the public



Trend in lending to the public in SEK billion.

Percentage of operating income, Jan–Jun 2021



Consumer Loans

Strong earnings trend for first half of the year

First half of 2021, January–June

Consumer Loans displayed stable growth in lending for the period. The Swedish market performed strongly as a result of effective marketing activities and use of the existing customer database. More than 85 per cent of new sales in the Swedish market in the first half of the year was with customers in Resurs's own database. Using Resurs's own database allows the company to make better credit assessments since traditional credit assessments can be supplemented with internal variables, which gives us lower credit risk and lower acquisition costs.

An agreement was signed with a new partner, Hemma, in the first half of the year. This company makes it easier and more profitable for private individuals in the Swedish market to invest in climate-smart living. The main investment is in solar panels, and this is where Hemma wants to help its customers with financing in the form of green loans, either via mortgages or consumer loans. This is completely in line with our strategy of sustainable credit lending.

Lending volumes in the Norwegian market have fallen overall since the introduction of new legislation in the country in 2019. In 2021, Resurs shrank less than the market as a whole in consumer loans – the largest product the segment offers in Norway.

Growth in new lending in the Norwegian market remained favourable, although the percentage of customers ending their loans in advance continued to be high. During the first half of the year, the segment worked on different ways of improving the customer journey and thus retaining customers. For example, Resurs Bank's app was launched in the Norwegian market at the end of the period.

The Danish market remained challenging in the period. The option of consolidating loans that was launched at the start of the half-year continued to be calibrated and positive effects on new lending

could be seen towards the end of the period. The Finnish market reported lower demand due to the temporary regulations on direct marketing that were introduced at the start of the second half of 2020.

Improvements to and automation of the application process for customers in the Nordic market continued in the first half of the year. A more simple and automated application processes increases the share of customers who complete their loan application. An example is the income verification launched at the end of the first half-year in Sweden that displayed positive effects at the end of the period.

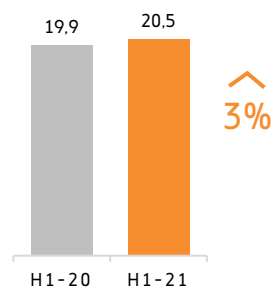
Lending to the public on 30 June 2021 amounted to SEK 20,460 million (19,932). Operating income declined 9 per cent in the period to SEK 924 million (1,017). Operating income less credit losses totalled SEK 631 million (700), and the risk-adjusted NBI margin amounted to 6.3 per cent (7.0 per cent). The trend in the risk-adjusted NBI margin was mainly due to the performance of the Norwegian market and lower margins due to higher average loans with lower credit risk. Credit losses declined both in absolute terms and as a percentage of lending, which was mainly an effect of the extra credit provision made in the first half of the year as a result of the expected future effects of COVID-19.

About Consumer Loans

Consumer Loans' customers are offered unsecured loans.

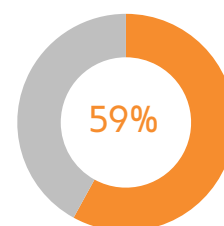
Consumer Loans also helps consumers to consolidate their loans with other banks, in order to reduce their monthly payments or interest expense.

Lending to the public



Trend in lending to the public in SEK billion.

Percentage of operating income, Jan-Jun 2021



January–June 2021

Significant events

Resurs sold non-performing loans to leading international investor

Resurs Bank AB entered into an agreement with PRA Group, a leading international credit management company in non-performing loans, to sell parts of Resurs Bank's non-performing loans in Norway for a gross carrying amount of approximately NOK 800 million. The sale will have a positive impact on Resurs Bank's capital requirements and liquidity and a neutral effect on earnings.

Resurs Bank launched Google Pay for its customers at the Nordic level

Resurs Bank's customers in the Nordic market now have access to Google Pay, which will enable simple and secure mobile payments. Google Pay is another step in Resurs's strategy of offering customers a broad range of digital payment solutions that enhance the customer experience.

New CFO at Resurs – internal recruitment focusing on Resurs's continuing profitable growth

Resurs appointed Sofie Tarring Lindell as the new CFO & Head of IR. Sofie was the Head of IR & Group Control and assumed her new position on 1 May 2021. For the transformation journey that Resurs has commenced, Sofie is focusing on profitable growth and supporting the operations to become a competitive, digital and sustainable company.

Resurs Bank awarded with a higher credit rating (BBB, stable outlook)

In April 2021, Resurs Bank received an update from the rating company Nordic Credit Rating (NCR). Resurs Bank's credit rating was raised from BBB- to BBB based on Resurs Bank's ability to attract new partners and an improved Nordic consumer credit market.

After the end of the period

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



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 risk management. In general, there were no significant changes regarding risk and capital management during the period. The Group's risk management capabilities were affected to a certain extent during the pandemic but the impact was limited due to robust processes. The Group managed the risk of a loss of personnel in critical functions by introducing different zones and remote working. More employees working from home set higher requirements on information security and following up the Group's control framework. A more detailed description of the bank's risks, liquidity and capital management is presented in Note G2 Liquidity, Note G3 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). Resurs Bank also operates in deposits via cross-border operations in Germany.

Solid Försäkring provides non-life insurance products in Sweden, other Nordic countries and, to some extent, other European countries. Solid Försäkring offers traditional speciality insurance. Solid Försäkring conducts operations in Norway, Finland and Switzerland via branches. Cross-border operations are conducted in other markets.

Employees

There were 666 full-time employees within the Group on 30 June 2021, up 9 since 31 December 2020 and down 61 since June 2020. The increase since December was due to expanding the number of IT personnel in Sweden. The decline compared with the previous year was mainly due to cutbacks in the number of employees.

666

Number of employees



The Board's assurance

This interim report has not been audited.

The Board of Directors and the CEO certify that this interim 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, 21 July 2021

Nils Carlsson, CEO

Board of Directors,

Martin Bengtsson, Chairman of the Board

Johanna Berlinde

Fredrik Carlsson

Susanne Ehnåge

Lars Nordstrand

Marita Odélius Engström

Kristina Patek

Mikael Wintzell

Summary financial statements – Group

Condensed income statement

SEK thousand	Note	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Interest income	G5	1,480,148	1,680,952	3,251,234
Interest expense	G5	-183,935	-213,208	-406,828
Fee & commission income		199,346	213,367	425,214
Fee & commission expense		-38,627	-30,087	-63,635
Net income/expense from financial transactions		1,902	-6,272	-14,175
Other operating income	G6	98,864	104,764	215,660
Total operating income		1,557,698	1,749,516	3,407,470
General administrative expenses	G7	-560,981	-565,782	-1,120,614
Depreciation, amortisation and impairment of intangible and tangible fixed assets		-41,091	-48,567	-138,433
Other operating expenses		-39,613	-52,653	-107,903
Total expenses before credit losses		-641,685	-667,002	-1,366,950
Earnings before credit losses		916,013	1,082,514	2,040,520
Credit losses, net	G8	-374,142	-464,276	-854,372
Operating profit/loss		541,871	618,238	1,186,148
Income tax expense		-118,826	-135,554	-306,277
Net profit for the period		423,045	482,684	879,871
Attributable to Resurs Bank AB shareholders		423,045	482,684	879,871

Statement of comprehensive income

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Net profit for the period	423,045	482,684	879,871
Other comprehensive income that will be reclassified to profit/loss			
Translation differences for the period, foreign operations	42,709	-99,974	-102,333
Total comprehensive income for the period	465,754	382,710	777,538
Attributable to Resurs Bank AB shareholders	465,754	382,710	777,538

Condensed statement of financial position

SEK thousand	Note	30 Jun 2021	31 Dec 2020	30 Jun 2020
Assets				
Cash and balances at central banks		212,184	208,520	215,493
Treasury and other bills eligible for refinancing		2,152,806	2,283,253	2,246,182
Lending to credit institutions		4,428,261	3,818,574	4,076,821
Lending to the public	G9	31,147,972	30,858,341	30,853,301
Bonds and other interest-bearing securities		639,194	669,570	785,978
Shares and participating interests		11,421	7,287	17,392
Intangible fixed assets		1,901,565	1,846,678	1,904,064
Tangible assets		128,686	107,518	119,458
Other assets		210,181	221,704	280,292
Prepaid expenses and accrued income		128,403	166,900	191,744
TOTAL ASSETS		40,960,673	40,188,345	40,690,725
Liabilities, provisions and equity				
Liabilities and provisions				
Liabilities to credit institutions		500	107,400	159,100
Deposits and borrowing from the public		25,203,171	24,871,535	24,593,339
Other liabilities		794,437	748,168	650,320
Accrued expenses and deferred income		313,239	199,452	277,804
Other provisions	G10	20,455	20,438	24,791
Issued securities		6,876,836	6,297,472	7,436,727
Subordinated debt		599,103	798,702	798,294
Total liabilities and provisions		33,807,741	33,043,167	33,940,375
Equity				
Share capital		500,000	500,000	500,000
Other paid-in capital		2,175,000	2,175,000	2,175,000
Translation reserve		7,157	-35,552	-33,193
Retained earnings incl. profit for the year		4,470,775	4,505,730	4,108,543
Total equity		7,152,932	7,145,178	6,750,350
TOTAL LIABILITIES, PROVISIONS AND EQUITY		40,960,673	40,188,345	40,690,725

See Note G11 for information on pledged assets, contingent liabilities and commitments.

Statement of changes in equity

SEK thousand	Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit for the year	Total equity
Initial equity at 1 January 2020	500,000	2,175,000	66,781	3,625,859	6,367,640
Net profit for the period				482,684	482,684
Other comprehensive income for the year			-99,974		-99,974
Equity at 30 June 2020	500,000	2,175,000	-33,193	4,108,543	6,750,350
Initial equity at 1 January 2021	500,000	2,175,000	66,781	3,625,859	6,367,640
Net profit for the year				879,871	879,871
Other comprehensive income for the year			-102,333		-102,333
Equity at 31 December 2020	500,000	2,175,000	-35,552	4,505,730	7,145,178
Initial equity at 1 January 2021	500,000	2,175,000	-35,552	4,505,730	7,145,178
<i>Owner transactions</i>					
Dividends paid according to General Meeting				-458,000	-458,000
Net profit for the period				423,045	423,045
Other comprehensive income for the year			42,709		42,709
Equity at 30 June 2021	500,000	2,175,000	7,157	4,470,775	7,152,932

All equity is attributable to Parent Company shareholders.

Cash flow statement (indirect method)

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Operating activities			
Operating profit	541,871	1,186,148	618,238
- of which, interest received	1,480,169	3,253,276	1,683,516
- of which, interest paid	-116,702	-423,216	-138,303
Adjustments for non-cash items in operating profit	487,890	1,003,906	507,839
Tax paid	-225,694	-293,826	-205,164
Cash flow from operating activities before changes in operating assets and liabilities	804,067	1,896,228	920,913
Changes in operating assets and liabilities			
Lending to the public	-313,531	-1,545,166	-720,038
Other assets	12,819	622,301	309,203
Liabilities to credit institutions	-106,900	12,500	64,200
Deposits and borrowing from the public	65,860	674,496	359,383
Acquisition of investment assets ¹⁾	-2,055,164	-4,681,782	-2,604,388
Divestment of investment assets ¹⁾	2,226,539	4,285,241	2,148,193
Other liabilities	77,295	-49,556	-89,594
Cash flow from operating activities	710,985	1,214,262	387,872
Investing activities			
Acquisition of intangible and tangible fixed assets	-35,057	-61,017	-32,902
Divestment of intangible and tangible fixed assets	117	4,395	902
Cash flow from investing activities	-34,940	-56,622	-32,000
Financing activities			
Dividends paid	-458,000		
Shareholder's contributions			
Issued securities	578,349	-1,377,406	-237,050
Subordinated debt	-200,000		
Cash flow from financing activities	-79,651	-1,377,406	-237,050
Cash flow for the year	596,394	-219,766	118,822
Cash & cash equivalents at beginning of the year ²⁾	4,027,094	4,258,286	4,258,285
Exchange rate differences	16,956	-11,426	-84,793
Cash & cash equivalents at end of the year ²⁾	4,640,444	4,027,094	4,292,314
Adjustment for non-cash items in operating profit			
Credit losses	374,142	854,372	464,276
Depreciation, amortisation and impairment of intangible and tangible fixed assets	41,091	138,433	48,567
Profit/loss tangible assets	-118	-739	227
Profit/loss on investment assets	1,315	-2,709	1,548
Change in provisions	-272	1,701	5,860
Adjustment to interest paid/received	72,006	-6,643	76,296
Currency effects	-1,690	6,148	-90,768
Depreciation, amortisation and impairment of shares		10,000	
Other items that do not affect liquidity	1,416	3,343	1,833
Sum non-cash items in operating profit	487,890	1,003,906	507,839

¹⁾ Investment assets are comprised of bonds and other interest-bearing securities, Treasury and other bills eligible for refinancing, shares and participating interest.

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

SEK thousand	1 Jan 2020	Cash-flow	Non cash flow items	30 Jun 2021
			rate	
			Accrued acquisition costs differences	
Issued securities	6,297,472	578,349	1,015	6,876,836
Subordinated debt	798,702	-200,000	401	599,103
Total	7,096,174	378,349	1,416	7,475,939

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.

No new IFRS or IFRIC interpretations, effective as from 1 January 2020, have had any material impact on the Group.

For detailed accounting principles for the Group, see the Annual report for 2020

The regulatory consolidation (known as "consolidated situation") comprises the Resurs Bank AB Group and its Parent Company Resurs Holding AB.

The interim information on pages 4-41 comprises an integrated component of this financial report.

G2. 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, Norway and Germany. Deposits, which are analysed on a regular basis, totalled SEK 25,118 million (24,694), whereof in Sweden SEK 11,985 million (11,535), in Norway SEK 6,419 million (6,441) and in Germany SEK 6,714 million (6,718). The lending to the public/ deposits from the public ratio for the consolidated situation is 124 per cent (125 per cent).

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 9,000 million (9,000). 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. At 30 June 2021 the program has nine outstanding issues at a nominal amount of SEK 4,950 million (4,900) and NOK 600 million. Of the ten issues, eight are senior unsecured bonds and two issues are a subordinated loan of SEK 600 million (600). Resurs Bank has outside the programme issued subordinated loan of SEK 200 million (200). Resurs Holding issued Additional Tier 1 Capital of a nominal SEK 300 million (300).

Resurs Bank has been awarded an updated rating from the rating company Nordic Credit Rating (NCR) in April 2021. Resurs Bank's credit rating was raised from BBB- to BBB based on Resurs Bank's ability to attract new partners and an improved Nordic consumer credit market. Access to Nordic Credit Ratings analyses can be found on the website www.nordiccreditrating.com.

Resurs Bank has completed a securitisation of loan receivables, a form of structured financing, referred to as Asset Backed Securities (ABS). This took place by transferring loan receivables to Resurs Bank's wholly owned subsidiaries Resurs Consumer Loans 1 Limited. Resurs Bank signed an agreement in December 2020 to extend the existing ABS financing. This financing has been arranged with JP Morgan Chase Bank. Resurs Bank has for a period of 18 months (revolving period), the right to continue sale of certain additional loan receivables to Resurs Consumer Loans. At 30 June 2021 a total of approximately SEK 2.5 billion in loan receivables had been transferred to Resurs Consumer Loans. Resurs Bank and Resurs Consumer Loans have provided security for the assets that form part of the securitisation. At the balance sheet date, the external financing amounted to SEK 2.0 billion (2.0) 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, 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 1,400 million. Apart from the liquidity reserve, there is an intraday liquidity requirement of at least 4 per cent of deposits from the public, a minimum SEK 800 million. There are also other liquidity requirements regulating and controlling the business.

The liquidity reserve, totalling SEK 1,878 million (1,860), is in accordance with Swedish Financial Supervisory Authority regulations on liquidity risk management (FFFS 2010:7) and applicable amendments thereto for the consolidated situation. Accordingly, assets are segregated, unutilised and of high quality. The liquidity reserve largely comprises assets with the highest credit quality rating.

In addition to the liquidity reserve, the consolidated situation has other liquid assets primarily comprised of cash balances with other banks. These assets are of high credit quality and total SEK 5,594 million (5,127) for the consolidated situation. Accordingly, total liquidity amounted to SEK 7,472 million (6,986) corresponds to 30 per cent (28 per cent) of deposits from the public. The Group also has unutilised credit facilities of NOK 50 million (50).

Liquidity Coverage Ratio (LCR) for the consolidated situation is reported to the authorities on a monthly basis. The LCR shows the ratio between high qualitative assets and net outflow during a 30-day stressed period. A ratio of 100 per cent means the assets managed the stress test scenario and is also the authority's limit. As at 30 June 2021, the ratio for the consolidated situation is 292 per cent (288 per cent). For the period January to June 2021, the average LCR measures 263 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	30 Jun 2021	31 Dec 2020	30 Jun 2020
Liquidity reserve as per FFFS 2010:7 definition			
Securities issued by sovereigns	177,935	176,381	181,397
Securities issued by municipalities	965,900	958,037	901,637
Lending to credit institutions	95,000	55,000	
Bonds and other interest-bearing securities	639,582	670,374	786,774
Summary Liquidity reserve as per FFFS 2010:7	1,878,417	1,859,792	1,869,807
Other liquidity portfolio			
Cash and balances at central banks	212,184	208,520	215,493
Securities issued by municipalities	1,010,206	1,150,181	199,990
Lending to credit institutions	4,371,227	3,767,951	4,094,180
Bonds and other interest-bearing securities			964,926
Total other liquidity portfolio	5,593,617	5,126,652	5,474,588
Total liquidity portfolio	7,472,034	6,986,444	7,344,396
Other liquidity-creating measures			
Unutilised credit facilities	49,710	47,730	47,975

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.

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.

Liquid assets according to LCR

30/06/2021 SEK thousand	Total	SEK	EUR	DKK	NOK
Level 1 assets					
Cash and balances with central banks	182,205		120,352		61,853
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	177,936		118,023	28,818	31,095
Securities issued by municipalities and PSEs	1,976,106	1,668,291	73,535		234,280
Extremely high quality covered bonds	432,291	196,689	150,622		84,980
Level 2 assets					
High quality covered bonds	207,290	125,422			81,868
Total liquid assets	2,975,828	1,990,402	462,532	28,818	494,076

31/12/2020

SEK thousand	Total	SEK	EUR	DKK	NOK
Level 1 assets					
Cash and balances with central banks	179,039		119,552		59,487
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	176,381		117,636	28,696	30,049
Securities issued by municipalities and PSEs	1,908,211	1,609,889	73,853		224,469
Extremely high quality covered bonds	390,740	117,923	191,293		81,524
Level 2 assets					
High quality covered bonds	279,634	201,043			78,591
Total liquid assets	2,934,005	1,928,855	502,334	28,696	474,120

Additional information on the Group's management of liquidity risks is available in the Group's 2020 Annual report.

SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Total liquid assets	2,975,828	2,934,005	3,220,184
Net liquidity outflow	998,025	995,751	1,007,559
LCR measure	292%	288%	310%

G3. Capital adequacy – Consolidated situation

Capital requirements are calculated in accordance with European Parliament and Council Regulation EU 575/2013 (CRR) and Directive 2013/36 EU (CRD IV). The Directive was incorporated via the Swedish Capital Buffers Act (2014:966), and the Swedish Financial Supervisory Authority's (SFS) regulations regarding prudential requirements and capital buffers (FFFS 2014:12). The capital requirement calculation below comprises the statutory minimum capital requirement for credit risk, credit valuation adjustment risk, market risk and operational risk.

The combined buffer requirement for the consolidated situation comprises a capital conservation buffer and a countercyclical capital buffer. The capital conservation buffer requirement amounts to 2.5 per cent of the risk-weighted assets. The countercyclical capital buffer requirement is weighted according to geographical requirements and after being lowered by the supervisory authorities in spring 2020 amounted to 0.2 per cent. Only Norwegian exposures have a buffer requirement remaining, which is currently 1.0 per cent of risk-weighted Norwegian assets.

The 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 capital requirement for operational risk is calculated by the standardised method. Under this method, the capital requirement for operational risks is 12 per cent of the income indicator (meaning average operating income for the past three years). The counterparty risk is calculated using the simplified standardised method. External rating companies are used to calculate the bank's capital base requirement for bonds and other interest-bearing securities.

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

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

In December 2019, Resurs Holding AB issued Additional Tier 1 Capital of a nominal SEK 300 million. The notes have a perpetual tenor with a first call option after five years and a temporary write-down mechanism.

Capital base

SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Common Equity Tier 1 capital			
Equity			
Equity, Group	7,152,932	7,145,178	6,750,350
Equity according to balance sheet	7,152,932	7,145,178	6,750,350
Proposed dividend		-536,000	
Foreseeable dividend	-600,098	-360,000	-668,720
Additional Tier 1 instruments	300,000	300,000	300,000
Additional/deducted equity in the consolidated situation	-81,428	20,371	-13,263
Equity, consolidated situation	6,771,406	6,569,549	6,368,367
<i>Adjustments according to transition rules IFRS 9:</i>			
Initial revaluation effect	169,371	237,119	237,119
<i>Less:</i>			
Additional value adjustments	-2,821	-3,073	-3,224
Intangible fixed assets	-1,901,565	-1,846,678	-1,904,064
Additional Tier 1 instruments classified as equity	-300,000	-300,000	-300,000
Shares in subsidiaries	-145	-145	-145
Total Common Equity Tier 1 capital	4,736,246	4,656,772	4,398,053
Tier 1 capital			
Common Equity Tier 1 capital	4,736,246	4,656,772	4,398,053
Additional Tier 1 instruments	300,000	300,000	300,000
Total Tier 1 capital	5,036,246	4,956,772	4,698,053
Tier 2 capital			
Dated subordinated loans	396,497	409,914	439,505
Total Tier 2 capital	396,497	409,914	439,505
Total capital base	5,432,743	5,366,686	5,137,558

Specification of risk-weighted exposure amount and capital requirements

SEK thousand	30 Jun 2021		31 Dec 2020		30 Jun 2020	
	Risk-weighted exposure amount	Capital requirement ¹⁾	Risk-weighted exposure amount	Capital requirement ¹⁾	Risk-weighted exposure amount	Capital requirement ¹⁾
Exposures to institutions	944,383	75,551	776,530	62,122	835,320	66,826
Exposures to corporates	309,523	24,762	291,518	23,321	268,325	21,466
Retail exposures	21,228,564	1,698,285	20,883,338	1,670,667	20,730,811	1,658,465
Exposures in default	2,781,224	222,498	3,044,468	243,557	3,274,504	261,960
Exposures in the form of covered bonds	63,856	5,108	66,890	5,351	78,519	6,282
Equity exposures	215,410	17,233	211,279	16,903	221,375	17,710
Other items	477,010	38,161	453,174	36,255	429,086	34,326
Total credit risks	26,019,970	2,081,598	25,727,197	2,058,176	25,837,940	2,067,035
Credit valuation adjustment risk	39,507	3,161	25,265	2,021	44,937	3,595
Market risk						
Currency risk	0	0	0	0	0	0
Operational risk (standard methods)	5,089,268	407,141	5,089,268	407,141	4,849,713	387,977
Total riskweighted exposure and total capital requirement	31,148,745	2,491,900	30,841,730	2,467,338	30,732,590	2,458,607
Concentration risk		261,405		258,267		252,170
Interest rate risk		21,474		28,881		26,390
Currency risk		810		4,667		1,733
Pension risk		0		0		10,000
Total Tier 2 capital requirement		283,689		291,815		290,293
Capital buffers						
Capital conservation buffer		778,719		771,043		768,315
Countercyclical capital buffer		58,255		64,243		70,101
Total capital requirement Capital buffers		836,974		835,287		838,416
Total capital requirement		3,612,563		3,594,440		3,587,316

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

Regulatory capital requirements

	30 Jun 2021		31 Dec 2020		30 Jun 2020	
	Amount	Share of risk-weighted exposure amount	Amount	Share of risk-weighted exposure amount	Amount	Share of risk-weighted exposure amount
Common Equity Tier 1 capital pursuant to Article 92 CRR (Pillar 1)	1,401,694	4.5	1,387,878	4.5	1,382,967	4.5
Other Common Equity Tier 1 capital requirements (Pillar 2)	159,575	0.5	196,434	0.6	195,586	0.6
Combined buffer requirement	836,974	2.7	835,287	2.7	838,416	2.7
Total Common Equity Tier 1 capital requirements	2,398,243	7.7	2,419,598	7.8	2,416,969	7.9
Common Equity Tier 1 capital	4,736,246	15.2	4,656,772	15.1	4,398,053	14.3
Tier 1 capital requirements under Article 92 CRR (Pillar 1)	1,868,925	6.0	1,850,504	6.0	1,843,955	6.0
Other Tier 1 capital requirements (Pillar 2)	212,767	0.7	237,312	0.8	236,175	0.8
Combined buffer requirement	836,974	2.7	835,287	2.7	838,416	2.7
Total Tier 1 capital requirements	2,918,665	9.4	2,923,102	9.5	2,918,546	9.5
Tier 1 capital	5,036,246	16.2	4,956,772	16.1	4,698,053	15.3
Capital requirements under Article 92 CRR (Pillar 1)	2,491,900	8.0	2,467,338	8.0	2,458,607	8.0
Other capital requirements (Pillar 2)	283,689	0.9	291,815	0.9	290,293	0.9
Combined buffer requirement	836,974	2.7	835,287	2.7	838,416	2.7
Total capital requirement	3,612,563	11.6	3,594,440	11.7	3,587,316	11.6
Total capital base	5,432,743	17.4	5,366,686	17.4	5,137,558	16.7

Capital ratio and capital buffers

	30 Jun 2021	31 Dec 2020	30 Jun 2020
Common Equity Tier 1 ratio, %	15.2	15.1	14.3
Tier 1 ratio, %	16.2	16.1	15.3
Total capital ratio, %	17.4	17.4	16.7
Institution specific buffer requirements, %	2.7	2.7	2.7
- of which, capital conservation buffer requirement, %	2.5	2.5	2.5
- of which, countercyclical buffer requirement, %	0.2	0.2	0.2
Common Equity Tier 1 capital available for use as buffer after meeting the total own funds requirements, %	8.9	8.8	8.1

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. From 28 June 2021, the consolidated situation has a leverage ratio requirement of 3 per cent in accordance with CRR II.

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.

SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Tier 1 capital	5,036,246	4,956,772	4,698,053
Leverage ratio exposure	41,370,857	41,174,564	41,864,536
Leverage ratio, %	12.2	12.0	11.2

Comparison with and without transitional arrangements for IFRS 9

SEK thousand	30 Jun 2021	30 Jun 2020
Available capital		
Common Equity Tier 1 capital	4,736,246	4,398,053
Common Equity Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,566,875	4,160,935
Tier 1 capital	5,036,246	4,698,053
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,866,875	4,460,935
Total capital	5,432,755	5,137,558
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,263,384	4,900,440
Risk-weighted assets		
Total risk-weighted assets	31,148,744	30,732,590
Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	31,021,716	30,554,751
Capital ratios		
Common Equity Tier 1 (as a percentage of risk exposure amount)	15.2	14.3
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.7	13.6
Tier 1 capital (as a percentage of risk exposure amount)	16.2	15.3
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.7	14.6
Total capital (as a percentage of risk exposure amount)	17.4	16.7
Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.0	16.0
Leverage ratio		
Leverage ratio total exposure measure	41,370,857	41,864,536
Leverage ratio, %	12.2	11.2
Leverage ratio, %, as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11.8	10.7

G4. Segment reporting

The CEO of Resurs Holding AB is the chief operating decision maker for the Group. Management has established segments based on the information that is dealt with by the Board of Directors and used as supporting information for allocating resources and evaluating results. The CEO assesses the performance of Payment Solutions, Consumer Loans and Insurance. The CEO evaluates segment development based on net operating income less credit losses, net.

The Insurance segment is evaluated at the operating profit/loss level, as this is part of the segment's responsibility. Segment reporting is based on the same principles as those used for the consolidated financial statements. Assets monitored by the CEO refer to lending to the public.

Jan-Jun 2021

SEK thousand	Payment Solutions	Consumer Loans	Total Group
Interest income	506,041	974,107	1,480,148
Interest expense	-62,128	-121,807	-183,935
Provision income	148,973	50,373	199,346
Provision expenses	-38,627		-38,627
Net income/expense from financial transactions	770	1,132	1,902
Other operating income	78,440	20,425	98,865
Summa rörelseintäkter	633,469	924,230	1,557,699
<i>of which, internal</i>			0
Credit losses, net	-80,659	-293,483	-374,142
Operating income less credit losses	552,810	630,747	1,183,557

Jan-Jun 2020

SEK thousand	Payment Solutions	Consumer Loans	Total Group
Interest income	591,176	1,089,776	1,680,952
Interest expense	-66,994	-146,214	-213,208
Provision income	162,033	51,334	213,367
Provision expenses	-30,087		-30,087
Net income/expense from financial transactions	-2,650	-3,622	-6,272
Other operating income	78,802	25,962	104,764
Summa rörelseintäkter	732,280	1,017,236	1,749,516
<i>of which, internal</i>			0
Credit losses, net	-146,827	-317,449	-464,276
Operating income less credit losses	585,453	699,787	1,285,240

Jan-Dec 2020

SEK thousand	Payment Solutions	Consumer Loans	Total Group
Interest income	1,131,989	2,119,245	3,251,234
Interest expense	-139,324	-267,504	-406,828
Provision income	322,695	102,519	425,214
Provision expenses	-63,635		-63,635
Net income/expense from financial transactions	-5,282	-8,893	-14,175
Other operating income	162,144	53,516	215,660
Summa rörelseintäkter	1,408,587	1,998,883	3,407,470
<i>of which, internal</i>			0
Credit losses, net	-261,335	-593,037	-854,372
Operating income less credit losses	1,147,252	1,405,846	2,553,098

Lending to the public

SEK thousand	Payment Solutions	Consumer Loans	Summa koncern
30 Jun 2021	10,687,514	20,460,458	31,147,972
31 Dec 2020	10,993,623	19,864,718	30,858,341
30 Jun 2020	10,921,274	19,932,027	30,853,301

G5. Net interest income/expense

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Interest income			
Lending to credit institutions	169		
Lending to the public	1,478,797	1,674,884	3,243,099
Interest-bearing securities	1,182	6,068	8,135
Total interest income	1,480,148	1,680,952	3,251,234
Interest expense			
Liabilities to credit institutions	-3,521	-2,134	-3,874
Deposits and borrowing from the public	-125,003	-155,461	-296,181
Issued securities	-42,004	-38,239	-72,279
Subordinated debt	-2,095	-16,797	-33,107
Other liabilities	-11,312	-577	-1,387
Total interest expense	-183,935	-213,208	-406,828
Net interest income/expense	1,296,213	1,467,744	2,844,406

G6. Other operating income

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Other income, lending to the public	72,180	82,480	157,950
Other operating income	26,684	22,284	57,710
Total operating income	98,864	104,764	215,660

G7. General administrative expenses

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Personnel expenses	-274,028	-281,490	-560,083
Postage, communication and notification expenses	-62,986	-65,359	-131,748
IT expenses	-108,647	-103,301	-194,512
Cost of premises ¹⁾	-9,082	-9,686	-20,610
Consultant expenses	-31,038	-28,737	-58,459
Other	-75,200	-77,209	-155,202
Total general administrative expenses	-560,981	-565,782	-1,120,614

G8. Credit losses, net

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Provision of credit reserves			
Stage 1	-13,073	-42,231	-45,323
Stage 2	-1,960	-55,927	-30,086
Stage 3	124,630	-174,724	-169,394
Total	109,597	-272,882	-244,803
Provision of credit reserves off balance (unutilised limit)			
Stage 1	1,947	-5,919	-6,148
Stage 2	-1,645	180	1,804
Stage 3			
Total	302	-5,739	-4,344
Write-offs of stated credit losses for the period	-484,134	-217,874	-641,923
Recoveries of previously confirmed credit losses	93	32,219	36,698
Total	-484,041	-185,655	-605,225
Credit losses	-374,142	-464,276	-854,372
<i>off which lending to the public</i>	<i>-374,444</i>	<i>-458,537</i>	<i>-850,028</i>

G9. Lending to the public

SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Retail sector	33,705,541	33,495,835	33,594,040
Corporate sector	358,067	343,966	330,496
Total lending to the public, gross	34,063,608	33,839,801	33,924,536
Stage 1	25,454,118	25,013,470	24,638,969
Stage 2	3,651,420	3,521,766	3,706,266
Stage 3	4,958,070	5,304,565	5,579,301
Total lending to the public, gross	34,063,608	33,839,801	33,924,536
Less provision for anticipated credit losses			
Stage 1	-225,441	-209,382	-210,853
Stage 2	-437,033	-428,880	-463,699
Stage 3	-2,253,162	-2,343,198	-2,396,683
Total anticipated credit losses	-2,915,636	-2,981,460	-3,071,235
Stage 1	25,228,677	24,804,088	24,428,116
Stage 2	3,214,387	3,092,886	3,242,567
Stage 3	2,704,908	2,961,367	3,182,618
Total net lending to the public	31,147,972	30,858,341	30,853,301

G10. Other provisions

SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Reporting value at the beginning of the year	20,438	19,818	19,818
Provision made during the year	-279	4,290	5,770
Exchange rate differences	296	-3,670	-797
Total	20,455	20,438	24,791
Provision of credit reserves, unutilised limit, Stage 1	15,739	17,337	17,575
Provision of credit reserves, unutilised limit, Stage 2	1,531		1,430
Other provisions	3,185	3,101	5,786
Reported value at the end of the year	20,455	20,438	24,791

G11. Pledged assets, contingent liabilities and commitments

TSEK	30 Jun 2021	31 Dec 2020	30 Jun 2020
Collateral pledged for own liabilities			
Lending to credit institutions	139,558	139,538	161,850
Lending to the public ¹⁾	2,463,081	2,455,141	3,560,800
Restricted bank deposits ²⁾	32,090	32,286	32,273
Total collateral pledged for own liabilities	2,634,729	2,626,965	3,754,923
Contingent liabilities		0	0
Other commitments			
Unutilised credit facilities granted	23,783,716	23,891,248	26,664,798
Total other commitments	23,783,716	23,891,248	26,664,798

¹⁾ Refers to securitisation.

²⁾ As at 30 June 2021 SEK 29,979 thousand (29,481) refers to the requirement account at the Bank of Finland.

G12. 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. Of the remaining owners, no single owner holds 20 per cent or more.

Companies with significant influence through direct or indirect ownership of the Resurs Group also have controlling or significant influence of NetOnNet AB, with which the Resurs Group conducted significant transactions during the period.

Normal business transactions were conducted between the Resurs Group and these related companies and are presented below.

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	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Interest expense	-31	-30	-61
Other operating income	2,676	2,310	4,620
General administrative expenses	-8,570	-10,180	-19,351
SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Other liabilities	-1,762	-1,922	-2,695
Deposits and borrowing from the public	-84,869	-177,869	-187,808

Transactions with other Group Companies

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Interest expense	-2,319	-4,529	-8,805
Fee & commission income	114,208	121,931	239,090
Other operating income	6,834	7,169	14,337
General administrative expenses	-869	-781	-1,812
SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Other assets		7,901	14,200
Deposits and borrowing from the public	-202,351	-1,471	-265
Other liabilities	-36,835		-9,255
Subordinated debt		-200,000	-200,000

Transactions with other companies with significant influence

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Processing fees	-36,475	-31,031	-68,763
Interest expense – deposits and borrowing from the public	-216	-218	-437
Fee & commission income			
General administrative expenses	-496	-720	-1,391
SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Lending to public	13	82	14
Other assets			
Deposits and borrowing from the public	-147,397	-159,195	-185,447
Other liabilities	-13,390	-18,387	-12,250

Transactions with key persons

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Interest expense – deposits and borrowing from the public	-22	-24	-48
SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Lending to public	8	8	23
Deposits and borrowing from the public	-7,019	-7,619	-7,835

G13. Financial instruments

SEK thousand	30 Jun 2021		31 Dec 2020		30 Jun 2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Financial assets						
Cash and balances at central banks	212,184	212,184	208,520	208,520	215,493	215,493
Treasury and other bills eligible for refinancing	2,152,806	2,152,806	2,283,253	2,283,253	2,246,182	2,246,182
Lending to credit institutions	4,428,261	4,428,261	3,818,574	3,818,574	4,076,821	4,076,821
Lending to the public	31,147,972	31,737,228	30,858,341	31,390,974	30,853,301	31,306,997
Bonds and other interest-bearing securities	639,194	639,194	669,570	669,570	785,978	785,978
Shares and participating interests	11,421	11,421	7,287	7,287	17,392	17,392
Derivatives	17,601	17,601	113,272	113,272	174,925	174,925
Other assets	60,156	60,156	45,649	45,649	44,591	44,591
Accrued income	59,286	59,286	45,323	45,323	133,987	133,987
Total financial assets	38,728,881	39,318,137	38,049,789	38,582,422	38,548,670	39,002,366
Intangible fixed assets	1,901,565		1,846,678		1,904,064	
Tangible assets	128,686		107,518		119,458	
Other non-financial assets	201,541		184,360		118,533	
Total assets	40,960,673		40,188,345		40,690,725	

SEK thousand	30 Jun 2021		31 Dec 2020		30 Jun 2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities						
Financial liabilities						
Liabilities to credit institutions	500	500	107,400	107,400	159,100	159,100
Deposits and borrowing from the public	25,203,171	25,202,909	24,871,535	24,872,097	24,593,339	24,592,341
Derivatives	9,149	9,149	3,659	3,659	9,177	9,177
Other liabilities	501,650	501,650	440,918	440,918	417,670	417,670
Accrued expenses	274,758	274,758	168,166	168,166	244,230	244,230
Issued securities	6,876,836	6,912,539	6,297,472	6,322,511	7,436,727	7,457,568
Subordinated debt	599,103	613,110	798,702	801,734	798,294	769,701
Total financial liabilities	33,465,167	33,514,615	32,687,852	32,716,485	33,658,537	33,649,787
Provisions	20,455		20,438		24,791	
Other non-financial liabilities	322,119		334,877		257,048	
Equity	7,152,932		7,145,178		6,750,349	
Total equity and liabilities	40,960,673		40,188,345		40,690,725	

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	30 Jun 2021			31 Dec 2020			30 Jun 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss:									
Treasury and other bills eligible for refinancing	2,152,806			2,283,253			2,246,182		
Bonds and other interest-bearing securities	639,194			669,570			785,978		
Shares and participating interests			11,421			7,287			17,392
Derivatives		17,601			113,272			174,925	
Total	2,792,000	17,601	11,421	2,952,823	113,272	7,287	3,032,160	174,925	17,392
Financial liabilities at fair value through profit or loss:									
Derivatives		-9,149			-3,659			-9,177	
Total	0	-9,149	0	0	-3,659	0	0	-9,177	0

Changes in level 3

SEK thousand	Jan-Jun 2021	Jan-Dec 2020	Jan-Jun 2020
Shares and participating interests			
Opening balance	7,287	17,421	17,421
Investments during the period	4,092		
Depreciation		-10,000	
Exchange-rate fluctuations	42	-134	-29
Closing balance	11,421	7,287	17,392

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.

For subordinated debts to fellow subsidiary, Solid Försäkrings AB, fair value of issued amount is calculated by using the present value method. The 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 2020 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 18 million (113) while liabilities total SEK 9 million (4). Collateral corresponding to SEK 0 million (0) was provided and received SEK 1 million (107), that had a net effect on lending to credit institutions of SEK 0 million (0) and liabilities to credit institutions total SEK 1 million (107).

Definitions

C/I before credit losses, % ¹⁾

Expenses before credit losses in relation to operating income.

NIM, % ¹⁾

Interest income less interest expenses in relation to average balance of lending to the

Capital base ²⁾

The sum of Tier 1 capital and Tier 2 capital.

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

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

Common equity tier 1 capital ²⁾

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

Risk adjusted NBI-margin, % ¹⁾

NBI-margin adjusted for credit loss ratio.

Core tier 1 ratio ²⁾

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

Tier 2 capital ²⁾

Tier 2 capital comprises dated or perpetual subordinated loans.

Credit loss ratio, % ¹⁾

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

Total capital ratio, % ²⁾

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

Lending to the public, excl. exchange rate differences ¹⁾

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

Nonrecurring costs ¹⁾

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

NBI margin, % ¹⁾

Operating income in relation to the average balance of lending to the public.

Net interest income/expense ¹⁾

Interest income less interest expenses.

¹⁾ Alternative performance measures used by management and analysts to assess the Group's performance and are not defined in International Financial Reporting Standards (IFRS) or in the capital adequacy rules. Management believes that the performance measures make it easier for investors to analyse the Group's performance. Calculations and reconciliation against information in the financial statements of these performance measures are provided on the website under "Financial reports."

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

Parent company

Income statement

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Interest income	1,479,979	1,680,506	3,250,491
Lease income	1,200	3,998	6,320
Interest expense	-183,537	-212,705	-405,887
Fee & commission income	199,346	213,367	425,214
Fee & commission expense	-38,627	-30,087	-63,635
Net income/expense from financial transactions	1,903	-6,286	-14,197
Other operating income	98,870	104,770	215,672
Total operating income	1,559,134	1,753,563	3,413,978
General administrative expenses	-602,926	-594,686	-1,178,587
Depreciation, amortisation and impairment of intangible and tangible fixed assets	-62,072	-68,059	-131,513
Other operating expenses	-39,613	-52,653	-107,903
Total expenses before credit losses	-704,611	-715,398	-1,418,003
Earnings before credit losses	854,523	1,038,165	1,995,975
Credit losses, net	-374,131	-464,445	-854,566
Operating profit/loss	480,392	573,720	1,141,409
Income tax expense	-114,760	-135,042	-314,481
Net profit for the period	365,632	438,678	826,928
Attributable to Resurs Bank AB shareholders	365,632	438,678	826,928

Statement of comprehensive income

SEK thousand	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Net profit for the period	365,632	438,678	826,928
Other comprehensive income that will be reclassified to profit/loss			
Translation differences for the period, foreign operations	36,460	-88,713	-90,373
Comprehensive income for the period	402,092	349,965	736,555
Attributable to Resurs Bank AB shareholders	402,092	349,965	736,555

Balance sheet

SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Assets			
Cash and balances at central banks	212,184	208,520	215,493
Treasury and other bills eligible for refinancing	2,152,806	2,283,253	2,246,182
Lending to credit institutions	4,332,906	3,701,645	3,938,414
Lending to the public	31,192,239	30,900,538	30,913,387
Bonds and other interest-bearing securities	639,194	669,570	785,978
Shares and participating interests	11,421	7,287	17,392
Shares and participating interests, in Group companies	50,099	50,099	50,099
Intangible fixed assets	1,351,968	1,365,443	1,422,351
Tangible assets	45,758	50,200	55,113
Other assets	210,318	221,966	280,787
Prepaid expenses and accrued income	132,582	171,131	196,208
TOTAL ASSETS	40,331,475	39,629,652	40,121,404
Liabilities, provisions and equity			
Liabilities and provisions			
Liabilities to credit institutions	500	107,400	159,100
Deposits and borrowing from the public	25,204,737	24,873,110	24,594,912
Other liabilities	2,631,431	2,592,002	3,375,285
Accrued expenses and deferred income	313,245	199,452	277,809
Other provisions	20,455	20,438	24,791
Issued securities	4,876,836	4,297,472	4,536,727
Subordinated debt	599,103	798,702	798,294
Total liabilities and provisions	33,646,307	32,888,576	33,766,918
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	13,560	-22,900	-21,240
Retained earnings	5,577,136	5,208,208	5,208,208
Net profit for the year	365,632	826,928	438,678
Total equity	6,468,828	6,524,736	6,138,146
TOTAL LIABILITIES, PROVISIONS AND EQUITY	40,331,475	39,629,652	40,121,404

See Note P4 for information on pledged assets, contingent liabilities and commitments.

Statement of changes in equity

TSEK	Share capital	Share premium	Translation reserve	Retained earnings	Profit/loss for the year	Total equity
Initial equity at 1 January 2020	500,000	12,500	67,473	4,195,818	1,012,390	5,788,181
<i>Owner transactions</i>						
Appropriation of profits according to resolution by Annual General Meeting				1,012,390	-1,012,390	0
Net profit for the period					438,678	438,678
Other comprehensive income for the year			-88,713			-88,713
Equity at 30 June 2020	500,000	12,500	-21,240	5,208,208	438,678	6,138,146
Initial equity at 1 January 2020	500,000	12,500	67,473	4,195,818	1,012,390	5,788,181
<i>Owner transactions</i>						
Appropriation of profits according to resolution by Annual General Meeting				1,012,390	-1,012,390	0
Net profit for the year					826,928	826,928
Other comprehensive income for the year			-90,373			-90,373
Equity at 31 December 2020	500,000	12,500	-22,900	5,208,208	826,928	6,524,736
Initial equity at 1 January 2021	500,000	12,500	-22,900	5,208,208	826,928	6,524,736
<i>Owner transactions</i>						
Dividends paid according to General Meeting				-458,000		-458,000
<i>Owner transactions</i>						
Appropriation of profits according to resolution by Annual General Meeting				826,928	-826,928	0
Net profit for the period					365,632	365,632
Other comprehensive income for the year			36,460			36,460
Equity at 30 June 2021	500,000	12,500	13,560	5,577,136	365,632	6,468,828

Cash flow statement (indirect method)

SEK thousand	Jan-Jun 2021	Jan-Dec 2020	Jan-Jun 2020
Operating activities			
Operating profit	480,392	1,141,409	573,720
- of which, interest received	1,480,000	3,252,533	1,683,069
- of which, interest paid	-116,299	-422,236	-137,756
Adjustments for non-cash items in operating profit	508,531	996,986	623,013
Tax paid	-225,692	-293,840	-205,175
Cash flow from operating activities before changes in operating assets and liabilities	763,231	1,844,555	991,558
Changes in operating assets and liabilities			
Lending to the public	-315,590	-1,533,092	-725,828
Other assets	13,213	612,990	213,497
Liabilities to credit institutions	-106,900	12,500	64,200
Deposits and borrowing from the public	65,851	674,491	359,376
Acquisition of investment assets ¹⁾	-2,059,261	-4,671,785	-2,604,391
Divestment of investment assets ¹⁾	2,230,633	4,285,241	2,148,192
Other liabilities	112,018	-920,571	-71,728
Cash flow from operating activities	703,195	304,329	374,876
Investing activities			
Acquisition of intangible and tangible fixed assets	-6,697	-29,922	-18,027
Divestment of intangible and tangible fixed assets	1,126	9,113	3,428
Cash flow from investing activities	-5,571	-20,809	-14,599
Financing activities			
Dividends paid	-458,000		
Shareholder's contributions			
Issued securities	578,349	-477,406	-237,050
Subordinated debt	-200,000		
Cash flow from financing activities	-79,651	-477,406	-237,050
Cash flow for the period	617,973	-193,886	123,227
Cash & cash equivalents at beginning of the year ²⁾	3,910,165	4,115,479	4,115,479
Exchange rate differences	16,952	-11,428	-84,798
Cash & cash equivalents at end of the year ²⁾	4,545,090	3,910,165	4,153,907
Adjustment for non-cash items in operating profit			
Credit losses	374,131	854,566	464,445
Depreciation, amortisation and impairment of intangible and tangible fixed assets	62,072	131,513	68,059
Profit/loss tangible assets	-118	-739	-227
Profit/loss on investment assets ¹⁾	1,315	-2,709	1,547
Change in provisions	-272	1,701	5,860
Adjustment to interest paid/received	72,011	-6,604	76,339
Currency effects	-2,026	5,921	5,162
Depreciation, amortisation and impairment of shares		10,000	
Other items that do not affect liquidity	1,418	3,337	1,827
Sum non-cash items in operating profit	508,531	996,986	623,013

¹⁾ Investment assets are comprised of bonds and other interest-bearing securities, treasury and other bills eligible for refinancing, subordinated debt and shares and participating interest.

²⁾ 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.

P2. 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.

The main type of financing remains deposits from the public. This type of financing has been offered to customers in Sweden, Norway and Germany. Deposits, which are analysed on a regular basis, totalled SEK 25,205 million (24,873), whereof in Sweden SEK 12,071 million (11,714), in Norway SEK 6,419 million (6,441) and in Germany SEK 6,715 million (6,718). The lending to the public/deposits from the public ratio is 124 per cent (124 per cent).

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 9,000 million (9,000). 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 4,950 million (4,900) and NOK 600 million. Of the ten issues, eight are senior unsecured bonds and two issues are a subordinated loan of SEK 600 million (600).

Resurs Bank has been awarded an updated rating from the rating company Nordic Credit Rating (NCR) in April 2021. Resurs Bank's credit rating was raised from BBB- to BBB based on Resurs Bank's ability to attract new partners and an improved Nordic consumer credit market. Access to Nordic Credit Ratings analyses can be found on the website www.nordiccreditrating.com.

Resurs Bank has completed a securitisation of loan receivables, a form of structured financing, referred to as Asset Backed Securities (ABS). This took place by transferring loan receivables to Resurs Bank's wholly owned subsidiaries Resurs Consumer Loans 1 Limited. Resurs Bank signed an agreement on 19 November 2020 to extend the existing ABS financing, starts in December 2020. This financing has been arranged with JP Morgan Chase Bank. Resurs Bank has for a period of 18 months (revolving period), the right to continue sale of certain additional loan receivables to Resurs Consumer Loans. At 30 June 2021 a total of approximately SEK 2.5 billion in loan receivables had been transferred to Resurs Consumer Loans. Resurs Bank and Resurs Consumer Loans have provided security for the assets that form part of the securitisation. At the balance sheet date, the external financing amounted to SEK 2.0 billion (2.0) of the ABS financing.

Liquidity

Liquidity risk includes the risk of not being able to meet liquidity commitments without significantly higher costs. The consolidated situation, 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.

Liquidity comprises both a liquidity reserve and another liquidity portfolio that is monitored on a daily basis. The main liquidity risk is deemed to arise in the event multiple depositors simultaneously withdraw their deposited funds. An internal model is used to set minimum requirements for the amount of the liquidity reserve, calculated based on deposit volumes, the proportion covered by deposit insurance and relationship to depositors. The model also takes into account the future maturities of issued securities. The Board has stipulated that the liquidity reserve may never fall below SEK 1,400 million. Apart from the liquidity reserve, there is an intraday liquidity requirement of at least 4 per cent of deposits from the public, or a minimum SEK 800 million. There are also other liquidity requirements regulating and controlling the business.

The liquidity reserve, totalling SEK 1,878 million (1,860), 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 5,460 million (5,005). Accordingly, total liquidity amounted to SEK 7,339 million (6,865). Total liquidity corresponded to 29 per cent (27 per cent) of deposits from the public. The Bank 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 30 June 2021 the ratio for the consolidated situation is 292 per cent (288 per cent). For the period January to June 2021, the average LCR measures 264 per cent.

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

Summary of liquidity

SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Liquidity reserve as per FFFS 2010:7 definition			
Securities issued by sovereigns	177,935	176,381	181,397
Securities issued by municipalities	965,900	958,037	901,637
Lending to credit institutions	95,000	55,000	
Bonds and other interest-bearing securities	639,582	670,374	786,774
Summary Liquidity reserve as per FFFS 2010:7	1,878,417	1,859,792	1,869,808
Other liquidity portfolio			
Cash and balances at central banks	212,184	208,520	215,493
Securities issued by municipalities	1,010,206	1,150,181	199,990
Lending to credit institutions	4,237,906	3,646,645	3,938,414
Bonds and other interest-bearing securities			964,926
Total other liquidity portfolio	5,460,296	5,005,346	5,318,823
Total liquidity portfolio	7,338,713	6,865,138	7,188,631
Other liquidity-creating measures			
Unutilised credit facilities	49,710	47,730	47,975

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.

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.

Liquid assets according to LCR

30/06/2021

TSEK	Total	SEK	EUR	DKK	NOK
Level 1 assets					
Cash and balances with central banks	182,205		120,352		61,853
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	177,936		118,024	28,818	31,095
Securities issued by municipalities and PSEs	1,976,107	1,668,291	73,535	0	234,280
Extremely high quality covered bonds	432,291	196,689	150,622	0	84,980
Level 2 assets					
High quality covered bonds	207,290	125,422			81,868
Total liquid assets	2,975,828	1,990,402	462,533	28,818	494,075

31/12/2020

TSEK	Total	SEK	EUR	DKK	NOK
Level 1 assets					
Cash and balances with central banks	179,039		119,552		59,487
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	176,381		117,636	28,696	30,049
Securities issued by municipalities and PSEs	1,908,211	1,609,889	73,853		224,469
Extremely high quality covered bonds	390,740	117,923	191,293		81,524
Level 2 assets					
High quality covered bonds	279,634	201,043			78,591
Total liquid assets	2,934,005	1,928,855	502,334	28,696	474,120

Additional information on the Group's management of liquidity risks is available in the Group's 2020 Annual report.

SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Total liquid assets	2,975,828	2,934,005	3,220,184
Net liquidity outflow	998,025	995,751	1,007,559
LCR measure	292%	288%	310%

P3. 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 combined buffer requirement for the consolidated situation comprises a capital conservation buffer and a countercyclical capital buffer. The capital conservation buffer requirement amounts to 2.5 per cent of the risk-weighted assets. The countercyclical capital buffer requirement is weighted according to geographical requirements. The countercyclical capital buffer requirement is weighted according to geographical requirements and after being lowered by the supervisory authorities in spring 2020 amounted to 0.2 per cent. Only Norwegian exposures have a buffer requirement remaining, which is currently 1.0 per cent of risk-weighted Norwegian assets. The bank 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 capital requirement for operational risk is calculated by the standardised method. Under this method, the capital requirement for operational risks is 12 per cent of the income indicator (meaning average operating income for the past three years). External rating companies are used to calculate the bank's capital base requirement for bonds and other interest-bearing securities.

Resurs Bank has applied to the Swedish Financial Supervisory Authority for permission to apply the transition rules decided at EU level in December 2017. Under the transition rules, a gradual phase-in of the effect of IFRS 9 on capital adequacy is permitted, regarding both the effect of the transition from IAS 39 as at 1 January 2018 and the effect on the reporting date that exceeds the amount when IFRS 9 is first applied to stage 1 and stage 2. The phase-in period is as follows: 2018: 5 %, 2019: 10 %, 2020: 15 %, 2021: 20 %, 2022: 25 %, 2023: 25 %

Capital base

SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Tier 1 capital			
Equity	6,468,828	6,524,736	6,138,146
Proposed dividend		-458,000	
Foreseeable dividend	-632,098	-392,000	-623,720
Untaxed reserves (78% thereof)	168,745	168,745	168,745
Equity	6,005,475	5,843,481	5,683,171
<i>Adjustments according to transition rules IFRS 9:</i>			
Initial revaluation effect	169,371	237,119	237,119
<i>Less:</i>			
Additional value adjustments	-2,821	-3,073	-3,224
Intangible assets	-1,351,968	-1,365,443	-1,422,351
Total Common Equity Tier 1 capital	4,820,057	4,712,084	4,494,715
Total Tier 1 capital	4,820,057	4,712,084	4,494,715
Tier 2 capital			
Dated subordinated loans	599,103	611,845	631,591
Total Tier 2 capital	599,103	611,845	631,591
Total capital base	5,419,160	5,323,929	5,126,306

Specification of risk-weighted exposure amount and capital requirements

SEK thousand	30 Jun 2021		31 Dec 2020		30 Jun 2020	
	Risk-weighted exposure amount	Capital requirement ¹⁾	Risk-weighted exposure amount	Capital requirement ¹⁾	Risk-weighted exposure amount	Capital requirement ¹⁾
Exposures to institutions	917,719	73,417	752,268	60,181	804,166	64,333
Exposures to corporates	359,081	28,726	341,056	27,284	340,175	27,214
Retail exposures	21,228,564	1,698,285	20,883,338	1,670,667	20,730,811	1,658,465
Exposures in default	2,781,224	222,498	3,044,468	243,557	3,274,504	261,960
Exposures in the form of covered bonds	63,856	5,108	66,890	5,351	78,519	6,282
Equity exposures	61,509	4,921	57,379	4,591	67,474	5,398
Other items	365,765	29,262	322,683	25,816	345,614	27,649
Total credit risks	25,777,718	2,062,217	25,468,082	2,037,447	25,641,263	2,051,301
Credit valuation adjustment risk	39,507	3,161	25,265	2,021	44,937	3,595
Market risk						
Currency risk	0	0	0	0	0	0
Operational risk (standard methods)	5,089,268	407,141	5,089,268	407,141	4,849,713	387,977
Total riskweighted exposure and total capital requirement	30,906,493	2,472,519	30,582,615	2,446,609	30,535,913	2,442,873
Concentration risk		259,535		256,135		250,839
Interest rate risk		22,667		29,936		27,401
Currency risk		810		4,667		1,733
Pension risk		0		0		10,000
Total Tier 2 capital requirement		283,012		290,738		289,973
Capital buffers						
Capital conservation buffer		772,662		764,566		763,397
Countercyclical capital buffer		58,304		64,314		70,987
Total capital requirement Capital buffers		830,966		828,880		834,384
Total capital requirement		3,586,497		3,566,227		3,567,230

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

Regulatory capital requirements

	30 Jun 2021		31 Dec 2020		30 Jun 2020	
	Amount	Share of risk-weighted exposure amount	Amount	Share of risk-weighted exposure amount	Amount	Share of risk-weighted exposure amount
Common Equity Tier 1 capital pursuant to Article 92 CRR (Pillar 1)	1,390,792	4.5	1,376,218	4.5	1,374,116	4.5
Other Common Equity Tier 1 capital requirements (Pillar 2)	159,194	0.5	195,747	0.6	195,408	0.6
Combined buffer requirement	830,966	2.7	828,880	2.7	834,384	2.7
Total Common Equity Tier 1 capital requirements	2,380,952	7.7	2,400,844	7.9	2,403,909	7.9
Common Equity Tier 1 capital	4,820,057	15.6	4,712,084	15.4	4,494,715	14.7
Tier 1 capital requirements under Article 92 CRR (Pillar 1)	1,854,390	6.0	1,834,957	6.0	1,832,155	6.0
Other Tier 1 capital requirements (Pillar 2)	212,259	0.7	236,456	0.8	237,035	0.8
Combined buffer requirement	830,966	2.7	828,880	2.7	834,384	2.7
Total Tier 1 capital requirements	2,897,614	9.4	2,900,292	9.5	2,903,574	9.5
Tier 1 capital	4,820,057	15.6	4,712,084	15.4	4,494,715	14.7
Capital requirements under Article 92 CRR (Pillar 1)	2,472,519	8.0	2,446,609	8.0	2,442,873	8.0
Other capital requirements (Pillar 2)	283,012	0.9	290,738	1.0	289,973	0.9
Combined buffer requirement	830,966	2.7	828,880	2.7	834,384	2.7
Total capital requirement	3,586,497	11.6	3,566,227	11.7	3,567,230	11.7
Total capital base	5,419,160	17.5	5,323,929	17.4	5,126,306	16.8

Capital ratio and capital buffers

	30 jun 2021	31 dec 2020	30 jun 2020
Common Equity Tier 1 ratio, %	15.6	15.4	14.7
Tier 1 ratio, %	15.6	15.4	14.7
Total capital ratio, %	17.5	17.4	16.8
Institution specific buffer requirements, %	2.7	2.7	2.7
- of which, capital conservation buffer requirement, %	2.5	2.5	2.5
- of which, countercyclical buffer requirement, %	0.2	0.2	0.2
Common Equity Tier 1 capital available for use as buffer after meeting the total own funds requirements, %	9.0	8.5	8.1

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.

From 28 June 2021, the consolidated situation has a leverage ratio requirement of 3 per cent in accordance with CRR II.

SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Tier 1 capital	4,820,057	4,712,084	4,494,715
Leverage ratio exposure	41,114,066	40,942,256	41,666,997
Leverage ratio, %	11.7	11.5	10.8

Comparison with and without transitional arrangements for IFRS 9

SEK thousand	30 Jun 2021	30 Jun 2020
Available capital		
Common Equity Tier 1 capital	4,820,057	4,494,715
Common Equity Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,650,686	4,257,596
Tier 1 capital	4,820,057	4,494,715
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,650,686	4,257,596
Total capital	5,419,159	5,126,306
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,249,789	4,889,186
Risk-weighted assets		
Total risk-weighted assets	30,906,493	30,535,914
Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	30,779,465	30,358,075
Capital ratios		
Common Equity Tier 1 (as a percentage of risk exposure amount)	15.6	14.7
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.1	14.0
Tier 1 capital (as a percentage of risk exposure amount)	15.6	14.7
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.1	14.0
Total capital (as a percentage of risk exposure amount)	17.5	16.8
Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.1	16.1
Leverage ratio		
Leverage ratio total exposure measure	41,114,066	41,666,997
Leverage ratio, %	11.7	10.8
Leverage ratio, %, as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11.4	10.3

P4. Pledged assets, contingent liabilities and commitments

SEK thousand	30 Jun 2021	31 Dec 2020	30 Jun 2020
Collateral pledged for own liabilities			
Lending to credit institutions	90,000	90,000	90,000
Lending to the public ¹⁾	2,463,081	2,455,141	3,560,800
Restricted bank deposits ²⁾	32,090	32,286	32,273
Total collateral pledged for own liabilities	2,585,171	2,577,427	3,683,073
Contingent liabilities		0	0
Other commitments			
Unutilised credit facilities granted	23,783,716	23,891,248	26,664,798
Total Other commitments	23,783,716	23,891,248	26,664,798

¹⁾ Refers to securitisation.

²⁾ As of 30 June 2021, SEK 39,979 thousand (29,481) refers mainly to a reserve requirement account at Finlands Bank.

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