



Interim Report January–June 2020

1 January–30 June 2020*

- Lending to the public rose 2% to SEK 30,853 million, a 6% increase in constant currencies
- Operating income increased 2% to SEK 1,750 million
- Operating profit before credit losses rose 4% to SEK 1,083 million
- Operating profit fell 16% to SEK 618 million
- C/I before credit losses was 38.1% (39.3%)
- The credit loss ratio was 3.0% (2.1%), as a technical effect of historically high growth in lending and the extra credit provision of SEK 75 million that was made in the first quarter.

“STABLE PERIOD IN A TURBULENT BUSINESS ENVIRONMENT”

Nils Carlsson, CEO Resurs Bank AB

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 727 employees in the Nordics. When we use the term “Group” in this report, we are referring to the Resurs Bank Group.

* Certain performance measures provided in this section have not been prepared in accordance with IFRS or the capital adequacy rules, meaning that they are alternative performance measures. Calculations and reconciliation against information in the financial statements of these performance measures are provided on the website under “Financial reports.” Definitions of performance measures are provided on page 25. 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 2019.

Statement by the CEO

Stable period in a turbulent business environment

Digitisation has fundamentally changed how we interact, communicate and consume, with the COVID-19 situation further accelerating this trend in society. Digital advances are bringing new customer behaviours and business models whereby agile and technologically innovative companies such as Resurs are strengthening their competitiveness by continuously making themselves relevant to customers of both today and tomorrow. We create value for our retail finance partners by combining our long and solid experience of retail and consumer credit loans with digitisation and AI, and thus ensuring reliable credit assessments and a positive customer experience. This is a strength that, particularly in this challenging period, proved its value through our ability to help our retail finance partners in every way to adapt their business models to the prevailing circumstances. Despite a highly turbulent market, we could also see that several industries performed well during the period.

A turbulent first period ended with gradual recovery

The period of lockdown across the Nordics and a rapidly declining economy-naturally had an effect on Resurs's business. At the same time, our business model, with its stable core of retail finance, once again demonstrated its unique flexibility and adaptability by counterbalancing and compensating for the fluctuating conditions in the Nordic markets and various industries. It made us agile when we had to slow down and then accelerate in line with the gradual recovery and made a strong contribution to a stable first period. Our lending increased 2 per cent compared with the same period in 2019 to SEK 30,853 million, up 6 per cent in constant currencies. Operating profit before credit losses increased 4 per cent to SEK 1,083 million. Credit losses amounted to 3.0 per cent, as a technical effect of historically high growth in lending. The extra credit provisions of SEK 35 million made in the second half of 2019 and of SEK 75 million in the first period of 2020 were based on our conservative credit model. To reduce risks in new lending, continuous measures were taken, such as adjustments to credit assessments, which had a negative effect on lending growth.

Varying impact and new strategic partnership

The effects of the economic climate and COVID-19 on our three business segments varied considerably. In Payment Solutions, the overall effects were relatively small since the industries that were directly impacted by a sharp decline in sales were offset by other industries that in contrast noted normal or higher demand. During the period, Resurs entered into a strategic partnership with Gekås Ullared, under which we were trusted to drive the next step of their digitisation journey by launching a new concept for card and payment solutions in the first period of 2021. The focus of the partnership is also to work with more advanced CRM to tailor customer communication, with the aim of strengthening both customer relationships and the brand. The Consumer Loans market generally noted stable demand. As we previously reported, the Norwegian market remained challenging with a decline in activity, which had a negative effect on the trend in lending.

Key symbiosis of long-term approach, flexibility and adaptability

Over our 40 years as a niche bank, we have overcome a number of recessions and financial crises. Although the future economic climate remains difficult to assess, we know that our business model with its diversity in terms of both markets and industries provides us with the necessary stability and strength to constructively and flexibly meet these challenges here and now. Another strength is our ability to apply a long-term and sustainable approach to everything we do. Resurs's core business in the form of loans and credits is based on sustainable credit lending in which a meticulous credit process ensures both customers' capacity to meet their commitments and a basis for pricing. Our responsibility includes creating sustainable business for all parties, which is a prerequisite for both growth and profitability and for earning the confidence of the market.

Resurs's financial and capital positions are strong and together with the measures we have taken we are well-equipped to continue on our journey of growth.

Nils Carlsson, CEO Resurs Bank AB



Nils Carlsson
CEO, Resurs Bank AB

FIRST HALF-YEAR

+2%

Lending growth

38.1%

C/I ratio before credit losses

310%

Liquidity Coverage Ratio
(Regulatory requirement 100%)

16.7%

Total capital ratio
(Regulatory requirement 11.7%)

Performance measures

| <i>SEKm unless otherwise specified</i> | Jan-Jun 2020 | Jan-Jun 2019 | Change | Jan-Dec 2019 |
|---|-----------------|-----------------|--------|-----------------|
| Operating income | 1,750 | 1,710 | 2% | 3,478 |
| Operating profit* | 618 | 735 | -16% | 1,463 |
| Net profit for the period | 483 | 569 | -15% | 1,137 |
| C/I before credit losses, %* | 38.1 | 39.3 | | 38.7 |
| Common Equity Tier 1 ratio, % | 14.3 | 13.1 | | 13.6 |
| Total capital ratio, % | 16.7 | 15.0 | | 16.3 |
| Lending to the public | 30,853 | 30,323 | 2% | 31,345 |
| NIM, %* | 9.4 | 9.8 | | 9.7 |
| Risk-adjusted NBI margin, %* | 8.3 | 9.7 | | 9.5 |
| NBI margin, %* | 11.3 | 11.7 | | 11.7 |
| Credit loss ratio, %* | 3.0 | 2.1 | | 2.3 |
| Return on equity excl. intangible assets (RoTE), %* | 21.0 | 29.6 | | 28.1 |

* Alternative performance measures are performance measures used by management and analysts to assess the Group's performance and are not defined in International Financial Reporting Standards (IFRS) or in the capital adequacy rules. Management believes that the performance measures make it easier for investors to analyse the Group's performance. Calculations and reconciliation against information in the financial statements of these performance measures are provided on the website under "Financial information." Definitions of all performance measures are provided on page 25.



Group results*

First half of 2020, January–June

Operating income

The Group's operating income increased 2 per cent in line with the trend in lending to SEK 1,750 million (1,710). The relatively low rate of growth compared with recent years was due to the continuing decline in Norway and lower new lending due to COVID-19, with Payment Solutions most affected by the lockdown in three of four countries. Net interest income increased 3 per cent to SEK 1,468 million (1,421), with interest income amounting to SEK 1,681 million (1,623) and interest expense to SEK -213 million (-202). Fee & commission income amounted to SEK 213 million (221) and fee & commission expense to SEK -30 million (-29), resulting in a total net commission for the banking operations of SEK 183 million (192). The lower net commission was due in its entirety to the effects of COVID-19, attributable to lower credit card income, loan commission and other commission as a result of lower activity in the travel industry and lower factoring.

Net income from financial transactions was SEK -6 million (-12). Other operating income, primarily comprising remuneration from lending operations, amounted to SEK 105 million (108).

Operating expenses

The Group's expenses before credit losses fell year-on-year to SEK -667 million (-672). Personnel expenses increased 3 per cent to SEK -281 million (-274) year-on-year. General administrative costs excluding personnel expenses increased 5 per cent to SEK -284 million (-272). Depreciation, amortisation and impairment of intangible and tangible assets rose SEK 9 million to SEK -49 million (-40). Other operating expenses fell SEK 34 million to SEK -53 million (-86). Viewed in relation to the operations' income, the cost level before credit losses amounted to 38.1 per cent (39.3 per cent).

Credit losses totalled SEK -464 million (-302) and the credit loss ratio was 3.0 per cent (2.1 per cent). Credit losses for the period increased both in absolute terms and as a percentage of lending, which was partly a technical effect of lower growth in lending but also an effect of the extra credit provision made in the period as a result of the expected future effects of COVID-19. The bank has not yet seen any changed payment patterns among its customers due to COVID-19. The risk-adjusted NBI margin totalled 8.3 per cent (9.7 per cent). The lower margin was mainly due to continued price pressure and lower margins due to higher average loans with lower credit risk.

Profit

Operating profit totalled SEK 618 million (735), with the decline primarily attributable to higher credit losses. Net profit for the period fell 15 per cent to SEK 483 million (569). Tax expense for the period amounted to SEK -136 million (-166).

COVID-19

An extra forward-looking credit provision of SEK 75 million was made in the first period to meet higher future credit losses, in addition to the model-based reserves, in accordance with IFRS 9. It remains difficult to assess the effects of COVID-19 on Resurs's operations at the current time. We have not yet noted any negative trend in the payment patterns of our customers but nevertheless believe that both probability of default and loss given default will be negatively affected from the second half of 2020, and have been taken into consideration in the extra credit provision. Uncertainty about the future remains high, with rising unemployment and the risk of lower solvency, but our overall assessment is that no additional credit loss reserves need to be made at present due to COVID-19.

Resurs took action at an early stage of COVID-19 to introduce austerity measures in credit lending in Consumer Loans in order to ensure continued high control of the chosen risk appetite, which reduced the risk in new lending in all markets, with the associated declining volumes. In addition, mainly new lending in Finland was adversely affected by the future interest limitation rules that were temporarily introduced after the end of the period. Lower sales for the bank's retail finance partners at the start of the COVID-19 outbreak negatively impacted lending, while there was a clear recovery in the latter part of the period when lockdown restrictions were eased in the Nordic countries. The direct effect on the Group's earnings was mainly related to the decline in the travel industry, which in turn was negatively impacted and is expected to continue to impact credit card commission and currency exchange fees negatively, while lower factoring activity resulted in lower commission.

+2%

Operating income for the period

38.1%

C/I ratio before credit losses

-16%

Operating profit for the period

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Financial position on 30 June 2020*

Comparative figures for this section refer to 31 December 2019, except for cash flow for which the comparative figure refers to the same period in the preceding year.

On 30 June 2020, the Group's financial position was strong, with a capital base of SEK 5,138 million (5,071) in the consolidated situation, comprising the Parent Company, Resurs Holding, and the Resurs Bank Group. The total capital ratio was 16.7 per cent (16.3 per cent) and the Common Equity Tier 1 ratio was 14.3 per cent (13.6 per cent).

Due to COVID-19, the authorities decided earlier in the year to reduce the regulatory minimum capital requirement in the countercyclical capital buffer. This entailed a total reduction of about 1.7 percentage points to 0.3 per cent for Resurs. This total is made up of Sweden removing its countercyclical buffer requirement of 2.5 per cent, Denmark removing its 1.0 per cent requirement and Norway reducing its 2.5 per cent requirement to 1.0 per cent.

Lending to the public amounted to SEK 30,853 million (31,345) on 30 June 2020, representing a decrease of just under 2 per cent and excluding currency effects an increase of 1 per cent. The weaker lending performance is the result of a continued declining trend in Norway, a weaker NOK and lower new lending due to COVID-19.

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 a diversified financing for the long-term.

Deposits from the public on 30 June 2020 amounted to SEK 24,593 million (24,848). The bank has deposits in SEK, NOK and EUR. Financing through issued securities totalled SEK 7,437 million (7,672). Liquidity remained healthy and the liquidity coverage ratio (LCR) was 310 per cent (264 per cent) in the consolidated situation. The minimum statutory LCR is 100 per cent. Lending to credit institutions at 30 June 2020 amounted to SEK 4,077 million (4,037). Holdings of treasury and other bills eligible for refinancing, as well as bonds and other interest-bearing securities, totalled SEK 3,032 million (2,615). Bonds of a nominal SEK 700 million were issued during the first half of the year under Resurs Bank's MTN programme. Repurchases of SEK 110 million already took place in the first half of the year from the MTN programme that falls due in the second half of 2020. The bond market was turbulent during the spring and we chose not to carry out any issues. However, we see signs of an improved bond market and we will continue to follow developments in the market. The bank has a high level of liquidity for meeting its future commitments.

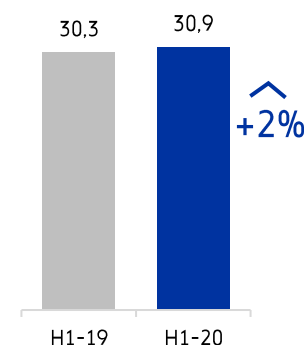
Intangible assets amounted to SEK 1,904 million (2,020), and primarily comprised the goodwill that arose in the acquisition of Finaref and Danaktiv in 2014 and yA Bank in 2015.

Cash flow from operating activities amounted to SEK 388 million (464) for the period and the net change in investment assets was SEK -456 million (-172). Cash flow from investing activities for the period totalled SEK -32 million (-48) and cash flow from financing activities was SEK -237 million (-303).

310%

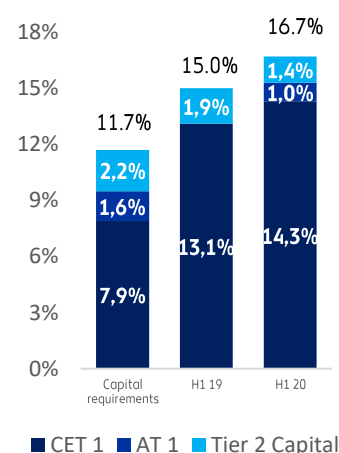
Liquidity Coverage Ratio
(Statutory requirement 100%)

Lending to the public



Trend in lending to the public in SEK billion.

Capital position, consolidated situation



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Payment Solutions

Slow recovery led to satisfactory results

First half of 2020, January–June

All markets saw a decline in retail in the wake of COVID-19, particularly during the lockdown period in Denmark, Norway and Finland. However, a broad diversification in Nordic retail gave Resurs important resilience and a strong ability to offset industries with falling demand with other industries where demand remained intact, and in some cases was actually rising. For example, the travel industry was characterised by a continued decline, while the building materials market and home electronics reported a high level of activity in the markets that were allowed to remain open. Resurs's business model, coupled with the gradual easing of restrictions in the Nordic markets, meant that Payment Solutions could deliver overall satisfactory results.

Resurs entered into a new partnership with Gekås Ullared in the period. This means that Resurs will be an active partner in Gekås Ullared's new card and payment solution concept combined with an expanded CRM offering.

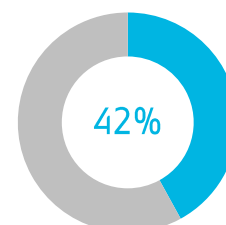
The high pace of Resurs's technological advances was maintained, particularly in terms of the continued digitisation of physical retail. Our strength lies in the interface between cutting-edge technical expertise, which enables intelligence to be built into application and payment flows, and solid experience of retail and payment solutions, which offers a smooth customer journey. The integration of Resurs Checkout with more POS systems continued during the period, which was one of the reasons for the increase in the number of connected POSs in the automotive aftermarket.

A number of initiatives and technological advances using AI continued to drive profitability in Supreme Cards. During the period, Supreme Cards migrated to a new technical platform, Mastercard Payment Transaction Service (MPTS), which will enable more efficient flows and the development of more tailored customer offerings.

Lending to the public on 30 June 2020 declined 2 per cent to SEK 10,921 million (11,146). Weaker lending was mainly due to COVID-19, a continued declining trend in Norway and a weaker NOK.

Operating income amounted to SEK 732 million (753), down 3 per cent compared with the year-earlier period. The lower earnings, mainly in the items of other commission, loan commission and credit-card income, were attributable to COVID-19. Operating income less credit losses amounted to SEK 585 million (666). The risk-adjusted NBI margin was 10.5 per cent (12.3 per cent), mainly due to changes in the customer mix and increased credit losses. Credit losses increased both in absolute terms and as a percentage of lending, which was partly a technical effect of lower growth in lending but also an effect of the extra credit provision made in the first period as a result of the expected future effects of COVID-19.

Percentage of operating income Jan–Jun 2020

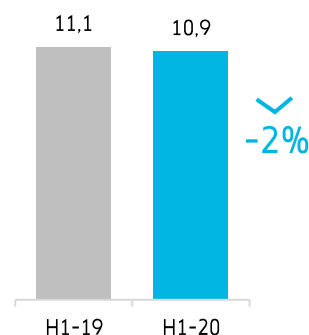


About Payment Solutions

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.

Performance measures – Payment Solutions

| SEKm unless otherwise specified | Jan–Jun 2020 | Jan–Jun 2019 | Change | Jan–Dec 2019 |
|--|--------------|--------------|--------|--------------|
| Lending to the public at end of the period | 10,921 | 11,146 | -2% | 11,426 |
| Operating income | 732 | 753 | -3% | 1,531 |
| Operating income less credit losses | 585 | 666 | -12% | 1,319 |
| Risk-adjusted NBI margin, % | 10.5 | 12.3 | | 12.0 |
| Credit loss ratio, % | 2.6 | 1.6 | | 1.9 |

Consumer Loans

Stable demand for consumer credit loans

First half of 2020, January-June

Demand remained stable for Consumer Loans in the first period of the year, although the markets were characterised to varying extents by prudence and some amount of caution. The Norwegian market remained problematic and even prior to COVID-19 was already impacted by the effects of legal requirements and Gjeldsregisteret that were introduced in 2019. This meant that the trend in Norway was weak during the first period.

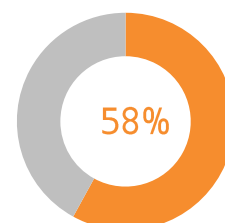
The measures for more restrictive credit assessments that Resurs had already taken in the first period were necessary, but also had a certain impact on growth as anticipated. However, sustainable credit lending is fundamental for Resurs and is something that always forms the basis of credit checks to ensure that customers do not become over-indebted. Proactive efforts are made as a central part of Resurs's credit lending to identify customers with potential payment difficulties at an early stage. As part of the customer service function, every country has several dedicated employees tasked with proactively contacting and assisting customers and providing information and assistance.

A range of new functionalities were added to Consumer Loans' services based on rapid technological advances. For example, in Finland, the process for settling loans in other banks by e-signing was made more efficient, and existing customers in the Norwegian, Finnish and Swedish markets now have simplified online loan applications. The efficiency of internal processes was further enhanced with more flexible pricing closer to the business and in Sweden, this work was supplemented with a more sophisticated model for calculating a customer's future behaviour.

Lending to the public on 30 June 2020 increased 4 per cent to SEK 19,932 million (19,176), a 9 per cent increase in constant currencies.

Operating income for the period increased 6 per cent to SEK 1,017 million (956). Operating income less credit losses amounted to SEK 700 million (741), and the risk-adjusted NBI margin was 7.0 per cent (8.1 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 increased both in absolute terms and as a percentage of lending, which was mainly an effect of the extra credit provision made in the first period as a result of the expected future effects of COVID-19.

Percentage of operating income Jan-Jun 2020

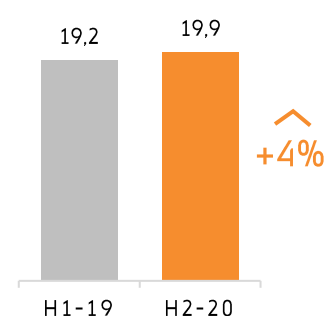


About Consumer Loans

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.

Performance measures – Consumer Loans

| SEKm unless otherwise specified | Jan-Jun 2020 | Jan-Jun 2019 | Change | Jan-Dec 2019 |
|--|--------------|--------------|--------|--------------|
| Lending to the public at end of the period | 19,932 | 19,176 | 4% | 19,919 |
| Operating income | 1,017 | 956 | 6% | 1,946 |
| Operating income less credit losses | 700 | 741 | -6% | 1,489 |
| Risk-adjusted NBI margin, % | 7.0 | 8.1 | | 8.0 |
| Credit loss ratio, % | 3.2 | 2.3 | | 2.4 |

Significant events

January–June 2020

New CEO starts at Resurs – Nils Carlsson is focused on continued growth data-driven innovation and customer experience

Nils Carlsson has been the new President of Resurs Bank and CEO of Resurs Holding since 1 June. Nils Carlsson has broad international experience from industries experiencing change such as fintech, e-commerce and telecommunication, and most recently served as CEO of Fortnox. His initial focus will be on guiding Resurs through the prevailing global circumstances in a stable manner. At the same time, Nils Carlsson has his sights set on continued growth, data-driven innovation and customer experience.

Resurs Bank's Parent Company Resurs Holding won "Newcomer of the year" in Employer Branding at the Universum Awards

Resurs Holding won the prize of "Newcomer of the year" in Employer Branding at the 2020 Universum Awards. The prize is awarded by Universum Global and based on the results of the annual survey of Sweden's most attractive employers. This is the first year that Resurs has taken part in the survey and the prize is significant for the company's continued branding efforts.

Gekås Ullared chooses Resurs Bank as partner for a new card and payment solutions concept

Gekås Ullared chose Resurs Bank as a partner for taking the next step in card and payment solutions, with a focus on the shopping experience and increasing conversion throughout the entire customer journey. The partnership has commenced and the transition to a new card and payment solution will take place during the first quarter of 2021.

Extra credit provision in Resurs Bank

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

Resurs Bank published its 2019 Annual Report

Resurs Bank published its 2019 Annual Report on 17 March.

After the end of the period

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

Some of Resurs's retail finance partners:

Other information

Risk and capital management

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

Employees

There were 727 full-time employees within the Group on 30 June 2020, up 41 since 31 December 2019 and up 20 since June 2019. The increase since December was mainly due to the recruitment of temporary staff for the summer. The increase since last year was primarily due to expanding the number of IT personnel in Sweden.

727

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, 20 July 2020.

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 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|---|------|------------------|------------------|-------------------|
| Interest income | G5 | 1 680 952 | 1 623 414 | 3 304 179 |
| Interest expense | G5 | -213 208 | -202 396 | -416 768 |
| Fee & commission income | | 213 367 | 221 002 | 468 686 |
| Fee & commission expense | | -30 087 | -28 545 | -60 442 |
| Net income/expense from financial transactions | | -6 272 | -12 226 | -41 346 |
| Other operating income | G6 | 104 764 | 108 264 | 223 537 |
| Total operating income | | 1 749 516 | 1 709 513 | 3 477 846 |
| General administrative expenses | G7 | -565 782 | -545 777 | -1 116 920 |
| Depreciation, amortisation and impairment of intangible and tangible fixed assets | | -48 567 | -39 918 | -78 869 |
| Other operating expenses | | -52 653 | -86 496 | -149 361 |
| Total expenses before credit losses | | -667 002 | -672 191 | -1 345 150 |
| Earnings before credit losses | | 1 082 514 | 1 037 322 | 2 132 696 |
| Credit losses, net | G8 | -464 276 | -302 461 | -669 454 |
| Operating profit/loss | | 618 238 | 734 861 | 1 463 242 |
| Income tax expense | | -135 554 | -166 318 | -326 260 |
| Net profit for the period | | 482 684 | 568 543 | 1 136 982 |
| Attributable to Resurs Bank AB shareholders | | 482 684 | 568 543 | 1 136 982 |

Statement of comprehensive income

| SEK thousand | Jan-Jun 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|--|-----------------|-----------------|------------------|
| Net profit for the period | 482 684 | 568 543 | 1 136 982 |
| Other comprehensive income that will be reclassified to profit/loss | | | |
| Translation differences for the period, foreign operations | -99 974 | 66 547 | 33 915 |
| Total comprehensive income for the period | 382 710 | 635 090 | 1 170 897 |
| Attributable to Resurs Bank AB shareholders | 382 710 | 635 090 | 1 170 897 |

Condensed statement of financial position

| SEK thousand | Note | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2019 |
|---|------|-------------------|-------------------|-------------------|
| Assets | | | | |
| Cash and balances at central banks | | 215 493 | 220 799 | 98 571 |
| Treasury and other bills eligible for refinancing | | 2 246 182 | 1 712 900 | 1 031 155 |
| Lending to credit institutions | | 4 076 821 | 4 037 487 | 3 798 372 |
| Lending to the public | G9 | 30 853 301 | 31 344 787 | 30 322 736 |
| Bonds and other interest-bearing securities | | 785 978 | 902 120 | 996 256 |
| Shares and participating interests | | 17 392 | 17 421 | 15 412 |
| Intangible fixed assets | | 1 904 064 | 2 020 278 | 2 044 423 |
| Tangible assets | | 119 458 | 122 471 | 140 431 |
| Other assets | | 280 292 | 191 472 | 124 653 |
| Prepaid expenses and accrued income | | 191 744 | 237 579 | 280 737 |
| TOTAL ASSETS | | 40 690 725 | 40 807 314 | 38 852 746 |
| Liabilities, provisions and equity | | | | |
| Liabilities and provisions | | | | |
| Liabilities to credit institutions | | 159 100 | 94 900 | |
| Deposits and borrowing from the public | | 24 593 339 | 24 848 282 | 23 287 053 |
| Other liabilities | | 650 320 | 815 241 | 845 348 |
| Accrued expenses and deferred income | | 277 804 | 191 196 | 281 982 |
| Other provisions | G10 | 24 791 | 19 818 | 22 870 |
| Issued securities | | 7 436 727 | 7 672 347 | 7 626 178 |
| Subordinated debt | | 798 294 | 797 890 | 797 482 |
| Total liabilities and provisions | | 33 940 375 | 34 439 674 | 32 860 913 |
| Equity | | | | |
| Share capital | | 500 000 | 500 000 | 500 000 |
| Other paid-in capital | | 2 175 000 | 2 175 000 | 1 975 000 |
| Translation reserve | | -33 193 | 66 781 | 99 413 |
| Retained earnings incl. profit for the year | | 4 108 543 | 3 625 859 | 3 417 420 |
| Total equity | | 6 750 350 | 6 367 640 | 5 991 833 |
| TOTAL LIABILITIES, PROVISIONS AND EQUITY | | 40 690 725 | 40 807 314 | 38 852 746 |

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 2019 | 500 000 | 1 975 000 | 32 866 | 3 178 877 | 5 686 743 |
| <i>Owner transactions</i> | | | | | |
| Dividends paid according to General Meeting | | | | -330 000 | -330 000 |
| Net profit for the period | | | | 568 543 | 568 543 |
| Other comprehensive income for the period | | | 66 547 | | 66 547 |
| Equity at 30 June 2019 | 500 000 | 1 975 000 | 99 413 | 3 417 420 | 5 991 833 |
| Initial equity at 1 January 2020 | 500 000 | 1 975 000 | 32 866 | 3 178 877 | 5 686 743 |
| <i>Owner transactions</i> | | | | | |
| Unconditional shareholder's contribution | | 200 000 | | | 200 000 |
| Dividends paid according to General Meeting | | | | -330 000 | -330 000 |
| Dividends according to Extraordinary General Meeting | | | | -360 000 | -360 000 |
| Net profit for the year | | | | 1 136 982 | 1 136 982 |
| Other comprehensive income for the year | | | 33 915 | | 33 915 |
| Equity at 31 December 2019 | 500 000 | 2 175 000 | 66 781 | 3 625 859 | 6 367 640 |
| 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 period | | | -99 974 | | -99 974 |
| Equity at 30 June 2020 | 500 000 | 2 175 000 | -33 193 | 4 108 543 | 6 750 350 |

All equity is attributable to Parent Company shareholders.

Cash flow statement (indirect method)

| SEK thousand | Jan-Jun 2020 | Jan-Dec 2019 | Jan-Jun 2019 |
|---|------------------|------------------|------------------|
| Operating activities | | | |
| Operating profit | 618 238 | 1 463 242 | 734 861 |
| - of which, interest received | 1 683 516 | 3 300 151 | 1 621 011 |
| - of which, interest paid | -138 303 | -392 448 | -99 235 |
| Adjustments for non-cash items in operating profit | 507 839 | 813 099 | 514 079 |
| Tax paid | -205 164 | -274 933 | -206 353 |
| Cash flow from operating activities before changes in operating assets and liabilities | 920 913 | 2 001 408 | 1 042 587 |
| Changes in operating assets and liabilities | | | |
| Lending to the public | -720 038 | -3 694 769 | -1 924 660 |
| Other assets | 309 203 | -92 909 | -185 971 |
| Liabilities to credit institutions | 64 200 | -55 000 | -149 900 |
| Deposits and borrowing from the public | 359 383 | 3 707 516 | 1 957 429 |
| Acquisition of investment assets | -2 604 388 | -3 054 628 | -1 418 418 |
| Divestment of investment assets | 2 148 193 | 2 274 204 | 1 246 509 |
| Other liabilities | -89 594 | -118 437 | -103 428 |
| Cash flow from operating activities | 387 872 | 967 385 | 464 148 |
| Investing activities | | | |
| Acquisition of intangible and tangible fixed assets | -32 902 | -81 841 | -48 477 |
| Divestment of intangible and tangible fixed assets | 902 | 977 | 322 |
| Cash flow from investing activities | -32 000 | -80 864 | -48 155 |
| Financing activities | | | |
| Dividends paid | | -690 000 | -330 000 |
| Shareholder's contributions | | 200 000 | |
| Issued securities | -237 050 | -213 887 | -272 340 |
| Subordinated debt | | 298 950 | 298 950 |
| Cash flow from financing activities | -237 050 | -404 937 | -303 390 |
| Cash flow for the year | 118 822 | 481 584 | 112 603 |
| Cash & cash equivalents at beginning of the year | 4 258 285 | 3 733 330 | 3 733 330 |
| Exchange rate differences | -84 793 | 43 372 | 51 010 |
| Cash & cash equivalents at end of the year | 4 292 314 | 4 258 286 | 3 896 943 |
| Adjustment for non-cash items in operating profit | | | |
| Credit losses | 464 276 | 669 454 | 302 461 |
| Depreciation, amortisation and impairment of intangible and tangible fixed assets | 48 567 | 78 869 | 39 918 |
| Profit/loss tangible assets | 227 | -270 | -66 |
| Profit/loss on investment assets | 1 548 | -2 289 | -6 819 |
| Change in provisions | 5 860 | -3 086 | -391 |
| Adjustment to interest paid/received | 76 296 | 29 184 | 104 987 |
| Currency effects | -90 768 | 35 709 | 69 823 |
| Other items that do not affect liquidity | 1 834 | 5 528 | 4 166 |
| Sum non-cash items in operating profit | 507 840 | 813 099 | 514 079 |

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 2020 |
|-------------------|------------------|-----------------|---------------------------|---------------|------------------|
| | | | Accrued acquisition costs | Exchange rate | |
| Issued securities | 7 672 347 | -237 050 | 1 430 | | 7 436 727 |
| Subordinated debt | 797 890 | | 404 | | 798 294 |
| Total | 8 470 237 | -237 050 | 1 834 | 0 | 8 235 021 |

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 2019.

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 2-34 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 24,406 million (24,647), whereof in Sweden SEK 11,308 million (11,391), in Norway SEK 6,092 million (6,601) and in Germany SEK 7,006 million (6,655). The lending to the public/deposits from the public ratio for the consolidated situation is 126 per cent (127 per cent).

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 9,000 million (8,000). Within the programme, Resurs Bank has been working successfully to issue bonds on a regular basis and sees itself as an established issuer on the market. At 30 June 2020 the program has ten outstanding issues at a nominal amount of SEK 5,250 million (5,450). Of the ten issues, eight are senior unsecured bonds and two issues are a subordinated loan of SEK 600 million (600). Resurs Bank made repurchases in some of the senior unsecured bonds above. The amounts do not include these repurchases.

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).

In May 2019, Resurs Bank was awarded BBB- with stable prospects of the rating company Nordic Credit Rating. In April 2020, NCR confirmed the credit rating of BBB- with a negative outlook. 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. The acquisition of loan receivables by Resurs Consumer Loans was financed by an international financial institution. In June 2019, an agreement was signed to extend the existing financing and Resurs Bank has for a period of 18 months (revolving period), the right to continue sale of certain additional loan receivables to Resurs Consumer Loans. At 30 June 2020 a total of approximately SEK 3.6 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 2.9 billion (2.9) 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 1,300 million. Apart from the liquidity reserve, there is an intraday liquidity requirement of at least 4 per cent of deposits from the public, a minimum SEK 700 million. There are also other liquidity requirements regulating and controlling the business.

The liquidity reserve, totalling SEK 1,870 million (1,918), is in accordance with Swedish Financial Supervisory Authority regulations on liquidity risk management (FFFS 2010:7) and applicable amendments thereto for the consolidated situation. Accordingly, assets are segregated, unutilised and of high quality. The liquidity reserve largely comprises assets with the highest credit quality rating.

In addition to the liquidity reserve, the consolidated situation has other liquid assets primarily comprised of cash balances with other banks. These assets are of high credit quality and total SEK 5,475 million (4,982) for the consolidated situation. Accordingly, total liquidity amounted to SEK 7,344 million (6,900) 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 2020, the ratio for the consolidated situation is 310 per cent (264 per cent). For the period January to June 2020, the average LCR measures 270 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 2020 | 31 Dec 2019 | 30 Jun 2019 |
|--|------------------|------------------|------------------|
| Liquidity reserve as per FFFS 2010:7 definition | | | |
| Securities issued by sovereigns | 181 397 | 184 378 | 128 723 |
| Securities issued by municipalities | 901 637 | 830 219 | 760 872 |
| Lending to credit institutions | | | 45 000 |
| Bonds and other interest-bearing securities | 786 774 | 903 264 | 997 073 |
| Summary Liquidity reserve as per FFFS 2010:7 | 1 869 807 | 1 917 861 | 1 931 668 |
| Other liquidity portfolio | | | |
| Cash and balances at central banks | 215 493 | 220 799 | 98 571 |
| Securities issued by municipalities | 199 990 | 699 902 | 143 131 |
| Lending to credit institutions | 4 094 180 | 4 061 272 | 3 765 859 |
| Bonds and other interest-bearing securities | 964 926 | | |
| Total other liquidity portfolio | 5 474 588 | 4 981 973 | 4 007 561 |
| Total liquidity portfolio | 7 344 396 | 6 899 834 | 5 939 229 |
| Other liquidity-creating measures | | | |
| Unutilised credit facilities | 47 975 | 52 895 | 54 465 |

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

30/06/2020

| SEK thousand | Total | SEK | EUR | DKK | NOK |
|--|------------------|------------------|----------------|---------------|----------------|
| Level 1 assets | | | | | |
| Cash and balances with central banks | 185 461 | | 125 577 | | 59 884 |
| Securities or guaranteed by sovereigns, central banks, MDBs and international org. | 181 397 | | 120 751 | 30 383 | 30 263 |
| Securities issued by municipalities and PSEs | 2 066 552 | 1 741 549 | 76 743 | | 248 260 |
| Extremely high quality covered bonds | 280 388 | | 198 804 | | 81 584 |
| Level 2 assets | | | | | |
| High quality covered bonds | 506 386 | 427 788 | | | 78 598 |
| Total liquid assets | 3 220 184 | 2 169 337 | 521 875 | 30 383 | 498 589 |

31/12/2019

| SEK thousand | Total | SEK | EUR | DKK | NOK |
|--|------------------|------------------|----------------|---------------|----------------|
| Level 1 assets | | | | | |
| Cash and balances with central banks | 193 433 | | 127 548 | | 65 885 |
| Securities or guaranteed by sovereigns, central banks, MDBs and international org. | 184 378 | | 120 318 | 30 211 | 33 849 |
| Securities issued by municipalities and PSEs | 1 530 121 | 1 273 617 | 76 652 | | 179 852 |
| Extremely high quality covered bonds | 374 185 | | 196 880 | | 177 305 |
| Level 2 assets | | | | | |
| High quality covered bonds | 529 079 | 529 079 | | | |
| Total liquid assets | 2 811 196 | 1 802 696 | 521 398 | 30 211 | 456 891 |

Additional information on the Group's management of liquidity risks is available in the Group's 2019 Annual report.

| SEK thousand | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2019 |
|------------------------------|------------------|------------------|------------------|
| Total liquid assets | 3 220 184 | 2 811 196 | 1 933 952 |
| Net liquidity outflow | 1 007 559 | 1 025 759 | 985 249 |
| LCR measure | 310% | 264% | 186% |

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 (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. Due to the outbreak of COVID-19, the Swedish Financial Supervisory Authority and the equivalent authority in other countries lowered the countercyclical capital buffer. For Swedish exposures, this means a reduction from 2.5 per cent of risk-weighted assets to 0.0 per cent, for Norwegian exposures a reduction of 2.5 per cent to 1.0 per cent and for Danish exposures a reduction from 1.0 per cent to 0.0 per cent. The Finnish buffer remains at 0.0 per cent.

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 from 20 September 2019 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 %

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 2020 | 31 Dec 2019 | 30 Jun 2019 |
|--|------------------|------------------|------------------|
| Common Equity Tier 1 capital | | | |
| Equity | | | |
| Equity, Group | 6 750 350 | 6 367 640 | 5 991 833 |
| Additional Tier 1 instruments classified as equity | 6 750 350 | 6 367 640 | 5 991 833 |
| Equity according to balance sheet | | | |
| | | -420 000 | -360 000 |
| Proposed dividend | -668 720 | | |
| Predicted dividend ¹⁾ | 300 000 | 300 000 | |
| Additional/deducted equity in the consolidated situation | -13 262 | 10 530 | 176 377 |
| Equity, consolidated situation | 6 368 368 | 6 258 170 | 5 808 210 |
| <i>Adjustments according to transition rules IFRS 9:</i> | | | |
| Initial revaluation effect | 237 119 | 287 930 | 287 930 |
| <i>Less:</i> | | | |
| Additional value adjustments | -3 224 | -2 743 | -2 053 |
| Intangible fixed assets | -1 904 064 | -2 020 278 | -2 044 423 |
| Additional Tier 1 instruments classified as equity | -300 000 | -300 000 | |
| Shares in subsidiaries | -145 | -120 | -120 |
| Total Common Equity Tier 1 capital | 4 398 054 | 4 222 959 | 4 049 544 |
| Tier 1 capital | | | |
| Common Equity Tier 1 capital | 4 398 054 | 4 222 959 | 4 049 544 |
| Additional Tier 1 instruments | 300 000 | 300 000 | |
| Total Tier 1 capital | 4 698 054 | 4 522 959 | 4 049 544 |
| Tier 2 capital | | | |
| Dated subordinated loans | 439 505 | 548 003 | 589 245 |
| Total Tier 2 capital | 439 505 | 548 003 | 589 245 |
| Total capital base | 5 137 559 | 5 070 962 | 4 638 789 |

¹⁾ Of which SEK 420 million refers to predictable dividend for earnings from the 2019 financial year.

Capital requirement

| SEK thousand | 30 Jun 2020 | | 31 Dec 2019 | | 30 Jun 2019 | |
|--|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| | Risk-weighted exposure amount | Capital requirement ¹⁾ | Risk-weighted exposure amount | Capital requirement ¹⁾ | Risk-weighted exposure amount | Capital requirement ¹⁾ |
| Exposures to institutions | 835 320 | 66 826 | 830 818 | 66 465 | 777 103 | 62 168 |
| Exposures to corporates | 268 325 | 21 466 | 412 282 | 32 983 | 409 681 | 32 774 |
| Retail exposures | 20 730 811 | 1 658 465 | 21 171 101 | 1 693 688 | 20 578 537 | 1 646 283 |
| Exposures in default | 3 274 504 | 261 960 | 3 095 205 | 247 616 | 2 879 829 | 230 386 |
| Exposures in the form of covered bonds | 78 519 | 6 282 | 90 122 | 7 210 | 99 526 | 7 962 |
| Equity exposures | 221 375 | 17 710 | 96 404 | 7 712 | 94 450 | 7 556 |
| Other items | 429 086 | 34 326 | 513 701 | 41 096 | 546 092 | 43 688 |
| Total credit risks | 25 837 940 | 2 067 035 | 26 209 633 | 2 096 770 | 25 385 218 | 2 030 817 |
| Credit valuation adjustment risk | 44 937 | 3 595 | 30 589 | 2 447 | 14 418 | 1 153 |
| Market risk | | | | | | |
| Currency risk | 0 | 0 | 0 | 0 | 0 | 0 |
| Operational risk | 4 849 713 | 387 977 | 4 849 713 | 387 977 | 5 552 748 | 444 220 |
| Total riskweighted exposure and total capital requirement | 30 732 590 | 2 458 607 | 31 089 935 | 2 487 194 | 30 952 384 | 2 476 190 |

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

In addition to the treatment of Pillar 1 risks above, 0.9 % (1.0) of the consolidated situation's risk-weighted assets are allocated for Pillar 2 requirements as at 30 June 2020.

Capital ratio and capital buffers

| | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2019 |
|--|-------------|-------------|-------------|
| Common Equity Tier 1 ratio, % | 14.3 | 13.6 | 13.1 |
| Tier 1 ratio, % | 15.3 | 14.6 | 13.1 |
| Total capital ratio, % | 16.7 | 16.3 | 15.0 |
| Common Equity Tier 1 capital requirement incl. buffer requirement, % | 7.2 | 9.0 | 8.6 |
| - of which, capital conservation buffer requirement, % | 2.5 | 2.5 | 2.5 |
| - of which, countercyclical buffer requirement, % | 0.2 | 2.0 | 1.6 |
| Common Equity Tier 1 capital available for use as buffer, % | 7.7 | 7.3 | 7.0 |

Leverage ratio

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

The consolidated situation currently only has a reporting requirement to the Swedish Financial Supervisory Authority, but will have a quantitative requirement of 3 per cent when the updates to CRR come into effect.

| SEK thousand | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2019 |
|-------------------------|-------------|-------------|-------------|
| Tier 1 capital | 4 698 054 | 4 522 959 | 4 049 544 |
| Leverage ratio exposure | 41 864 536 | 42 031 894 | 40 047 699 |
| Leverage ratio, % | 11.2 | 10.8 | 10.1 |

Comparison with and without transitional arrangements for IFRS 9

| SEK thousand | 30 Jun 2020 | 30 Jun 2019 |
|--|----------------|----------------|
| Available capital | | |
| Common Equity Tier 1 capital | 4 398 053 | 4 049 544 |
| Common Equity Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 4 160 935 | 3 761 614 |
| Tier 1 capital | 4 698 053 | 4 049 544 |
| Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 4 460 935 | 3 761 614 |
| Total capital | 5 137 558 | 4 638 789 |
| Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 4 900 440 | 4 350 859 |
| Risk-weighted assets | | |
| Total risk-weighted assets | 30 732 590 | 30 952 384 |
| Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 30 554 751 | 30 736 436 |
| Capital ratios | | |
| Common Equity Tier 1 (as a percentage of risk exposure amount) | 14,3 | 13,1 |
| Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 13,6 | 12,2 |
| Tier 1 capital (as a percentage of risk exposure amount) | 15,3 | 13,1 |
| Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 14,6 | 12,2 |
| Total capital (as a percentage of risk exposure amount) | 16,7 | 15,0 |
| Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 16,0 | 14,2 |
| Leverage ratio | | |
| Leverage ratio total exposure measure | 41 864 536 | 40 047 699 |
| Leverage ratio, % | 11,2 | 10,1 |
| Leverage ratio, %, as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 10,7 | 9,5 |

G4. Segment reporting

The CEO for Resurs Bank AB is the chief operating decision maker for the Group. Management has established segments based on the information that is dealt with by the Board of Directors and used as supporting information for allocating resources and evaluating results. The CEO assesses the performance of Payment Solutions and Consumer Loans.

The CEO evaluates segment development based on net operating income less credit losses, net. Segment reporting is based on the same principles as those used for the consolidated financial statements. Assets monitored by the CEO refer to Lending to the public.

| 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 |
| Total operating income | 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-Jun 2019 | | | |
|--|----------------------|-------------------|------------------|
| SEK thousand | Payment Solutions | Consumer Loans | Total Group |
| Interest income | 597 821 | 1 025 593 | 1 623 414 |
| Interest expense | -57 749 | -144 647 | -202 396 |
| Provision income | 165 700 | 55 302 | 221 002 |
| Provision expenses | -28 545 | | -28 545 |
| Net income/expense from financial transactions | -5 208 | -7 018 | -12 226 |
| Other operating income | 81 314 | 26 949 | 108 263 |
| Total operating income | 753 333 | 956 179 | 1 709 512 |
| <i>of which, internal</i> | | | 0 |
| Credit losses, net | -87 731 | -214 730 | -302 461 |
| Operating income less credit losses | 665 602 | 741 449 | 1 407 051 |

Jan-Dec 2019

| SEK thousand | Payment Solutions | Consumer Loans | Total Group |
|--|-------------------|------------------|------------------|
| Interest income | 1 200 330 | 2 103 849 | 3 304 179 |
| Interest expense | -115 791 | -300 977 | -416 768 |
| Provision income | 357 070 | 111 616 | 468 686 |
| Provision expenses | -60 442 | | -60 442 |
| Net income/expense from financial transactions | -17 842 | -23 504 | -41 346 |
| Other operating income | 168 096 | 55 441 | 223 537 |
| Total operating income | 1 531 421 | 1 946 425 | 3 477 846 |
| <i>of which, internal</i> | | | 0 |
| Credit losses, net | -212 520 | -456 934 | -669 454 |
| Operating income less credit losses | 1 318 901 | 1 489 491 | 2 808 392 |

Lending to the public

| SEK thousand | Payment Solutions | Consumer Loans | Total Group |
|--------------|-------------------|----------------|-------------|
| 30 Jun 2020 | 10 921 274 | 19 932 027 | 30 853 301 |
| 31 Dec 2019 | 11 425 811 | 19 918 976 | 31 344 787 |
| 30 Jun 2019 | 11 146 324 | 19 176 412 | 30 322 736 |

G5. Net interest income/expense

| SEK thousand | Jan-Jun 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|--|------------------|------------------|------------------|
| Interest income | | | |
| Lending to credit institutions | 446 | 1 646 | 2 334 |
| Lending to the public | 1 674 438 | 1 618 837 | 3 294 988 |
| Interest-bearing securities | 6 068 | 2 931 | 6 857 |
| Total interest income | 1 680 952 | 1 623 414 | 3 304 179 |
| Interest expense | | | |
| Liabilities to credit institutions | -2 134 | -3 817 | -8 157 |
| Deposits and borrowing from the public | -155 461 | -144 112 | -297 370 |
| Issued securities | -38 239 | -40 222 | -80 182 |
| Subordinated debt | -16 797 | -13 264 | -29 430 |
| Other liabilities | -577 | -981 | -1 629 |
| Total interest expense | -213 208 | -202 396 | -416 768 |
| Net interest income/expense | 1 467 744 | 1 421 018 | 2 887 411 |

G6. Other operating income

| SEK thousand | Jan-Jun 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|-------------------------------------|----------------|----------------|----------------|
| Other income, lending to the public | 82 480 | 85 607 | 174 787 |
| Other operating income | 22 284 | 22 657 | 48 750 |
| Total operating income | 104 764 | 108 264 | 223 537 |

G7. General administrative expenses

| SEK thousand | Jan-Jun 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|--|-----------------|-----------------|-------------------|
| Personnel expenses | -281 490 | -273 986 | -550 051 |
| Postage, communication and notification expenses | -65 359 | -63 778 | -132 061 |
| IT expenses | -103 301 | -85 640 | -176 261 |
| Cost of premises ¹⁾ | -9 686 | -9 152 | -19 097 |
| Consultant expenses | -28 737 | -31 755 | -61 601 |
| Other | -77 209 | -81 466 | -177 849 |
| Total general administrative expenses | -565 782 | -545 777 | -1 116 920 |

G8. Credit losses, net

| SEK thousand | Jan-Jun 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|--|-----------------|-----------------|-----------------|
| Provision of credit reserves | | | |
| Stage 1 | -42 231 | -4 406 | -3 746 |
| Stage 2 | -55 927 | -57 437 | -105 351 |
| Stage 3 | -174 724 | -23 763 | -150 186 |
| Total | -272 882 | -85 606 | -259 283 |
| Provision of credit reserves off balance (unutilised limit) | | | |
| Stage 1 | -5 919 | 667 | -2 272 |
| Stage 2 | 180 | -712 | 4 318 |
| Stage 3 | | | |
| Total | -5 739 | -45 | 2 046 |
| Write-offs of stated credit losses for the period | -217 874 | -225 500 | -437 791 |
| Recoveries of previously confirmed credit losses | 32 219 | 8 690 | 25 574 |
| Total | -185 655 | -216 810 | -412 217 |
| Credit losses | -464 276 | -302 461 | -669 454 |
| <i>off which lending to the public</i> | <i>-458 537</i> | <i>-302 416</i> | <i>-671 500</i> |

G9. Lending to the public

| SEK thousand | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2019 |
|---|-------------------|-------------------|-------------------|
| Retail sector | 33 594 040 | 33 751 565 | 32 612 297 |
| Corporate sector | 330 496 | 471 861 | 456 589 |
| Total lending to the public, gross | 33 924 536 | 34 223 426 | 33 068 886 |
| Stage 1 | 24 638 969 | 23 687 686 | 24 098 831 |
| Stage 2 | 3 706 266 | 5 259 501 | 4 013 796 |
| Stage 3 | 5 579 301 | 5 276 239 | 4 956 259 |
| Total lending to the public, gross | 33 924 536 | 34 223 426 | 33 068 886 |
| Less provision for anticipated credit losses | | | |
| Stage 1 | -210 853 | -174 603 | -178 143 |
| Stage 2 | -463 699 | -421 930 | -380 034 |
| Stage 3 | -2 396 683 | -2 282 106 | -2 187 974 |
| Total anticipated credit losses | -3 071 235 | -2 878 639 | -2 746 151 |
| Stage 1 | 24 428 116 | 23 513 083 | 23 920 688 |
| Stage 2 | 3 242 567 | 4 837 571 | 3 633 763 |
| Stage 3 | 3 182 618 | 2 994 133 | 2 768 285 |
| Total net lending to the public | 30 853 301 | 31 344 787 | 30 322 736 |

G10. Other provisions

| SEK thousand | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2019 |
|---|----------------|----------------|----------------|
| Reporting value at the beginning of the year | 19 818 | 22 462 | 22 462 |
| Provision made during the year | 5 770 | -2 248 | 63 |
| Exchange rate differences | -797 | -396 | 345 |
| Total | 24 791 | 19 818 | 22 870 |
| Provision of credit reserves, unutilised limit, Stage 1 | 17 575 | 11 925 | 9 323 |
| Provision of credit reserves, unutilised limit, Stage 2 | 1 430 | 1 719 | 6 933 |
| Other provisions | 5 786 | 6 174 | 6 614 |
| Reported value at the end of the year | 24 791 | 19 818 | 22 870 |

G11. Pledged assets, contingent liabilities and commitments

| SEK thousand | 30 jun 2020 | 31 dec 2019 | 30 jun 2019 |
|---|-------------------|-------------------|-------------------|
| Collateral pledged for own liabilities | | | |
| Lending to credit institutions | 161 850 | 161 910 | 217 093 |
| Lending to the public ¹⁾ | 3 560 800 | 3 556 373 | 3 599 858 |
| Restricted bank deposits ²⁾ | 32 273 | 30 887 | 34 021 |
| Total collateral pledged for own liabilities | 3 754 923 | 3 749 170 | 3 850 972 |
| Contingent liabilities | 0 | 0 | 0 |
| Other commitments | | | |
| Unutilised credit facilities granted | 26 664 798 | 27 546 215 | 28 407 930 |
| Total other commitments | 26 664 798 | 27 546 215 | 28 407 930 |

¹⁾ Refers to securitisation.

²⁾ As at 30 June 2020 SEK 30,032 thousand (27,366) 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. Cidron Semper S.A.R.L (Nordic Capital) had positions on the Board of Resurs Bank and was included in the Note Related-party transactions up to and including 2 October 2019.

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.

influence of NetOnNet AB, with which the Resurs Group conducted significant transactions during the period. Ellos Group AB was included in this category up to and including 30 June 2019. The table below includes transactions with Ellos Group AB until 30 June 2019. Cidron Semper S.A.R.L sold its holdings to Ellos Group AB at the start of July 2019. 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 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|---------------------------------|-----------------|-----------------|-----------------|
| Interest expense | -30 | -100 | -135 |
| Other operating income | 2 310 | 2 166 | 4 351 |
| General administrative expenses | -10 180 | -8 309 | -16 095 |

| SEK thousand | 30 jun 2020 | 31 dec 2019 | 30 jun 2019 |
|--|----------------|----------------|----------------|
| Other liabilities | -2 695 | -1 751 | -3 196 |
| Deposits and borrowing from the public | -187 808 | -200 808 | -135 673 |

Transactions with other Group Companies

| SEK thousand | Jan-Jun 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|---------------------------------|-----------------|-----------------|-----------------|
| Interest expense | -4 529 | -4 200 | -8 879 |
| Fee & commission income | 121 931 | 116 104 | 245 369 |
| Other operating income | 7 169 | 6 726 | 13 412 |
| General administrative expenses | -781 | -804 | -1 972 |

| SEK thousand | 30 jun 2020 | 31 dec 2019 | 30 jun 2019 |
|--|----------------|----------------|----------------|
| Other assets | 14 200 | 16 193 | 12 226 |
| Deposits and borrowing from the public | -265 | -238 442 | -186 607 |
| Other liabilities | -9 255 | -19 894 | -19 378 |
| Subordinated debt | -200 000 | -200 000 | -200 000 |

Transactions with other companies with significant influence

| SEK thousand | Jan-Jun 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|---|-----------------|-----------------|-----------------|
| Processing fees | -31 031 | -219 979 | -256 616 |
| Interest expense – deposits and borrowing from the public | -218 | -2 506 | -4 956 |
| Fee & commission income | | 18 525 | 18 525 |
| General administrative expenses | -720 | -13 091 | -13 845 |

| SEK thousand | 30 jun 2020 | 31 dec 2019 | 30 jun 2019 |
|--|----------------|----------------|----------------|
| Lending to public | 14 | 26 | 96 |
| Other assets | | | 3 072 |
| Deposits and borrowing from the public | -185 447 | -207 362 | -768 816 |
| Other liabilities | -12 250 | -15 542 | -81 032 |

Transactions with key persons

| SEK thousand | Jan-Jun 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|---|-----------------|-----------------|-----------------|
| Interest expense – deposits and borrowing from the public | -24 | -50 | -87 |

| SEK thousand | 30 jun 2020 | 31 dec 2019 | 30 jun 2019 |
|--|----------------|----------------|----------------|
| Lending to public | 23 | 68 | 130 |
| Deposits and borrowing from the public | -7 835 | -11 907 | -12 152 |

G13. Financial instruments

| SEK thousand | 30 Jun 2020 | | 31 Dec 2019 | | 30 Jun 2019 | |
|---|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| Assets | | | | | | |
| Financial assets | | | | | | |
| Cash and balances at central banks | 215 493 | 215 493 | 220 799 | 220 799 | 98 571 | 98 571 |
| Treasury and other bills eligible for refinancing | 2 246 182 | 2 246 182 | 1 712 900 | 1 712 900 | 1 031 155 | 1 031 155 |
| Lending to credit institutions | 4 076 821 | 4 076 821 | 4 037 487 | 4 037 487 | 3 798 372 | 3 798 372 |
| Lending to the public | 30 853 301 | 31 306 997 | 31 344 787 | 31 900 633 | 30 322 736 | 30 878 334 |
| Bonds and other interest-bearing securities | 785 978 | 785 978 | 902 120 | 902 120 | 996 256 | 996 256 |
| Shares and participating interests | 17 392 | 17 392 | 17 421 | 17 421 | 15 412 | 15 412 |
| Derivatives | 174 925 | 174 925 | 110 707 | 110 707 | 9 965 | 9 965 |
| Other assets | 44 591 | 44 591 | 48 605 | 48 605 | 27 721 | 27 721 |
| Accrued income | 133 987 | 133 987 | 168 623 | 168 623 | 213 251 | 213 251 |
| Total financial assets | 38 548 670 | 39 002 366 | 38 563 449 | 39 119 295 | 36 513 439 | 37 069 037 |
| Intangible fixed assets | 1 904 064 | | 2 020 278 | | 2 044 423 | |
| Tangible assets | 119 458 | | 122 471 | | 140 431 | |
| Other non-financial assets | 118 533 | | 101 116 | | 154 453 | |
| Total assets | 40 690 725 | | 40 807 314 | | 38 852 746 | |

| SEK thousand | 30 Jun 2020 | | 31 Dec 2019 | | 30 Jun 2019 | |
|--|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| Liabilities | | | | | | |
| Financial liabilities | | | | | | |
| Liabilities to credit institutions | 159 100 | 159 100 | 94 900 | 94 900 | | |
| Deposits and borrowing from the public | 24 593 339 | 24 592 341 | 24 848 282 | 24 848 813 | 23 287 053 | 23 288 015 |
| Derivatives | 9 177 | 9 177 | 24 567 | 24 567 | 80 419 | 80 419 |
| Other liabilities | 417 670 | 417 670 | 508 143 | 508 143 | 517 574 | 517 574 |
| Accrued expenses | 244 230 | 244 230 | 162 636 | 162 636 | 248 257 | 248 257 |
| Issued securities | 7 436 727 | 7 457 568 | 7 672 347 | 7 714 123 | 7 626 178 | 7 676 000 |
| Subordinated debt | 798 294 | 769 701 | 797 890 | 814 404 | 797 482 | 809 579 |
| Total financial liabilities | 33 658 537 | 33 649 787 | 34 108 765 | 34 167 586 | 32 556 963 | 32 619 844 |
| Provisions | 24 791 | | 19 818 | | 22 870 | |
| Other non-financial liabilities | 257 048 | | 311 091 | | 281 080 | |
| Equity | 6 750 349 | | 6 367 640 | | 5 991 833 | |
| Total equity and liabilities | 40 690 725 | | 40 807 314 | | 38 852 746 | |

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

| TSEK | 30 jun 2020 | | | 31 dec 2019 | | | 30 jun 2019 | | |
|--|------------------|----------------|---------------|------------------|----------------|---------------|------------------|----------------|---------------|
| | Nivå 1 | Nivå 2 | Nivå 3 | Nivå 1 | Nivå 2 | Nivå 3 | Nivå 1 | Nivå 2 | Nivå 3 |
| Financial assets at fair value through profit or loss: | | | | | | | | | |
| Treasury and other bills eligible for refinancing | 2 246 182 | | | 1 712 900 | | | 1 031 155 | | |
| Bonds and other interest-bearing securities | 785 978 | | | 902 120 | | | 996 256 | | |
| Shares and participating interests | | | 17 392 | | | 17 421 | | | 15 412 |
| Derivatives | | 174 925 | | | 110 707 | | | 9 965 | |
| Total | 3 032 160 | 174 925 | 17 392 | 2 615 020 | 110 707 | 17 421 | 2 027 411 | 9 965 | 15 412 |
| Financial liabilities at fair value through profit or loss: | | | | | | | | | |
| Derivatives | | -9 177 | | | -24 567 | | | -80 419 | |
| Total | 0 | -9 177 | 0 | 0 | -24 567 | 0 | 0 | -80 419 | 0 |

Changes in level 3

| SEK thousand | Jan-Jun 2020 | Jan-Dec 2019 | Jan-Jun 2019 |
|---|---------------|---------------|---------------|
| Shares and participating interests | | | |
| Opening balance | 17 421 | 1 002 | 1 002 |
| Investments during the period | | 16 966 | 14 848 |
| Disposal | | -514 | -514 |
| Exchange-rate fluctuations | -29 | -33 | 76 |
| Closing balance | 17 392 | 17 421 | 15 412 |

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 30 June 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 175 million (111) while liabilities total SEK 9 million (25). Collateral corresponding to SEK 0 million (0) was provided and received SEK 159 million (95), that had a net effect of SEK 0 million (0) and liabilities to credit institutions total SEK 159 million (95).

Definitions

C/I before credit losses, % ¹⁾

Expenses before credit losses in relation to operating income.

Capital base ²⁾

The sum of Tier 1 capital and Tier 2 capital.

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.

Core tier 1 ratio ²⁾

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

Credit loss ratio, % ¹⁾

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

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

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

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.

NIM, % ¹⁾

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

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

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

Risk adjusted NBI-margin, % ¹⁾

NBI-margin adjusted for credit loss ratio.

Tier 1 capital ²⁾

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

Tier 2 capital ²⁾

Tier 2 capital comprises dated or perpetual subordinated loans.

Total capital ratio, % ²⁾

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

¹⁾ Alternative performance measures 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 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|---|------------------|------------------|-------------------|
| Interest income | 1 680 506 | 1 621 768 | 3 301 845 |
| Lease income | 3 998 | 10 168 | 16 252 |
| Interest expense | -212 705 | -201 733 | -415 535 |
| Fee & commission income | 213 367 | 221 002 | 468 686 |
| Fee & commission expense | -30 087 | -28 545 | -60 442 |
| Net income/expense from financial transactions | -6 286 | -12 226 | -41 346 |
| Other operating income | 104 770 | 108 270 | 223 549 |
| Total operating income | 1 753 563 | 1 718 704 | 3 493 009 |
| General administrative expenses | -594 686 | -585 723 | -1 196 995 |
| Depreciation, amortisation and impairment of intangible and tangible fixed assets | -68 059 | -76 399 | -148 347 |
| Other operating expenses | -52 653 | -86 496 | -149 361 |
| Total expenses before credit losses | -715 398 | -748 618 | -1 494 703 |
| Earnings before credit losses | 1 038 165 | 970 086 | 1 998 306 |
| Credit losses, net | -464 445 | -302 607 | -669 662 |
| Operating profit/loss | 573 720 | 667 479 | 1 328 644 |
| Income tax expense | -135 042 | -161 303 | -316 254 |
| Net profit for the period | 438 678 | 506 176 | 1 012 390 |
| Attributable to Resurs Bank AB shareholders | 438 678 | 506 176 | 1 012 390 |

Statement of comprehensive income

| SEK thousand | Jan-Jun 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|---|-----------------|-----------------|------------------|
| Net profit for the period | 438 678 | 506 176 | 1 012 390 |
| Other comprehensive income that will be reclassified to profit/loss | | | |
| Translation differences for the period, foreign operations | -88 713 | 62 786 | 32 925 |
| Comprehensive income for the period | 349 965 | 568 962 | 1 045 315 |
| Attributable to Resurs Bank AB shareholders | 349 965 | 568 962 | 1 045 315 |

Balance sheet

| SEK thousand | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2019 |
|--|-------------------|-------------------|-------------------|
| Assets | | | |
| Cash and balances at central banks | 215 493 | 220 799 | 98 571 |
| Treasury and other bills eligible for refinancing | 2 246 182 | 1 712 900 | 1 031 155 |
| Lending to credit institutions | 3 938 414 | 3 894 680 | 3 656 228 |
| Lending to the public | 30 913 387 | 31 399 252 | 30 369 780 |
| Bonds and other interest-bearing securities | 785 978 | 902 120 | 996 256 |
| Shares and participating interests | 17 392 | 17 421 | 15 412 |
| Shares and participating interests, in Group companies | 50 099 | 50 099 | 50 099 |
| Intangible fixed assets | 1 422 351 | 1 572 416 | 1 661 293 |
| Tangible assets | 55 113 | 57 612 | 73 036 |
| Other assets | 280 787 | 192 086 | 125 349 |
| Prepaid expenses and accrued income | 196 208 | 242 035 | 284 934 |
| TOTAL ASSETS | 40 121 404 | 40 261 420 | 38 362 113 |
| Liabilities, provisions and equity | | | |
| Liabilities and provisions | | | |
| Liabilities to credit institutions | 159 100 | 94 900 | |
| Deposits and borrowing from the public | 24 594 912 | 24 849 862 | 23 287 053 |
| Other liabilities | 3 375 285 | 3 530 916 | 3 558 654 |
| Accrued expenses and deferred income | 277 809 | 191 157 | 281 947 |
| Other provisions | 24 791 | 19 818 | 22 870 |
| Issued securities | 4 536 727 | 4 772 356 | 4 725 939 |
| Subordinated debt | 798 294 | 797 890 | 797 482 |
| Total liabilities and provisions | 33 766 918 | 34 256 899 | 32 673 945 |
| 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 | -21 240 | 67 473 | 97 334 |
| Retained earnings | 5 208 208 | 4 195 818 | 4 355 818 |
| Net profit for the year | 438 678 | 1 012 390 | 506 176 |
| Total equity | 6 138 146 | 5 788 181 | 5 471 828 |
| TOTAL LIABILITIES, PROVISIONS AND EQUITY | 40 121 404 | 40 261 420 | 38 362 113 |

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

Statement of changes in equity

| SEK thousand | Share capital | Share premium reserve | Translation reserve | Retained earnings | Profit/loss for the year | Total equity |
|--|----------------|-----------------------|---------------------|-------------------|--------------------------|------------------|
| Initial equity at 1 January 2019 | 500 000 | 12 500 | 34 548 | 3 724 778 | 961 040 | 5 232 866 |
| <i>Owner transactions</i> | | | | | | |
| Dividends paid according to General Meeting | | | | -330 000 | | -330 000 |
| Appropriation of profits according to resolution by Annual General Meeting | | | | 961 040 | -961 040 | 0 |
| Net profit for the period | | | | | 506 176 | 506 176 |
| Other comprehensive income for the period | | | 62 786 | | | 62 786 |
| Equity at 30 June 2019 | 500 000 | 12 500 | 97 334 | 4 355 818 | 506 176 | 5 471 828 |
| Initial equity at 1 January 2019 | 500 000 | 12 500 | 34 548 | 3 724 778 | 961 040 | 5 232 866 |
| <i>Owner transactions</i> | | | | | | |
| Unconditional shareholder's contributions | | | | 200 000 | | 200 000 |
| Dividends paid according to General Meeting | | | | -330 000 | | -330 000 |
| Dividends according to Extraordinary General Meeting | | | | -360 000 | | -360 000 |
| Appropriation of profits according to resolution by Annual General Meeting | | | | 961 040 | -961 040 | 0 |
| Net profit for the year | | | | | 1 012 390 | 1 012 390 |
| Other comprehensive income for the year | | | 32 925 | | | 32 925 |
| Equity at 31 December 2019 | 500 000 | 12 500 | 67 473 | 4 195 818 | 1 012 390 | 5 788 181 |
| Initial equity at 1 January 2020 | 500 000 | 12 500 | 67 473 | 4 195 818 | 1 012 390 | 5 788 181 |
| 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 period | | | -88 713 | | | -88 713 |
| Equity at 30 June 2020 | 500 000 | 12 500 | -21 240 | 5 208 208 | 438 678 | 6 138 146 |

Cash flow statement (indirect method)

| SEK thousand | Jan-Jun 2020 | Jan-Jun 2019 | Jan-Dec 2019 |
|---|------------------|------------------|------------------|
| Operating activities | | | |
| Operating profit | 573 720 | 1 328 644 | 667 479 |
| - of which, interest received | 1 683 069 | 3 297 817 | 1 619 364 |
| - of which, interest paid | -137 756 | -391 254 | -98 572 |
| Adjustments for non-cash items in operating profit | 623 013 | 909 991 | 593 427 |
| Tax paid | -205 175 | -274 908 | -206 325 |
| Cash flow from operating activities before changes in operating assets and liabilities | 991 558 | 1 963 727 | 1 054 581 |
| Changes in operating assets and liabilities | | | |
| Lending to the public | -725 828 | -3 707 548 | -1 929 956 |
| Other assets | 213 497 | -120 933 | -228 758 |
| Liabilities to credit institutions | 64 200 | -55 000 | -149 900 |
| Deposits and borrowing from the public | 359 376 | 3 709 096 | 1 957 429 |
| Acquisition of investment assets ¹⁾ | -2 604 391 | -3 071 594 | -1 432 752 |
| Divestment of investment assets ¹⁾ | 2 148 192 | 2 291 170 | 1 260 843 |
| Other liabilities | -71 728 | -110 910 | -103 364 |
| Cash flow from operating activities | 374 876 | 898 008 | 428 123 |
| Investing activities | | | |
| Acquisition of intangible and tangible fixed assets | -18 027 | -31 492 | -26 470 |
| Divestment of intangible and tangible fixed assets | 3 428 | 8 302 | 3 300 |
| Cash flow from investing activities | -14 599 | -23 190 | -23 170 |
| Financing activities | | | |
| Dividends paid | | -690 000 | -330 000 |
| Shareholder's contributions | | 200 000 | |
| Issued securities | -237 050 | -213 887 | -272 340 |
| Subordinated debt | | 298 950 | 298 950 |
| Cash flow from financing activities | -237 050 | -404 937 | -303 390 |
| Cash flow for the year | 123 227 | 469 881 | 101 563 |
| Cash & cash equivalents at beginning of the year ²⁾ | 4 115 479 | 3 602 228 | 3 602 228 |
| Cash & cash equivalents taken over by merger | | | |
| Exchange rate differences | -84 798 | 43 370 | 51 008 |
| Cash & cash equivalents at end of the year ²⁾ | 4 153 907 | 4 115 479 | 3 754 799 |
| Adjustment for non-cash items in operating profit | | | |
| Credit losses | 464 445 | 669 662 | 302 607 |
| Depreciation, amortisation and impairment of intangible and tangible fixed assets | 68 059 | 148 347 | 76 399 |
| Profit/loss tangible assets | -227 | -270 | -66 |
| Profit/loss on investment assets | 1 547 | -2 289 | -6 819 |
| Change in provisions | 5 860 | -3 086 | -391 |
| Adjustment to interest paid/received | 76 339 | 29 145 | 104 987 |
| Currency effects | 5 162 | 65 266 | 115 104 |
| Other items that do not affect liquidity | 1 827 | 3 216 | 1 606 |
| Sum non-cash items in operating profit | 623 013 | 909 991 | 593 427 |

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 24,593 million (24,850), whereof in Sweden SEK 11,496 million (11,594), in Norway SEK 6,092 million (6,601) and in Germany SEK 7,006 million (6,655). The lending to the public/deposits from the public ratio is 126 per cent (126 per cent).

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 9,000 million (8,000). Within the programme, Resurs Bank has been working successfully to issue bonds on a regular basis and sees itself as an established issuer on the market. Resurs Bank has primarily issued bonds in Sweden but also in Norway. The programme has ten outstanding issues at a nominal amount of SEK 5,250 million (4,450). 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 SEK 200 million (200).

In May 2019, Resurs Bank was awarded BBB-with stable prospects of the rating company Nordic Credit Rating. 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. The acquisition of loan receivables by Resurs Consumer Loans was financed by an international financial institution. In June 2019, an agreement was signed to extend the existing financing and Resurs Bank has for a period of 18 months (revolving period) the right to continue sale of certain additional loan receivables to Resurs Consumer Loans. At 30 June 2020 a total of approximately SEK 3.6 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 2.9 billion (2.9) 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 1,300 million. Apart from the liquidity reserve, there is an intraday liquidity requirement of at least 4 per cent of deposits from the public, or a minimum SEK 700 million. There are also other liquidity requirements regulating and controlling the business.

The liquidity reserve, totalling SEK 1,870 million (1,918), 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 5,319 million (4,815). Accordingly, total liquidity amounted to SEK 7,189 million (6,733). 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 2019 the ratio for the consolidated situation is 310 per cent (264 per cent). For the period January to June 2019, the average LCR measures 270 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 2020 | 31 Dec 2019 | 30 Jun 2019 |
|--|------------------|------------------|------------------|
| Liquidity reserve as per FFFS 2010:7 definition | | | |
| Securities issued by sovereigns | 181 397 | 184 378 | 128 723 |
| Securities issued by municipalities | 901 637 | 830 219 | 760 872 |
| Lending to credit institutions | | | 45 000 |
| Bonds and other interest-bearing securities | 786 774 | 903 264 | 997 073 |
| Summary Liquidity reserve as per FFFS 2010:7 | 1 869 808 | 1 917 861 | 1 931 668 |
| Other liquidity portfolio | | | |
| Cash and balances at central banks | 215 493 | 220 799 | 98 571 |
| Securities issued by municipalities | 199 990 | 699 902 | 143 131 |
| Lending to credit institutions | 3 938 414 | 3 894 680 | 3 611 228 |
| Bonds and other interest-bearing securities | 964 926 | | |
| Total other liquidity portfolio | 5 318 823 | 4 815 381 | 3 852 930 |
| Total liquidity portfolio | 7 188 631 | 6 733 242 | 5 784 598 |
| Other liquidity-creating measures | | | |
| Unutilised credit facilities | 47 975 | 52 895 | 54 465 |

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

30/06/2020

| SEK thousand | TOT | SEK | EUR | DKK | NOK |
|--|------------------|------------------|----------------|---------------|----------------|
| Level 1 assets | | | | | |
| Cash and balances with central banks | 185 461 | | 125 577 | | 59 884 |
| Securities or guaranteed by sovereigns, central banks, MDBs and international org. | 181 397 | | 120 751 | 30 383 | 30 263 |
| Securities issued by municipalities and PSEs | 2 066 552 | 1 741 549 | 76 743 | | 248 260 |
| Extremely high quality covered bonds | 280 388 | | 198 804 | | 81 584 |
| Level 2 assets | | | | | |
| High quality covered bonds | 506 386 | 427 788 | | | 78 598 |
| Total liquid assets | 3 220 184 | 2 169 337 | 521 875 | 30 383 | 498 589 |

31/12/2019

| SEK thousand | TOT | SEK | EUR | DKK | NOK |
|--|------------------|------------------|----------------|---------------|----------------|
| Level 1 assets | | | | | |
| Cash and balances with central banks | 193 433 | | 127 548 | | 65 885 |
| Securities or guaranteed by sovereigns, central banks, MDBs and international org. | 184 378 | | 120 318 | 30 211 | 33 849 |
| Securities issued by municipalities and PSEs | 1 530 121 | 1 273 617 | 76 652 | | 179 852 |
| Extremely high quality covered bonds | 374 185 | | 196 880 | | 177 305 |
| Level 2 assets | | | | | |
| High quality covered bonds | 529 079 | 529 079 | | | |
| Total liquid assets | 2 811 196 | 1 802 696 | 521 398 | 30 211 | 456 891 |

Additional information on the Group's management of liquidity risks is available in the Group's 2019 Annual report.

| SEK thousand | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2019 |
|------------------------------|------------------|------------------|------------------|
| Total liquid assets | 3 220 184 | 2 811 196 | 1 933 952 |
| Net liquidity outflow | 1 007 559 | 1 025 759 | 985 249 |
| LCR measure | 310% | 264% | 186% |

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 (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. Due to the outbreak of COVID-19, the Swedish Financial Supervisory Authority and the equivalent authority in other countries lowered the countercyclical capital buffer. For Swedish exposures, this means a reduction from 2.5 per cent of risk-weighted assets to 0.0 per cent, for Norwegian exposures a reduction of 2.5 per cent to 1.0 per cent and for Danish exposures a reduction from 1.0 per cent to 0.0 per cent. The Finnish buffer remains at 0.0 per cent. 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 from 20 September 2019 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 2020 | 31 Dec 2019 | 30 Jun 2019 |
|--|------------------|------------------|------------------|
| Tier 1 capital | | | |
| Equity | 6 138 146 | 5 788 181 | 5 471 828 |
| Proposed dividend | | -375 000 | -360 000 |
| Predicted dividend ¹⁾ | -623 720 | | |
| Untaxed reserves (78% thereof) | 168 745 | 168 745 | 168 745 |
| Equity | 5 683 171 | 5 581 926 | 5 280 573 |
| <i>Adjustments according to transition rules IFRS 9:</i> | | | |
| Initial revaluation effect | 237 119 | 287 930 | 287 930 |
| Less: | | | |
| Additional value adjustments | -3 224 | -2 743 | -2 053 |
| Intangible assets | -1 422 351 | -1 572 416 | -1 661 293 |
| Total Common Equity Tier 1 capital | 4 494 715 | 4 294 697 | 3 905 157 |
| Total Tier 1 capital | 4 494 715 | 4 294 697 | 3 905 157 |
| Tier 2 capital | | | |
| Dated subordinated loans | 631 591 | 651 121 | 670 866 |
| Total Tier 2 capital | 631 591 | 651 121 | 670 866 |
| Total capital base | 5 126 306 | 4 945 818 | 4 576 023 |

¹⁾ Of which SEK 375 million refers to predictable dividend for earnings from the 2019 financial year.

Capital requirement

| SEK thousand | 30 Jun 2020 | | 31 Dec 2019 | | 30 Jun 2019 | |
|--|------------------------|-----------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | Risk-weighted exposure | Capital requirement ¹⁾ | Risk-weighted exposure | Capital requirement ¹⁾ | Risk-weighted exposure | Capital requirement ¹⁾ |
| Exposures to institutions | 804 166 | 64 333 | 797 499 | 63 800 | 746 177 | 59 694 |
| Exposures to corporates | 340 175 | 27 214 | 484 192 | 38 735 | 483 374 | 38 670 |
| Retail exposures | 20 730 811 | 1 658 465 | 21 171 101 | 1 693 688 | 20 578 537 | 1 646 283 |
| Exposures in default | 3 274 504 | 261 960 | 3 095 205 | 247 616 | 2 879 829 | 230 386 |
| Exposures in the form of covered bonds | 78 519 | 6 282 | 90 122 | 7 210 | 99 526 | 7 962 |
| Equity exposures | 67 474 | 5 398 | 67 503 | 5 400 | 65 496 | 5 240 |
| Other items | 345 614 | 27 649 | 363 776 | 29 102 | 455 000 | 36 400 |
| Total credit risks | 25 641 263 | 2 051 301 | 26 069 398 | 2 085 551 | 25 307 939 | 2 024 635 |
| Credit valuation adjustment risk | 44 937 | 3 595 | 30 589 | 2 447 | 14 418 | 1 153 |
| Market risk | | | | | | |
| Currency risk | 0 | 0 | 0 | 0 | 0 | 0 |
| Operational risk | 4 849 713 | 387 977 | 4 849 713 | 387 977 | 5 552 748 | 444 220 |
| Total riskweighted exposure and total capital requirement | 30 535 913 | 2 442 873 | 30 949 700 | 2 475 975 | 30 875 105 | 2 470 008 |

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

In addition to the treatment of Pillar 1 risks above, 0.9 per cent (1.0) of the consolidated situation's risk-weighted assets are allocated for Pillar 2 requirements as at 30 June 2020.

Capital ratio and capital buffers

| | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2019 |
|--|----------------|----------------|----------------|
| Common Equity Tier 1 ratio, % | 14,7 | 13,9 | 12,7 |
| Tier 1 ratio, % | 14,7 | 13,9 | 12,7 |
| Total capital ratio, % | 16,8 | 16,0 | 14,8 |
| Common Equity Tier 1 capital requirement incl. buffer requirement, % | 7,2 | 9,0 | 8,6 |
| - of which, capital conservation buffer requirement, % | 2,5 | 2,5 | 2,5 |
| - of which, countercyclical buffer requirement, % | 0,2 | 2,0 | 1,6 |
| Common Equity Tier 1 capital available for use as buffer, % | 8,7 | 7,9 | 6,7 |

Leverage ratio

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

The bank currently has a reporting requirement to the Swedish Financial Supervisory Authority, but will have a quantitative requirement of 3 per cent in 2021 when the updates to CRR come into effect.

| SEK thousand | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2019 |
|-------------------------|----------------|----------------|----------------|
| Tier 1 capital | 4 494 715 | 4 294 697 | 3 905 157 |
| Leverage ratio exposure | 41 666 997 | 41 806 849 | 39 895 020 |
| Leverage ratio, % | 10,8 | 10,3 | 9,8 |

Comparison with and without transitional arrangements for IFRS 9

| SEK thousand | 30 Jun 2020 | 30 Jun 2019 |
|--|----------------|----------------|
| Available capital | | |
| Common Equity Tier 1 capital | 4 494 715 | 3 905 157 |
| Common Equity Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 4 257 596 | 3 617 227 |
| Tier 1 capital | 4 494 715 | 3 905 157 |
| Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 4 257 596 | 3 617 227 |
| Total capital | 5 126 306 | 4 576 023 |
| Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 4 889 186 | 4 288 094 |
| Risk-weighted assets | | |
| Total risk-weighted assets | 30 535 914 | 30 875 105 |
| Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 30 358 075 | 30 659 156 |
| Capital ratios | | |
| Common Equity Tier 1 (as a percentage of risk exposure amount) | 14,7 | 12,6 |
| Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 14,0 | 11,8 |
| Tier 1 capital (as a percentage of risk exposure amount) | 14,7 | 12,6 |
| Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 14,0 | 11,8 |
| Total capital (as a percentage of risk exposure amount) | 16,8 | 14,8 |
| Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 16,1 | 14,0 |
| Leverage ratio | | |
| Leverage ratio total exposure measure | 41 666 997 | 39 895 020 |
| Leverage ratio, % | 10,8 | 9,8 |
| Leverage ratio, %, as if IFRS 9 or analogous ECLs transitional arrangements had not been applied | 10,3 | 9,1 |

P4. Pledged assets, contingent liabilities and commitments

| SEK thousand | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2019 |
|---|-------------------|-------------------|-------------------|
| Collateral pledged for own liabilities | | | |
| Lending to credit institutions | 90 000 | 90 000 | 143 400 |
| Lending to the public ¹⁾ | 3 560 800 | 3 556 373 | 3 599 858 |
| Restricted bank deposits ²⁾ | 32 273 | 30 887 | 34 021 |
| Total collateral pledged for own liabilities | 3 683 073 | 3 677 260 | 3 777 278 |
| Contingent liabilities | 0 | 0 | 0 |
| Other commitments | | | |
| Unutilised credit facilities granted | 26 664 798 | 27 546 215 | 28 407 930 |
| Total Other commitments | 26 664 798 | 27 546 215 | 28 407 930 |

¹⁾ Refers to securitisation.

²⁾ As of 30 June 2020, SEK 30,032 thousand (27,366) refers mainly to a reserve requirement account at Finlands Bank.

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