

Year-end report

January–December 2021

Second half of the year

July–December

Significant events

- Nordic Leisure Travel Group choose Resurs's e-commerce solution for continued focus on Nordic market
- Resurs to strengthen sustainability activities and launch Resurs Society
- Resurs dissolves the extra credit provision of SEK 75 million
- Resurs Bank invests in the Nordic region's first cloud-based banking platform that meets the needs of the customers of tomorrow

+8%

Lending growth vs LY

1.7%

Credit loss ratio

BBB

Credit rating from Nordic Credit Rating
(April 2021)

16.3%

Total capital ratio
(Regulatory requirement 12.0%)



“Yet another year in the wake of the pandemic has passed and we can summarise not only an eventful 2021 in general for Resurs but also a second half-year featuring increased growth in lending and a favourable sales trend in all markets.

Nils Carlsson, CEO Resurs Bank AB

January–December 2021

Year-end report 2021

1 July–31 December 2021*

Lending to the public rose 8% to SEK 33,347 million, up 6% in constant currencies.

Operating income fell 8% to SEK 1,529 million

C/I before credit losses was 41.4% (42.2%)

The credit loss ratio improved to 1.7% (2.5%)

Operating profit increased 10% to SEK 626 million

1 January–31 December 2021*

Lending to the public rose 8% to SEK 33,347 million, up 6% in constant currencies.

Operating income fell 9% to SEK 3,086 million

C/I before credit losses was 41.3% (40.1%)

The credit loss ratio improved to 2.0% (2.7%)

Operating profit declined 2% to SEK 1,167 million

* Certain performance measures provided in this section have not been prepared in accordance with IFRS or the capital adequacy rules, meaning that they are alternative performance measures. Calculations and reconciliation of these performance measures against information in the financial statements are provided on the website under "Financial information." Definitions of performance measures are provided on page 31. In this section, changes and comparative figures refer to the same period in the preceding year. This applies to all other sections of text in this interim report, profit/loss items and cash flow that are compared with the same period in the preceding year. The exception is for financial position for which the comparative figure refers to 31 December 2020.

Resurs Society

Resurs is a part of society, and influences it. With this, comes responsibility. As part of raising the company's ambitions as a partner of society and maintaining a rapid pace in its sustainability activities, Resurs Society was launched in the third quarter, which will include starting the following initiatives:

- Educational activities aimed at young people and first-time borrowers;
- Online financial training for customers to learn more about taking out loans or purchasing products on repayment plans;
- Developed support for consumers who have payment difficulties;
- 50% reduction in direct climate impact by 2030 as well as starting to climate compensate from 2022 for Resurs's expected impact and ensuring that our direct impact from our operations is climate-neutral.

Our partners

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



Statement by the CEO

2021 was the beginning of a historic transformation journey for Resurs

The start of a historic transformation journey. We can summarise not only an eventful 2021 in general for Resurs but also a second half-year featuring increased growth in lending and a favourable sales trend in all markets. The launch of our partnership with digital travel giant Nordic Leisure Travel Group AB was begun in the second half of the year. This means that brands such as Ving and Tjäreborg can offer their customers the opportunity to pay both by invoice and by installment now that the travel industry is picking up again. Black Week, which generated more sales for us than ever before, also contributed to an increase in sales across the Nordics.

We launched the Resurs Consumer Report 2021 in the second half of the year. It is based on a Nordic consumer survey carried out by Kantar Sifo and describes how consumers perceive and make use of consumer loans and credits in the form of installment plans and purchases by invoice. The report showed that consumer loans are more used for long-term investments that raise the quality of life than for short-term consumption, which is confirmation that responsible credit lending, which is at the heart of our business, plays a decisive and important role for the individual and the sustainable society at large.

8%

Growth in lending year-on-year

Continuing growth in all markets. We saw healthy growth in both of our segments in the second half of the year and the loan portfolio increased a total of 8 per cent to SEK 33.3 billion. The loan portfolio has increased 7 per cent since 30 June 2021 and we noted positive growth in all of our geographic markets. This was gratifying confirmation that our focused efforts together with the easing of the pandemic restrictions have generated positive results.

Operating income for the second half of the year declined 8 per cent year-on-year to SEK 1,529 million. The relatively lower income was mainly due to lower lending and margin in Norway, lower interest income in Denmark, and mix effects in Payment Solutions. Income for the second half of the year was also negatively impacted by two large items totalling SEK 17 million related to remuneration to a major partner as a result of a correction of past profit sharing and a

higher fee to the Swedish National Debt Office for the 2021 deposit insurance scheme.

Expenses excluding nonrecurring effects were 2.5 per cent lower than last year, and the C/I ratio increased as a result of lower income. Enhancing operational efficiency and thus reducing the C/I ratio is an important part of the ongoing transformation journey.

Credit losses improved as a result of healthy underlying credit quality in the loan portfolio and during the second half of the year the Board decided to dissolve the extra credit provision of SEK 75 million that was made at the start of the pandemic. As we previously announced, we did not note any negative trend in customers' payment patterns. On the contrary, credit quality improved. In total, operating profit increased 10 per cent year-on-year, and excluding nonrecurring effects last year, operating profit fell 13 per cent as a result of lower income.

1.7%

Credit loss ratio including dissolution of extra credit provision that took place in September 2021

Focusing on sustainable partnerships and growth. In Payment Solutions we noted a positive sales trend since an increasing number of industries and countries have recovered after the pandemic lockdowns. Black Week, which generated more sales than ever before, also contributed to an increase in sales across the Nordics. We can see that certain industries and our larger partners are continuing to perform very strongly, which negatively impacts our margin trend.

During the second half of the year, we initiated a partnership with Albie, which provides customers with charging boxes at a fixed package price for charging electric and hybrid cars at home. This is an important example of how we are providing opportunities for more people to make bigger and climate-smart purchases and dividing the cost over time so that it suits their private finances.



Albie selected Resurs as its partner so that it could use our competitive payment solutions to offer its customers more payment options and thus better service from the very beginning.

Growth in Consumer Loans also remained positive in all markets. The growth in lending in the Norwegian market stabilised and increased in the second half of the year. The trend of a large share of customers in Norway ending their loans in advance has started to turn yet remains a high level. We will also launch loans with collateral at the end of the second half of the year, known as priority loans, up to a maximum of KNOK 600.

+8%

Growth in lending in Norway since
mid-year 2021.

In January 2022, Resurs received a decision from the Danish Financial Supervisory Authority that entailed a correction to the process for collecting data for the "left to live on" calculation. The decision is expected to impact new lending in Denmark, particularly in the first quarter before the new process becomes more automated. Resurs does not share the Financial Supervisory Authority's assessment and intends to appeal the decision.

First in the Nordic with cloud-based banking platform. We took an important first step in replacing our core banking system and signed an agreement with the global cloud platform provider Intellect Design Arena. The new platform gives us the strength and prerequisites to provide customers and partners with state-of-the-art services, interfaces and products. Our investment will amount to about SEK 500 million and the development process for integrating the cloud-based banking platform will begin now and is planned to be gradually introduced over the next few years.

The implementation will take place country by country and the plan is for Norway to be the first market to receive the new banking system. The next step is initiating the development process ahead of the Norwegian implementation. As previously announced, the investment will mainly be capitalised in the balance sheet, which means that the earnings effect is limited to the implementation phase, after which the net effects will be positive. However, cash flow will be impacted on an ongoing basis.

Customer insight for a more sustainable society. We want to enhance the sustainable customer experience. Together with our industry colleagues, we are a part of society, and influence it. With this, comes responsibility and with the right know-how, understanding and insight we and the industry as a whole can continue to contribute to a more responsible credit market and a more sustainable society. In light of this, we published the

Resurs Consumer Report 2021 in the second half of the year. The report describes how consumers in society perceive and make use of consumer loans and credits in the form of installment plans and purchases by invoice. The Resurs Consumer Report 2021 shows that four out of ten consumer loans are used for long-term investments, such as financing education, getting a driving license, buying a property or renovating or investing in the home. The report also showed that nine out of ten consumers see the advantages of the installment payment option, for example, buying something with more sustainable quality for the long term or better managing an unforeseen expense. Paying by installments is an important option both for consumers and for society since it can contribute to more well-founded consumption and a more sustainable everyday life for more people.

Speaking of sustainability. A ranking of Sweden's most sustainable listed companies (Sustainable Companies 2021) was published by Dagens Industri, Aktuell Hållbarhet and Lund University in October. Resurs Bank came fifth in the category of listed banks and was also the highest ranked niche bank. This is a positive sign that our sustainability activities are on the right path and many things will be happening in 2022 when we activate more tangible measures in Resurs Society.

2021 marked the start of a historic transformation journey for Resurs and we are now on our way to becoming a digital and competitive leading-edge bank. This has been made possible through a new strategy and an ambitious roadmap focusing on creating services and offerings to customers and partners that are tailored to today's and tomorrow's Nordic market.

Finally, I would like to express my sincere thanks to all our fantastic and dedicated employees who adapted in 2021 and led the way forward on this exciting journey we have now embarked upon. I am very much looking forward to 2022 which will also involve us heading towards a new position for Resurs. We want even more people to consider us to be the simple, innovative, personal and responsible Resurs that I know we are.

Nils Carlsson, CEO Resurs Bank



Performance measures

<i>SEKm unless otherwise specified</i>	Jul-Dec 2021	Jul-Dec 2020	Change	Jan-Dec 2021	Jan-Dec 2020	Change
Operating income	1,529	1,658	-8%	3,086	3,407	-9%
Operating profit*	626	568	10%	1,167	1,186	-2%
Net profit for the period	524	397	32%	947	880	8%
C/I before credit losses, %*	41.4	42.2		41.3	40.1	
Common Equity Tier 1 ratio, %	14.8	15.1		14.8	15.1	
Total capital ratio, %	16.3	17.4		16.3	17.4	
Lending to the public	33,347	30,858	8%	33,347	30,858	8%
NIM, %*	7.7	8.9		7.9	9.1	
Risk-adjusted NBI margin, %*	7.8	8.2		7.6	8.2	
NBI margin, %*	9.5	10.7		9.6	11.0	
Credit loss ratio, %*	1.7	2.5		2.0	2.7	
Return on equity excl. intangible assets (RoTE), %*	20.3	15.7		18.2	18.2	

* 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 of these performance measures against information in the financial statements are provided on the website under "Financial information." Definitions of all performance measures are provided on page 31.



Performance measures business lines

Payment Solutions

<i>SEKm unless otherwise specified</i>	Jul-Dec 2021	Jul-Dec 2020	Change	Jan-Dec 2021	Jan-Dec 2020	Change
Lending to the public at end of the period	11,463	10,994	4%	11,463	10,994	4%
Operating income	606	676	-10%	1,239	1,409	-12%
Operating income less credit losses	521	562	-7%	1,074	1,147	-6%
Risk-adjusted NBI margin, %	9.4	10.3		9.6	10.2	
Credit loss ratio, %	1.5	2.1		1.5	2.3	

Consumer Loans

<i>SEKm unless otherwise specified</i>	Jul-Dec 2021	Jul-Dec 2020	Change	Jan-Dec 2021	Jan-Dec 2020	Change
Lending to the public at end of the period	21,884	19,865	10%	21,884	19,865	10%
Operating income	923	982	-6%	1,847	1,999	-8%
Operating income less credit losses	737	706	4%	1,367	1,406	-3%
Risk-adjusted NBI margin, %	7.0	7.1		6.5	7.1	
Credit loss ratio, %	1.8	2.8		2.3	3.0	



July–December 2021

Group results*

Second half of 2021, July–December

Operating income

The Group's operating income declined 8 per cent to SEK 1,529 million (1,658). Net interest income fell 10 per cent to SEK 1,239 million (1,377), with interest income amounting to SEK 1,419 million (1,570) and interest expense to SEK -180 million (-194). The relatively lower interest income was mainly due to lower lending and margin in Norway, lower interest income in Denmark, and mix effects in Payment Solutions. The negative trend in Norwegian lending stabilised during the second half of the year, but lending remains lower than last year, which led to lower interest income. Lending in Denmark is also growing, but at lower margins due to higher average loans and also lower risk exposure. In Payment Solutions, Resurs's larger retail finance partners continued to grow due to higher demand connected to the pandemic. At the same time, these large partnerships involve lower margins for Resurs, which negatively impacted the overall NBI margin. Nonrecurring remuneration of SEK 8 million was paid to a major partner during the quarter.

SEK 1,529 million

Operating income for the period

Interest expense was negatively impacted by the fee for the deposit insurance scheme increasing SEK 9 million during the quarter after the National Debt Office announced the final fee level for the current year, which meant that the fourth quarter was charged with a retroactive adjustment for earlier quarters in the year.

Fee & commission income amounted to SEK 219 million (212) and fee & commission expense to SEK -32 million (-34), resulting in a total net commission of SEK 187 million (178).

Net income from financial transactions was SEK 1 million (-8). Last year's net income was adversely affected by nonrecurring costs of SEK 10 million due to the write-down of small unlisted shareholdings. Other operating income, primarily comprising remuneration from lending operations, amounted to SEK 102 million (111).

Operating expenses

The Group's expenses before credit losses declined 10 per cent to SEK -632 million (-700). The decline was due to nonrecurring costs of SEK 60 million related to the transformation journey in the comparative item, which comprised costs of SEK 22 million related to personnel changes and impairment of previously capitalised IT investments of SEK 38 million. Viewed in relation to the operation's income, the cost level amounted to 41.4 per cent (42.2 per cent) as a result of the lower expense level. Enhancing operational efficiency and thus reducing the C/I ratio is an important part of the ongoing transformation journey.

Credit losses totalled SEK -271 million (-390) and the credit loss ratio was 1.7 per cent (2.5 per cent), meaning a decline both in absolute terms and as a share of lending due to the higher credit quality of the loan portfolio. The extra provision of SEK 75 million that was established in the first half of 2020 due to the pandemic was dissolved during the second half of 2021. At the same time, the underlying credit quality of the loan portfolio was high, which also resulted in lower credit losses in the underlying operations. This positive development was clear both in Payment Solutions and Consumer Loans as well as in all Nordic markets. The risk-adjusted NBI margin totalled 7.8 per cent (8.2).

1.7%

Credit loss ratio for second half of the year including dissolution of extra credit provision that took place in September 2021

Profit

Operating profit increased 10 per cent to SEK 626 million (568). Tax expense for the period amounted to SEK -101 million (-171), corresponding to an effective tax rate of 16.2 per cent (30.1 per cent). The difference in the effective tax rate was due to that unlike in prior years a change was made to the method in 2021, which resulted in a deduction for tax paid in the foreign branches. This resulted in a positive nonrecurring effect of SEK 49 million for 2021. A tax provision of SEK 31 million was made last year, which also contributed to the difference in the effective tax rate between the years. Net profit for the period amounted to SEK 524 million (397).

Full-year 2021, January–December

Operating income

The Group's operating income declined 9 per cent to SEK 3,086 million (3,407). Net interest income fell 11 per cent to SEK 2,535 million (2,844), with interest income amounting to SEK 2,899 million (3,251) and interest expense to SEK -364 million (-407). The relatively lower income was mainly due to lower lending and margins in Norway, lower interest income in Denmark, and mix effects in Payment Solutions where many of Resurs's retail finance partners noted higher demand in connection with the pandemic. At the same time, these large partnerships involve lower margins for Resurs, which negatively impacted the overall NBI margin.

Fee & commission income amounted to SEK 418 million (425) and fee & commission expense to SEK -71 million (-64), resulting in a total net commission of SEK 347 million (362).

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The market value of bond portfolios increased slightly, which resulted in a positive outcome for net income from financial transactions of SEK 3 million (-14). Other operating income, primarily comprising remuneration from lending operations, amounted to SEK 201 million (216).

Operating expenses

The Group's expenses before credit losses declined 7 per cent to SEK -1,274 million (-1,367). The decline was due to nonrecurring costs of SEK 60 million related to the transformation journey in the comparative item. Viewed in relation to the operations' income, the cost level amounted to 41.3 per cent (40.1 per cent) as a result of the lower income level. Enhancing the efficiency of the operations and thus reducing the C/I ratio is an important part of the ongoing transformation journey.

Credit losses totalled SEK -645 million (-854) and the credit loss ratio was 2.0 per cent (2.7 per cent), meaning a decline both in absolute terms and as a share of lending due to the higher credit quality of the loan portfolio, and the dissolution of the extra credit provision of SEK 75 million that was made in the first half of 2020 due to the pandemic. The high credit quality was a result of the active austerity measures implemented in credit lending when the pandemic started. This positive development is clear both in Payment Solutions and Consumer Loans as well as in all Nordic markets. The risk-adjusted NBI margin totalled 7.6 per cent (8.2 per cent).

Profit

Operating income decreased 2 per cent to SEK 1,167 million (1,186). Tax expense for the period amounted to SEK -220 million (-306), corresponding to an effective tax rate of 18.9 per cent (25.8 per cent). The difference in the effective tax rate was due to that unlike in prior years a change was made to the method in 2021, which resulted in a deduction for tax paid in the foreign branches. This resulted in a positive nonrecurring effect of SEK 49 million for 2021. A tax provision of SEK 31 million was made last year, which also contributed to the difference in the effective tax rate between the years. Net profit for the period amounted to SEK 947 million (880).

COVID-19

An extra forward-looking credit provision of SEK 75 million was made in the first half of 2020 to meet potential higher credit losses, in addition to the model-based reserves in accordance with IFRS 9. The company has not noted any negative trend in customer payment patterns and uncertainty regarding the ongoing economic recovery and the trend in unemployment and its associated effects on customers' solvency have declined significantly, with credit quality instead improving. As such, the Board of Directors has resolved to dissolve the extra credit provision of SEK 75 million in its entirety, which impacted earnings positively for the second half of 2021.

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

Lending to the public by country

20%



Norway

13%



Denmark

17%



Finland

50%



Sweden

Financial position on 31 December 2021*

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

The Group's financial position is strong and on 31 December 2021 the capital base amounted to SEK 5,345 million (5,367) in the consolidated situation, comprising the Parent Company, Resurs Holding, and the Resurs Bank Group. The total capital ratio was 16.3 per cent (17.4 per cent) and the Common Equity Tier 1 ratio was 14.8 per cent (15.1 per cent).

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

Lending to the public as of 31 December 2021 amounted to SEK 33,347 million (30,858), entailing an increase of 8 per cent. In constant currencies the increase was 6 per cent. The specification of lending on 31 December 2021 was as follows: Sweden 50 per cent, Norway 20 per cent, Denmark 13 per cent and Finland 17 per cent.

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

On 31 December 2021, deposits from the public totalled SEK 26,287 million (24,872). The bank has deposits in SEK, NOK and EUR.

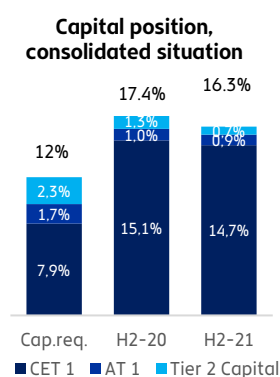
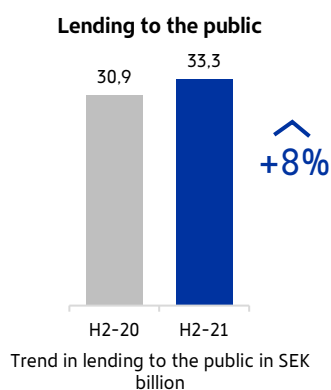
Financing through issued securities totalled SEK 7,872 million (6,297). Liquidity remained very healthy and the liquidity coverage ratio (LCR) was 240 per cent (288 per cent) in the consolidated situation. The minimum statutory LCR is 100 per cent. Lending to credit institutions on 31 December 2021 amounted to SEK 4,366 million (3,819). Holdings of treasury and other bills eligible for refinancing, as well as bonds and other interest-bearing securities, totalled SEK 2,451 million (2,953). Bonds of a nominal SEK 2,200

million and NOK 1,050 million were issued under Resurs Bank's MTN programme in 2021. The Group has a high level of liquidity for meeting its future commitments.

Intangible assets amounted to SEK 1,979 million (1,847), and primarily comprise the goodwill that arose in the acquisition of Finaref and Danaktiv in 2014 and yA Bank in 2015.

Cash flow from operating activities amounted to SEK 373 million (1,214) for the period. Cash flow from deposits amounted to SEK 966 million (674) and the net change in investment assets totalled SEK 523 million (-397). Cash flow from investing activities for the year totalled SEK -113 million (-57) and cash flow from financing activities was SEK 282 million (-1,377).

240%
Liquidity Coverage Ratio
(Statutory requirement 100%)



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Payment Solutions

Strong Black Week and focus on developing partners increased sales

Second half of 2021, July-December

New partnership outside the box. Resurs wants it to be easy for all of our customers to be able to make sustainable choices and choose electricity instead of fossil fuel. For this reason, we initiated a partnership with Albie during the second half of the year, which provides customers with charging boxes for charging electric and hybrid cars at home. This is an important example of how Resurs is providing opportunities for more people to make bigger and climate-smart purchases and dividing the cost over time so that it suits their private finances.

Excellent sales for Black Week. The sales trend for Payment Solutions was positive since an increasing number of industries and countries have recovered after the pandemic lockdowns. Black Week, which generated more sales than ever before, also contributed to an increase in sales across the Nordics. However, we can still see that certain industries and our larger partners for which we have lower margins are containing to perform strongly, which negatively impacted our margin.

Partner Success Program. Work is continuing on developing existing partnerships and activating smaller partners under the Resurs Partner Success Program. New digital training courses and webinars were launched during the second half of the year. Resurs can see that its work on activating independent partners and previously inactive partners has generated effects in the form of higher sales.

Cluster investments in Payment Solutions can see that car workshops and dentists both performed strongly during the year and although these are not linked to Christmas shopping they nevertheless reported a solid end to the latter part of the year, with new additions such as Oral Care and Tandea.

Launch of new look credit card. The number of transactions using credit cards has increased as the pandemic restrictions have been

lifted. During the second half of the year the name was changed to Resurs Cards and the look and feel of the card was upgraded. This is an initiative to further strengthen Resurs as a brand in all markets in the Nordics.

Lending to the public as of 31 December 2021 increased 4 per cent to SEK 11,463 million (10,994). Operating income amounted to SEK 606 million (676), down 10 per cent compared with the year-earlier period. The relatively lower income was mainly due to mix effects whereby larger partners and industries with lower margins grew more quickly than smaller partners with higher margins. Nonrecurring remuneration of SEK 8 million was paid to a major partner during the second half of the year due to a correction of past profit sharing. Credit losses fell both in absolute terms and as a percentage of lending, which was an effect of improved credit quality in the loan portfolio. Operating income less credit losses amounted to SEK 521 million (562). The risk-adjusted NBI margin fell to 9.4 per cent (10.3 per cent).

Full-year 2021, January-December

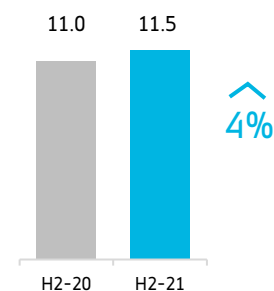
Lending to the public as of 31 December 2021 declined 4 per cent to SEK 11,463 million (10,994). Operating income amounted to SEK 1,239 million (1,409), down 12 per cent compared with the year-earlier period. Operating income less credit losses amounted to SEK 1,074 million (1,147). The risk-adjusted NBI margin fell to 9.6 per cent (10.2 per cent). Credit losses fell both in absolute terms and as a percentage of lending, which was an effect of improved credit quality in the loan portfolio.

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.

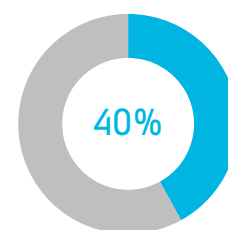
Credit cards includes the Resurs credit cards, as well as cards that enable retail finance partners to promote their own brands.

Lending to the public



Trend in lending to the public in SEK billion

Percentage of operating income, Jul-Dec 2021



Consumer Loans

Launch of new loan and new app function have enhanced the customer experience

Second half of 2021, July-October

Continued positive growth throughout the Nordics. In the second half of the year, Consumer Loans reported growth of 10 per cent year-on-year, or 8 per cent in constant currencies. The challenges that the segment has faced in the declining Norwegian market since the introduction of the Gjeldsregisteret debt information company and the new statutory requirements in 2019 have stabilised.

Performance by country. The Swedish market continued to grow stably both in internal and in external sales channels. Work on digitalising and automating the operations is under way and during the second half of the year a new function was launched in the Resurs app that gives our existing customers in Sweden the opportunity to increase their loans in the app instead of needing to go via the website or calling our customer service centre. These improvements will be implemented in all markets in line with the strategy presented at the Capital Market Day.

It is gratifying to see that the former negative trend in Norway has stabilised and started to perform positively. Although new lending increased again, too large a share of customers is continuing to end their loan in advance. In the future, focus will be directed to increasing sales in internal channels and strengthening customer loyalty through better customer experiences and marketing activities. A new product – Priority Loan – was launched in the second half of the year. It offers customers the opportunity to use their home as underlying collateral. As a first step, Resurs offers loans with collateral of up to a maximum of NOK 600,000.

The Danish market continued to report a positive trend following the introduction of loan consolidation to customers in the second half of 2021, which contributed to higher lending volumes but lower risk in the quarter. Consumption and demand for loans increase due to the lifting of COVID-19 restrictions.

Demand in the Finnish market increased when the temporary restrictions regarding interest caps and marketing were lifted on 30 September 2021. This created the conditions for an increase in the

rate of sales in the second half of the year both in internal and in external sales channels.

Lending to the public as of 31 December 2021 amounted to SEK 21,884 million (19,865). Operating income declined 6 per cent in the period to SEK 923 million (982) and was mainly due to lower margins in the Norwegian and Danish markets. Operating income less credit losses totalled SEK 737 million (706), and the risk-adjusted NBI margin amounted to 7.0 per cent (7.1 per cent). Credit losses for the half-year fell both in absolute terms and as a percentage of lending, primarily due to the dissolution of the COVID-19 provision but also as an effect of improved credit quality in the loan portfolio.

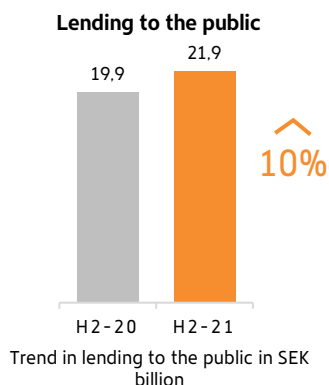
Full-year 2021, January-December

Lending to the public as of 31 December 2021 amounted to SEK 21,884 million (19,865). Operating income declined 8 per cent in the period to SEK 1,847 million (1,999). Operating income less credit losses totalled SEK 1,367 million (1,406), and the risk-adjusted NBI margin amounted to 6.5 per cent (7.1 per cent). The trend in the risk-adjusted NBI margin was mainly due to the lower margins in the Norwegian and Danish markets. Credit losses fell both in absolute terms and as a percentage of lending, primarily impacted by the dissolution of the COVID-19 provision but also as an effect of improved credit quality in the loan portfolio.

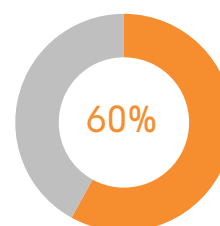
About Consumer Loans

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 and/or interest expenses.



Percentage of operating income, Jul-Dec 2021



January–December 2021

Significant events

Resurs Bank dissolved the extra credit provision of SEK 75 million made due to COVID-19

In April 2020, Resurs Bank made an extra credit provision of SEK 75 million due to COVID-19. Resurs did not note any negative trend in customers' payment patterns. On the contrary, credit quality improved and the provision was therefore dissolved in September 2021.

Nordic Leisure Travel Group choose Resurs's e-commerce solution for continued focus on Nordic market

Resurs Bank will provide e-commerce solutions to Nordic Leisure Travel Group (NLTG), and its well-known Ving, Spies, Globetrotter and Tjäreborg brands, when the Group introduces a new customer offering for the Nordic market as the travel industry picks up again. Through its partnership with Resurs Bank, NLTG will be one of the first travel providers to feature a Nordic consumer offering that lives up to customer expectations for a flexible, safe and smooth experience.

Resurs recruited top names and presented a new Group Management – focus on strengthening position in e-commerce and growth across the business

Mattias Ekman, from Klarna, who has served in various senior commercial roles, will join Resurs as CCO of the Retail Finance business line. Group Management was also expanded with a new CCO for the Credit Cards business line and a new Chief Governance & Risk Officer. New CCO of Nordic Consumer Loans, COO and CFO & Head of IR also took office during 2021.

Resurs launched its suitability initiative – Resurs Society

Resurs wants to contribute to a more sustainable society and a more responsible credit market. As a result, Resurs Society was launched in September, which pools all of Resurs's tangible investments to contribute to a sustainable development for customers, partners, the industry and society as a whole.

Resurs Bank invests in the Nordic region's first cloud-based banking platform that meets the needs of the customers of tomorrow

Resurs Bank is investing in a new, entirely cloud-based banking platform that creates the prerequisites to provide customers and partners with state-of-the-art services, interfaces and products. The global fintech company Intellect Design Arena will be supplying the new platform. Resurs's investment in this IT transformation amounts to about SEK 500 million, part of which consists of Intellect's cloud-based solution.

Resurs sold non-performing loans to leading international investor

In June 2021, Resurs Bank entered into an agreement with PRA Group, a leading international credit management company in non-performing loans, to sell parts of Resurs Bank's non-performing loans in Norway for a gross carrying amount of approximately NOK 800 million. The sale had a positive impact on Resurs Bank's capital requirements and liquidity and ultimately had a neutral effect on earnings.

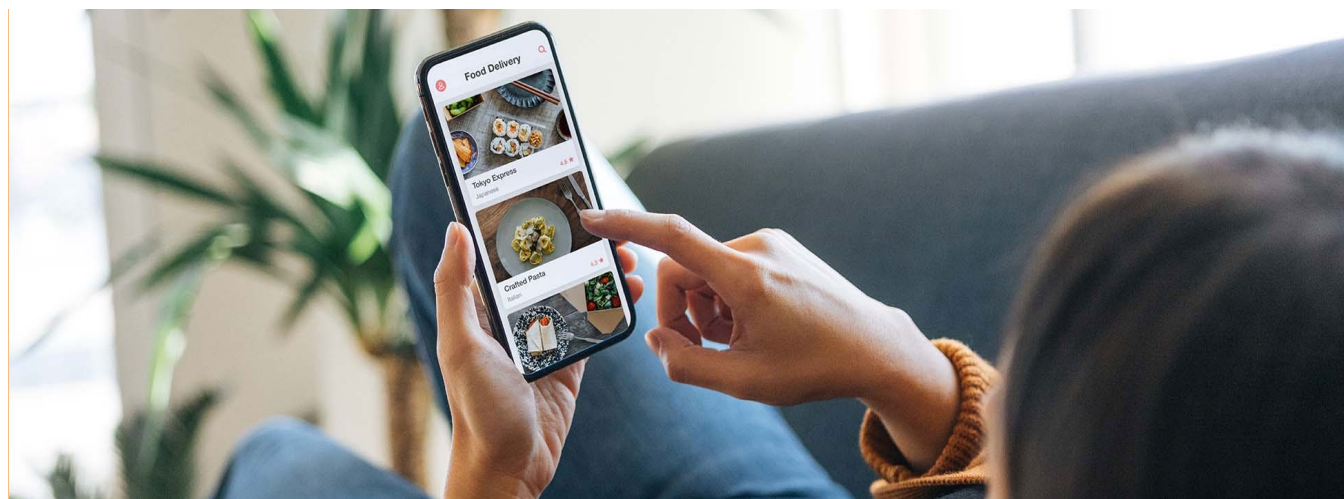
Resurs Bank awarded with a higher credit rating (BBB, stable outlook)

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

After the end of the period

Early repayment of subordinated loan in Resurs Bank AB (publ)

On 17 January 2022, Resurs Bank AB (publ) repaid in advance a subordinated loan of SEK 300,000,000 that was issued on 17 January 2017.



Other information

Risk and capital management

The Group's ability to manage risks and conduct effective capital planning is fundamental to its profitability. The business faces various forms of risk including credit risks, market risks, liquidity risks and operational risks. The Board has established operational policies with the aim of balancing the Group's risk taking, and to limit and control risks. All policies are updated as necessary and revised at least once annually. The Board and CEO are ultimately responsible for risk management. In general, there were no significant changes regarding risk and capital management during the period. The Group's risk management capabilities were affected to a certain extent during the pandemic but the impact was limited due to robust processes. The Group managed the risk of a loss of personnel in critical functions by introducing different zones and remote working. More employees working from home set higher requirements on information security and following up the bank's control framework. A more detailed description of the bank's risks, liquidity and capital management is presented in Note G3 and Note G4 Capital Adequacy in the most recent annual report.

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 615 full-time employees within the Group on 31 December 2021, down 58 since 30 June and down 41 since the end of 2020. The decline since 30 June was due to employment of temporary summer staff ending, the outsourcing of part of the IT operational area and to the reduction in the number of employees in Resurs Bank in all countries. This took place through retirement and redundancies.

615

Number of employees

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



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, 7 February 2022

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	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Interest income	G5	1,419,024	1,570,282	2,899,172	3,251,234
Interest expense	G5	-180,084	-193,620	-364,019	-406,828
Fee & commission income		218,512	211,847	417,858	425,214
Fee & commission expense		-31,873	-33,548	-70,500	-63,635
Net income/expense from financial transactions		1,243	-7,903	3,145	-14,175
Other operating income	G6	101,834	110,896	200,698	215,660
Total operating income		1,528,656	1,657,954	3,086,354	3,407,470
General administrative expenses	G7	-552,938	-554,832	-1,113,919	-1,120,614
Depreciation, amortisation and impairment of intangible and tangible fixed assets		-41,059	-89,866	-82,150	-138,433
Other operating expenses		-38,340	-55,250	-77,953	-107,903
Total expenses before credit losses		-632,337	-699,948	-1,274,022	-1,366,950
Earnings before credit losses		896,319	958,006	1,812,332	2,040,520
Credit losses, net	G8	-270,782	-390,096	-644,924	-854,372
Operating profit/loss		625,537	567,910	1,167,408	1,186,148
Income tax expense		-101,268	-170,723	-220,094	-306,277
Net profit for the period		524,269	397,187	947,314	879,871
Attributable to Resurs Bank AB shareholders		524,269	397,187	947,314	879,871

Statement of comprehensive income

SEK thousand	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net profit for the period	524,269	397,187	947,314	879,871
Other comprehensive income that will be reclassified to profit/loss				
Translation differences for the period, foreign operations	33,686	-2,359	76,395	-102,333
Total comprehensive income for the period	557,955	394,828	1,023,709	777,538
Attributable to Resurs Bank AB shareholders	557,955	394,828	1,023,709	777,538

Condensed statement of financial position

SEK thousand	Note	31 Dec 2021	31 Dec 2020
Assets			
Cash and balances at central banks		215,590	208,520
Treasury and other bills eligible for refinancing		1,803,015	2,283,253
Lending to credit institutions		4,366,290	3,818,574
Lending to the public	G9	33,346,940	30,858,341
Bonds and other interest-bearing securities		647,948	669,570
Shares and participating interests		11,460	7,287
Intangible fixed assets		1,979,082	1,846,678
Tangible assets		122,226	107,518
Other assets		269,953	221,704
Prepaid expenses and accrued income		137,181	166,900
TOTAL ASSETS		42,899,685	40,188,345
Liabilities, provisions and equity			
Liabilities and provisions			
Liabilities to credit institutions			107,400
Deposits and borrowing from the public		26,286,626	24,871,535
Other liabilities		821,912	748,168
Accrued expenses and deferred income		222,386	199,452
Other provisions	G10	18,470	20,438
Issued securities		7,871,893	6,297,472
Subordinated debt		599,511	798,702
Total liabilities and provisions		35,820,798	33,043,167
Equity			
Share capital		500,000	500,000
Other paid-in capital		2,175,000	2,175,000
Translation reserve		40,843	-35,552
Retained earnings incl. profit for the year		4,363,044	4,505,730
Total equity		7,078,887	7,145,178
TOTAL LIABILITIES, PROVISIONS AND EQUITY		42,899,685	40,188,345

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

Statement of changes in equity

SEK thousand

	Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit for the year	Total equity
Initial equity at 1 January 2020	500,000	2,175,000	66,781	3,625,859	6,367,640
Net profit for the period				879,871	879,871
Other comprehensive income for the year			-102,333		-102,333
Equity at 30 December 2020	500,000	2,175,000	-35,552	4,505,730	7,145,178
Initial equity at 1 January 2021	500,000	2,175,000	-35,552	4,505,730	7,145,178
<i>Owner transactions</i>					
Dividends paid according to General Meeting				-458,000	-458,000
Dividends according to Extraordinary General Meeting				-632,000	-632,000
Net profit for the year				947,314	947,314
Other comprehensive income for the year			76,395		76,395
Equity at 31 December 2021	500,000	2,175,000	40,843	4,363,044	7,078,887

All equity is attributable to Parent Company shareholders.

Cash flow statement (indirect method)

SEK thousand	Jan-Dec 2021	Jan-Dec 2020
Operating activities		
Operating profit	1,167,408	1,186,148
- of which, interest received	2,896,825	3,253,276
- of which, interest paid	-360,888	-423,216
Adjustments for non-cash items in operating profit	737,255	1,003,906
Tax paid	-405,018	-293,826
Cash flow from operating activities before changes in operating assets and liabilities	1,499,645	1,896,228
Changes in operating assets and liabilities		
Lending to the public	-2,483,218	-1,545,166
Other assets	-89,813	622,301
Liabilities to credit institutions	-107,400	12,500
Deposits and borrowing from the public	966,066	674,496
Acquisition of investment assets ¹⁾	-3,131,431	-4,681,782
Divestment of investment assets ¹⁾	3,654,153	4,285,241
Other liabilities	64,526	-49,556
Cash flow from operating activities	372,528	1,214,262
Investing activities		
Acquisition of intangible and tangible fixed assets	-113,333	-61,017
Divestment of intangible and tangible fixed assets	170	4,395
Cash flow from investing activities	-113,163	-56,622
Financing activities		
Dividends paid	-1,090,000	
Issued securities	1,572,196	-1,377,406
Subordinated debt	-200,000	
Cash flow from financing activities	282,196	-1,377,406
Cash flow for the year	541,561	-219,766
Cash & cash equivalents at beginning of the year ²⁾	4,027,094	4,258,286
Exchange rate differences	13,225	-11,426
Cash & cash equivalents at end of the year ²⁾	4,581,880	4,027,094
Adjustment for non-cash items in operating profit		
Credit losses	644,924	854,372
Depreciation, amortisation and impairment of intangible and tangible fixed assets	82,150	138,433
Profit/loss tangible assets	-321	-739
Profit/loss on investment assets	3,660	-2,709
Change in provisions	-2,414	1,701
Adjustment to interest paid/received	10,563	-6,643
Currency effects	-4,341	6,148
Depreciation, amortisation and impairment of shares		10,000
Other items that do not affect liquidity	3,034	3,343
Sum non-cash items in operating profit	737,255	1,003,906

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 2021	Cash-flow	Non cash flow items	31 Dec 2021
			Accrued acquisition costs	Exchange rate differences
Issued securities	6,297,472	1,572,196	2,225	7,871,893
Subordinated debt	798,702	-200,000	809	599,511
Total	7,096,174	1,372,196	3,034	0

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 2021, have had any material impact on the Group.

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

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

The interim information on pages 5-40 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 26,202 million (24,694), whereof in Sweden SEK 11,394 million (11,535), in Norway SEK 6,102 million (6,441) and in Germany SEK 8,705 million (6,718). The lending to the public/deposits from the public ratio for the consolidated situation is 127 per cent (125 per cent).

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 9,000 million (9,000). Within the programme, Resurs Bank has been working successfully to issue bonds on a regular basis and sees itself as an established issuer on the market. At 31 December 2021 the program has thirteen outstanding issues at a nominal amount of SEK 5,400 million (4,900) and NOK 1,050 million (0). Of the thirteen issues, eleven are senior unsecured bonds and two issues are a subordinated loan of SEK 600 million (600). Resurs Holding issued Additional Tier 1 Capital of a nominal SEK 300 million (300).

Resurs Bank has been awarded the credit rating BBB with stable outlook from the rating company Nordic Credit Rating (NCR). Access to Nordic Credit Ratings analyses can be found on the website www.nordiccreditrating.com.

Resurs Bank has completed a securitisation of loan receivables, a form of structured financing, referred to as Asset Backed Securities (ABS). This took place by transferring loan receivables to Resurs Bank's wholly owned subsidiaries Resurs Consumer Loans 1 Limited. Resurs Bank signed an agreement in December 2020 to extend the existing ABS financing. This financing has been arranged with JP Morgan Chase Bank. Resurs Bank has for a period of 18 months (revolving period), the right to continue sale of certain additional loan receivables to Resurs Consumer Loans. At 31 December 2021 a total of approximately SEK 2.5 billion in loan receivables had been transferred to Resurs Consumer Loans. Resurs Bank and Resurs Consumer Loans have provided security for the assets that form part of the securitisation. At the balance sheet date, the external financing amounted to SEK 2.0 billion (2.0) of the ABS financing.

Liquidity - Consolidated situation

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

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

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

The liquidity reserve, totalling SEK 1,898 million (1,860), is in accordance with Swedish Financial Supervisory Authority regulations on liquidity risk management (FFFS 2010:7) and applicable amendments thereto for the consolidated situation. Accordingly, assets are segregated, unutilised and of high quality. The liquidity reserve largely comprises assets with the highest credit quality rating.

In addition to the liquidity reserve, the consolidated situation has other liquid assets primarily comprised of cash balances with other banks. These assets are of high credit quality and total SEK 5,172 million (5,127) for the consolidated situation. Accordingly, total liquidity amounted to SEK 7,070 million (6,986) corresponds to 27 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 31 December 2021, the ratio for the consolidated situation is 240 per cent (288 per cent). For the period January to June 2021, the average LCR measures 242 per cent for the consolidated situation.

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

Summary of liquidity – Consolidated situation

SEK thousand	31 Dec 2021	31 Dec 2020
Liquidity reserve as per FFFS 2010:7 definition		
Securities issued by sovereigns	179,334	176,381
Securities issued by municipalities	1,054,883	958,037
Lending to credit institutions	15,000	55,000
Bonds and other interest-bearing securities	648,607	670,374
Summary Liquidity reserve as per FFFS 2010:7	1,897,824	1,859,792
Other liquidity portfolio		
Cash and balances at central banks	215,590	208,520
Securities issued by municipalities	570,349	1,150,181
Lending to credit institutions	4,386,086	3,767,951
Bonds and other interest-bearing securities		
Total other liquidity portfolio	5,172,025	5,126,652
Total liquidity portfolio	7,069,849	6,986,444
Other liquidity-creating measures		
Unutilised credit facilities	51,270	47,730

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

31/12/2021					
SEK thousand	Total	SEK	EUR	DKK	NOK
Level 1 assets					
Cash and balances with central banks	184,468		120,723		63,745
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	179,334		118,816	28,632	31,886
Securities issued by municipalities and PSEs	1,625,233	1,309,878	73,761		241,594
Extremely high quality covered bonds	648,608	325,910	150,684		172,014
Level 2 assets					
High quality covered bonds					
Total liquid assets	2,637,643	1,635,788	463,984	28,632	509,239

31/12/2020					
SEK thousand	Total	SEK	EUR	DKK	NOK
Level 1 assets					
Cash and balances with central banks	179,039		119,552		59,487
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	176,381		117,636	28,696	30,049
Securities issued by municipalities and PSEs	1,908,211	1,609,889	73,853		224,469
Extremely high quality covered bonds	390,740	117,923	191,293		81,524
Level 2 assets					
High quality covered bonds	279,634	201,043			78,591
Total liquid assets	2,934,005	1,928,855	502,334	28,696	474,120

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

SEK thousand	31 Dec 2021	31 Dec 2020
Total liquid assets	2,637,643	2,934,005
Net liquidity outflow	1,078,916	995,751
LCR measure	240%	288%

G3. Capital adequacy – Consolidated situation

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

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

The consolidated situation calculates the capital requirement for credit risk, credit valuation adjustment risk, market risk and operational risk. Credit risk is calculated by applying the standardised method under which the asset items of the consolidated situation are weighted and divided between 17 different exposure classes.

The total risk-weighted exposure amount is multiplied by 8 per cent to obtain the minimum capital requirement for credit risk. The capital requirement for operational risk is calculated by the standardised method. Under this method, the capital requirement for operational risks is 12 per cent of the income indicator (meaning average operating income for the past three years). The counterparty risk is calculated using the simplified standardised method. External rating companies are used to calculate the bank's capital base requirement for bonds and other interest-bearing securities.

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

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

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

Capital base

SEK thousand	31 Dec 2021	31 Dec 2020
Common Equity Tier 1 capital		
Equity		
Equity, Group	7,078,887	7,145,178
Equity according to balance sheet	7,078,887	7,145,178
Proposed dividend		-536,000
Foreseeable dividend	-262,000	-360,000
Additional Tier 1 instruments	300,000	300,000
Additional/deducted equity in the consolidated situation	-177,717	20,371
Equity, consolidated situation	6,939,170	6,569,549
<i>Adjustments according to transition rules IFRS 9:</i>		
Initial revaluation effect	169,371	237,119
<i>Less:</i>		
Additional value adjustments	-2,464	-3,073
Intangible fixed assets	-1,979,082	-1,846,678
Additional Tier 1 instruments classified as equity	-300,000	-300,000
Shares in subsidiaries	-1,863	-145
Total Common Equity Tier 1 capital	4,825,132	4,656,772
Tier 1 capital		
Common Equity Tier 1 capital	4,825,132	4,656,772
Additional Tier 1 instruments	300,000	300,000
Total Tier 1 capital	5,125,132	4,956,772
Tier 2 capital		
Dated subordinated loans	219,464	409,914
Total Tier 2 capital	219,464	409,914
Total capital base	5,344,596	5,366,686

Specification of risk-weighted exposure amount and capital requirements

SEK thousand	31 Dec 2021		31 Dec 2020	
	Risk-weighted exposure amount	Capital requirement ¹⁾	Risk-weighted exposure amount	Capital requirement ¹⁾
Exposures to institutions	928,633	74,291	776,530	62,122
Exposures to corporates	292,072	23,366	291,518	23,321
Retail exposures	22,776,334	1,822,107	20,883,338	1,670,667
Exposures in default	2,925,566	234,045	3,044,468	243,557
Exposures in the form of covered bonds	64,730	5,178	66,890	5,351
Equity exposures	11,449	916	211,279	16,903
Other items	710,699	56,856	453,174	36,255
Total credit risks	27,709,483	2,216,759	25,727,197	2,058,176
Credit valuation adjustment risk	40,688	3,255	25,265	2,021
Market risk				
Currency risk				
Operational risk (standard methods)	4,977,927	398,234	5,089,268	407,141
Total riskweighted exposure and total capital requirement	32,728,098	2,618,248	30,841,730	2,467,338
Concentration risk		282,211		258,267
Interest rate risk		141,326		28,881
Currency risk		2,739		4,667
Total Tier 2 capital requirement		426,276		291,815
Capital conservation buffer		818,202		771,043
Countercyclical capital buffer		61,581		64,243
Total capital requirement Capital buffers		879,784		835,287
Total capital requirement		3,924,308		3,594,440

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

Regulatory capital requirements

	31 Dec 2021		31 Dec 2020	
	Amount	Share of risk-weighted exposure amount	Amount	Share of risk-weighted exposure amount
Common Equity Tier 1 capital pursuant to Article 92 CRR (Pillar 1)	1,472,764	4.5	1,387,878	4.5
Other Common Equity Tier 1 capital requirements (Pillar 2)	239,780	0.7	196,434	0.6
Combined buffer requirement	879,784	2.7	835,287	2.7
Total Common Equity Tier 1 capital requirements	2,592,328	7.9	2,419,598	7.8
Common Equity Tier 1 capital	4,825,132	14.8	4,656,772	15.1
Tier 1 capital requirements under Article 92 CRR (Pillar 1)	1,963,686	6.0	1,850,504	6.0
Other Tier 1 capital requirements (Pillar 2)	319,708	1.0	237,312	0.8
Combined buffer requirement	879,784	2.7	835,287	2.7
Total Tier 1 capital requirements	3,163,177	9.7	2,923,102	9.5
Tier 1 capital	5,125,132	15.7	4,956,772	16.1
Capital requirements under Article 92 CRR (Pillar 1)	2,618,248	8.0	2,467,338	8.0
Other capital requirements (Pillar 2)	426,276	1.3	291,815	0.9
Combined buffer requirement	879,784	2.7	835,287	2.7
Total capital requirement	3,924,307	12.0	3,594,440	11.7
Total capital base	5,344,596	16.3	5,366,686	17.4

Capital ratio and capital buffers

	31 Dec 2021	31 Dec 2020
Common Equity Tier 1 ratio, %	14.8	15.1
Tier 1 ratio, %	15.7	16.1
Total capital ratio, %	16.3	17.4
Institution specific buffer requirements, %	2.7	2.7
- of which, capital conservation buffer requirement, %	2.5	2.5
- of which, countercyclical buffer requirement, %	0.2	0.2
Common Equity Tier 1 capital available for use as buffer after meeting the total own funds requirements, %	7.0	8.5

Leverage ratio

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

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

SEK thousand	31 Dec 2021	31 Dec 2020
Tier 1 capital	5,125,132	4,956,772
Leverage ratio exposure	43,532,138	41,174,564
Leverage ratio, %	11.8	12.0

G4. Segment reporting

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

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

Jul-Dec 2021

SEK thousand	Payment Solutions	Consumer Loans	Total Group
Interest income	456,999	962,025	1,419,024
Interest expense	-61,787	-118,297	-180,084
Provision income	162,319	56,193	218,512
Provision expenses	-31,873		-31,873
Net income/expense from financial transactions	768	475	1,243
Other operating income	79,120	22,714	101,834
Total operating income	605,546	923,110	1,528,656
<i>of which, internal</i>			0
Credit losses, net	-84,172	-186,610	-270,782
Operating income less credit losses	521,374	736,500	1,257,874

Jul-Dec 2020

SEK thousand	Payment Solutions	Consumer Loans	Total Group
Interest income	540,813	1,029,469	1,570,282
Interest expense	-72,330	-121,290	-193,620
Provision income	160,662	51,185	211,847
Provision expenses	-33,548		-33,548
Net income/expense from financial transactions	-2,632	-5,271	-7,903
Other operating income	83,342	27,554	110,896
Total operating income	676,307	981,647	1,657,954
<i>of which, internal</i>			0
Credit losses, net	-114,508	-275,588	-390,096
Operating income less credit losses	561,799	706,059	1,267,858

Jan-Dec 2021			
SEK thousand	Payment Solutions	Consumer Loans	Total Group
Interest income	963,040	1,936,132	2,899,172
Interest expense	-123,915	-240,104	-364,019
Provision income	311,292	106,566	417,858
Provision expenses	-70,500		-70,500
Net income/expense from financial transactions	1,538	1,607	3,145
Other operating income	157,560	43,138	200,698
Total operating income	1,239,015	1,847,339	3,086,354
<i>of which, internal</i>	<i>13,522</i>	<i>3,702</i>	<i>17,224</i>
Credit losses, net	-164,831	-480,093	-644,924
Operating income less credit losses	1,074,184	1,367,246	2,441,430

Jan-Dec 2020			
SEK thousand	Payment Solutions	Consumer Loans	Total Group
Interest income	1,131,989	2,119,245	3,251,234
Interest expense	-139,324	-267,504	-406,828
Provision income	322,695	102,519	425,214
Provision expenses	-63,635		-63,635
Net income/expense from financial transactions	-5,282	-8,893	-14,175
Other operating income	162,144	53,516	215,660
Total operating income	1,408,587	1,998,883	3,407,470
<i>of which, internal</i>			<i>0</i>
Credit losses, net	-261,335	-593,037	-854,372
Operating income less credit losses	1,147,252	1,405,846	2,553,098

Lending to the public			
SEK thousand	Payment Solutions	Consumer Loans	Total Group
31 Dec 2021	11,462,542	21,884,398	33,346,940
31 Dec 2020	10,993,623	19,864,718	30,858,341

G5. Net interest income/expense

SEK thousand	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Interest income				
Lending to the public	1,417,883	1,568,215	2,896,849	3,243,099
Interest-bearing securities	1,141	2,067	2,323	8,135
Total interest income	1,419,024	1,570,282	2,899,172	3,251,234
Interest expense				
Liabilities to credit institutions	-3,647	-1,740	-7,168	-3,874
Deposits and borrowing from the public	-115,930	-140,720	-240,933	-296,181
Issued securities	-45,752	-34,040	-87,756	-72,279
Subordinated debt	-2,280	-16,310	-4,375	-33,107
Other liabilities	-12,475	-810	-23,787	-1,387
Total interest expense	-180,084	-193,620	-364,019	-406,828
Net interest income/expense	1,238,940	1,376,662	2,535,153	2,844,406

G6. Other operating income

SEK thousand	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Other income, lending to the public	75,682	75,470	147,862	157,950
Other operating income	26,152	35,426	52,836	57,710
Total operating income	101,834	110,896	200,698	215,660

G7. General administrative expenses

SEK thousand	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Personnel expenses	-260,418	-278,593	-534,446	-560,083
Postage, communication and notification expenses	-66,371	-66,389	-129,357	-131,748
IT expenses	-113,932	-91,211	-222,579	-194,512
Cost of premises	-11,966	-10,924	-21,048	-20,610
Consultant expenses	-34,743	-29,722	-65,781	-58,459
Other	-65,508	-77,993	-140,708	-155,202
Total general administrative expenses	-552,938	-554,832	-1,113,919	-1,120,614

G8. Credit losses, net

SEK thousand	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Provision of credit reserves				
Stage 1	4,516	-3,092	-8,557	-45,323
Stage 2	74,020	25,841	72,060	-30,086
Stage 3	-168,300	5,330	-43,670	-169,394
Total	-89,764	28,079	19,833	-244,803
Provision of credit reserves off balance (unutilised limit)				
Stage 1	365	-229	2,312	-6,148
Stage 2	-661	1,624	-2,306	1,804
Stage 3				
Total	-296	1,395	6	-4,344
Write-offs of stated credit losses for the period	-181,167	-424,049	-665,301	-641,923
Recoveries of previously confirmed credit losses	445	4,479	538	36,698
Total	-180,722	-419,570	-664,763	-605,225
Credit losses	-270,782	-390,096	-644,924	-854,372
<i>off which lending to the public</i>	<i>-270,486</i>	<i>-391,491</i>	<i>-644,930</i>	<i>-850,028</i>

G9. Lending to the public

SEK thousand	31 Dec 2021	31 Dec 2020
Retail sector	36,081,604	33,495,835
Corporate sector	299,227	343,966
Total lending to the public, gross	36,380,831	33,839,801
Stage 1	28,105,869	25,013,470
Stage 2	2,975,290	3,521,766
Stage 3	5,299,672	5,304,565
Total lending to the public, gross	36,380,831	33,839,801
Less provision for anticipated credit losses		
Stage 1	-223,471	-209,382
Stage 2	-366,542	-428,880
Stage 3	-2,443,878	-2,343,198
Total anticipated credit losses	-3,033,891	-2,981,460
Stage 1	27,882,398	24,804,088
Stage 2	2,608,748	3,092,886
Stage 3	2,855,794	2,961,367
Total net lending to the public	33,346,940	30,858,341

G10. Other provisions

SEK thousand	31 Dec 2021	31 Dec 2020
Reporting value at the beginning of the year	20,438	19,818
Provision made during the year	-11	4,290
Exchange rate differences	-1,957	-3,670
Total	18,470	20,438
Provision of credit reserves, unutilised limit, Stage 1	15,568	17,337
Provision of credit reserves, unutilised limit, Stage 2	2,224	
Other provisions	678	3,101
Reported value at the end of the year	18,470	20,438

G11. Pledged assets, contingent liabilities and commitments

SEK thousand	31 Dec 2021	31 Dec 2020
Collateral pledged for own liabilities		
Lending to credit institutions	178,494	139,538
Lending to the public ¹⁾	2,458,568	2,455,141
Restricted bank deposits ²⁾	33,828	32,286
Total collateral pledged for own liabilities	2,670,890	2,626,965
Contingent liabilities	0	0
Other commitments		
Unutilised credit facilities granted	24,239,177	23,891,248
Total other commitments	24,239,177	23,891,248

¹⁾ Refers to securitisation.

²⁾ As at 31 December 2021 SEK 31,122 thousand (29,481) refers to the requirement account at the Bank of Finland.

G12. Related-party transactions

Resurs Bank AB is a wholly owned subsidiary of Resurs Holding AB, corporate identity number 556898-2291, which is owned 28.9 per cent by Waldakt AB. Of the remaining owners, no single owner holds 20 per cent or more.

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

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

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

Transactions with Parent Company

SEK thousand	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Interest expense	31	-31		-61
Other operating income	2,676	2,310	5,352	4,620
General administrative expenses	-5,211	-9,171	-13,781	-19,351

SEK thousand	31 Dec 2021	31 Dec 2020
Other liabilities	-2,177	-1,922
Deposits and borrowing from the public	-84,924	-177,869

Transactions with other Group Companies

SEK thousand	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Interest expense	5	-4,276		-8,805
Fee & commission income		117,159		239,090
Other operating income		7,168		14,337
General administrative expenses		-1,031		-1,812

SEK thousand	31 Dec 2021	31 Dec 2020
Other assets		7,901
Deposits and borrowing from the public	-1,566	-1,471
Subordinated debt		-200,000

Related-party transactions

Transactions with other companies with significant influence

SEK thousand	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Processing fees	-49,241	-37,732	-85,716	-68,763
Interest expense – deposits and borrowing from the public	-182	-219	-398	-437
General administrative expenses	-5	-671	-501	-1,391

SEK thousand	31 Dec 2021	31 Dec 2020
Lending to public	29	82
Deposits and borrowing from the public	-160,052	-159,195
Other liabilities	-18,656	-18,387

Transactions with key persons

SEK thousand	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Interest expense – deposits and borrowing from the public	-17	-24	-39	-48

SEK thousand	31 Dec 2021	31 Dec 2020
Lending to public	2	8
Deposits and borrowing from the public	-10,076	-7,619

In 2020 numbers, related-party transactions related to discontinued operations are included with SEK 51 million.
In 2021 numbers, only related-party transactions related to continuing operations are included.

G13. Financial instruments

SEK thousand	31 Dec 2021		31 Dec 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Financial assets				
Cash and balances at central banks	215,590	215,590	208,520	208,520
Treasury and other bills eligible for refinancing	1,803,015	1,803,015	2,283,253	2,283,253
Lending to credit institutions	4,366,290	4,366,290	3,818,574	3,818,574
Lending to the public	33,346,940	33,993,272	30,858,341	31,390,974
Bonds and other interest-bearing securities	647,948	647,948	669,570	669,570
Shares and participating interests	11,460	11,460	7,287	7,287
Derivatives	1,781	1,781	113,272	113,272
Other assets	70,182	70,182	45,649	45,649
Accrued income	57,906	57,906	45,323	45,323
Total financial assets	40,521,112	41,167,444	38,049,789	38,582,422
Intangible fixed assets	1,979,082		1,846,678	
Tangible assets	122,226		107,518	
Other non-financial assets	277,265		184,360	
Total assets	42,899,685		40,188,345	

Financial instruments

SEK thousand	31 Dec 2021		31 Dec 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities				
Financial liabilities				
Liabilities to credit institutions			107,400	107,400
Deposits and borrowing from the public	26,286,626	26,286,364	24,871,535	24,872,097
Derivatives	27,366	27,366	3,659	3,659
Other liabilities	528,298	528,298	440,918	440,918
Accrued expenses	163,780	163,780	168,166	168,166
Issued securities	7,871,893	7,899,667	6,297,472	6,322,511
Subordinated debt	599,511	610,737	798,702	801,734
Total financial liabilities	35,477,474	35,516,212	32,687,852	32,716,485
Provisions	18,470		20,438	
Other non-financial liabilities	324,854		334,877	
Equity	7,078,887		7,145,178	
Total equity and liabilities	42,899,685		40,188,345	

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

Financial assets and liabilities at fair value

SEK thousand	31 Dec 2021			31 Dec 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss:						
Treasury and other bills eligible for refinancing	1,803,015			2,283,253		
Bonds and other interest-bearing securities	647,948			669,570		
Shares and participating interests			11,460			7,287
Derivatives		1,781			113,272	
Total	2,450,963	1,781	11,460	2,952,823	113,272	7,287
Financial liabilities at fair value through profit or loss:						
Derivatives		-27,366			-3,659	
Total	0	-27,366	0	0	-3,659	0

Changes in level 3

SEK thousand	Jan-Dec 2021	Jan-Dec 2020
Shares and participating interests		
Opening balance	7,287	17,421
Investments during the period	4,092	
Depreciation		-10,000
Exchange-rate fluctuations	81	-134
Closing balance	11,460	7,287

Determination of fair value of financial instruments

Level 1

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

Level 2

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

Level 3

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

Financial instruments measured at fair value for disclosure purposes

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

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

For subordinated debts to fellow subsidiary, Solid Försäkrings AB, fair value of issued amount is calculated by using the present value method. The fair value has been classified as level 2.

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

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

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

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

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

Transfer between levels

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

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

Derivative agreement has been made under the ISDA agreement. The amounts are not offset in the statement of financial position. Most of the derivatives at 31 December 2021 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 2 million (113) while liabilities total SEK 27 million (4). Collateral corresponding to SEK 39 million (0) was provided and received SEK 0 million (107), that had a net effect on lending to credit institutions of SEK 39 million (0) and liabilities to credit institutions total SEK 0 million (107).

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, see note G5.

Nonrecurring costs ¹⁾

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

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, see note G3.

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	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Interest income	1,418,944	1,569,985	2,898,923	3,250,491
Lease income	831	2,322	2,031	6,320
Interest expense	-179,574	-193,182	-363,111	-405,887
Fee & commission income	218,512	211,847	417,858	425,214
Fee & commission expense	-31,873	-33,548	-70,500	-63,635
Net income/expense from financial transactions	1,240	-7,911	3,143	-14,197
Other operating income	101,841	110,902	200,711	215,672
Total operating income	1,529,921	1,660,415	3,089,055	3,413,978
General administrative expenses	-623,396	-583,901	-1,226,322	-1,178,587
Depreciation, amortisation and impairment of intangible and tangible fixed assets	-60,810	-63,454	-122,882	-131,513
Other operating expenses	-38,340	-55,250	-77,953	-107,903
Total expenses before credit losses	-722,546	-702,605	-1,427,157	-1,418,003
Earnings before credit losses	807,375	957,810	1,661,898	1,995,975
Credit losses, net	-270,722	-390,121	-644,853	-854,566
Operating profit/loss	536,653	567,689	1,017,045	1,141,409
Appropriations			216,340	
Income tax expense	-139,203	-179,439	-253,963	-314,481
Net profit for the period	397,450	388,250	979,422	826,928
Attributable to Resurs Bank AB shareholders	397,450	388,250	979,422	826,928

Statement of comprehensive income

SEK thousand	Jul-Dec 2021	Jul-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net profit for the period	397,450	388,250	979,422	826,928
Other comprehensive income that will be reclassified to profit/loss				
Translation differences for the period, foreign operations	27,330	-1,660	63,790	-90,373
Comprehensive income for the period	424,780	386,590	1,043,212	736,555
Attributable to Resurs Bank AB shareholders	424,780	386,590	1,043,212	736,555

Balance sheet

SEK thousand	31 Dec 2021	31 Dec 2020
Assets		
Cash and balances at central banks	215,590	208,520
Treasury and other bills eligible for refinancing	1,803,015	2,283,253
Lending to credit institutions	4,267,364	3,701,645
Lending to the public	33,392,534	30,900,538
Bonds and other interest-bearing securities	647,948	669,570
Shares and participating interests	11,460	7,287
Shares and participating interests, in Group companies	50,099	50,099
Intangible fixed assets	1,330,443	1,365,443
Tangible assets	52,587	50,200
Other assets	269,303	221,966
Prepaid expenses and accrued income	141,226	171,131
TOTAL ASSETS	42,181,569	39,629,652
Liabilities, provisions and equity		
Liabilities and provisions		
Liabilities to credit institutions		107,400
Deposits and borrowing from the public	26,288,192	24,873,110
Other liabilities	2,703,169	2,592,002
Accrued expenses and deferred income	222,386	199,452
Other provisions	18,470	20,438
Issued securities	5,871,893	4,297,472
Subordinated debt	599,511	798,702
Total liabilities and provisions	35,703,621	32,888,576
Untaxed reserves		216,340
Equity		
Restricted equity		
Share capital	500,000	500,000
Statutory reserve	12,500	12,500
Unrestricted equity		
Fair value reserve	40,890	-22,900
Retained earnings	4,945,136	5,208,208
Net profit for the year	979,422	826,928
Total equity	6,477,948	6,524,736
TOTAL LIABILITIES, PROVISIONS AND EQUITY	42,181,569	39,629,652

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 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					826,928	826,928
Other comprehensive income for the year			-90,373			-90,373
Equity at 31 December 2020	500,000	12,500	-22,900	5,208,208	826,928	6,524,736
Initial equity at 1 January 2021	500,000	12,500	-22,900	5,208,208	826,928	6,524,736
<i>Owner transactions</i>						
Dividends paid according to General Meeting				-458,000		-458,000
Dividends according to Extraordinary General Meeting				-632,000		-632,000
Appropriation of profits according to resolution by Annual General Meeting				826,928	-826,928	0
Net profit for the period					979,422	979,422
Other comprehensive income for the year			63,790			63,790
Equity at 31 December 2021	500,000	12,500	40,890	4,945,136	979,422	6,477,948

Cash flow statement (indirect method)

SEK thousand	Jan-Dec 2021	Jan-Dec 2020
Operating activities		
Operating profit	1,017,045	1,141,409
- of which, interest received	1,478,046	3,252,533
- of which, interest paid	-180,406	-422,236
Adjustments for non-cash items in operating profit	778,927	996,986
Tax paid	-405,015	-293,840
Cash flow from operating activities before changes in operating assets and liabilities	1,390,957	1,844,555
Changes in operating assets and liabilities		
Lending to the public	-2,486,544	-1,533,092
Other assets	-90,453	612,990
Liabilities to credit institutions	-107,400	12,500
Deposits and borrowing from the public	966,057	674,491
Acquisition of investment assets ¹⁾	-3,135,524	-4,671,785
Divestment of investment assets ¹⁾	3,658,246	4,285,241
Other liabilities	106,801	-920,571
Cash flow from operating activities	302,140	304,329
Investing activities		
Acquisition of intangible and tangible fixed assets	-26,237	-29,922
Divestment of intangible and tangible fixed assets	1,649	9,113
Cash flow from investing activities	-24,588	-20,809
Financing activities		
Dividends paid	-1,089,999	
Shareholder's contributions	1,572,015	-477,406
Issued securities	-200,000	
Subordinated debt	282,016	-477,406
Cash flow from financing activities		
	559,568	-193,886
Cash flow for the period	3,910,165	4,115,479
Cash & cash equivalents at beginning of the year ²⁾	13,221	-11,428
Exchange rate differences	4,482,954	3,910,165
Cash & cash equivalents at end of the year ²⁾		
Adjustment for non-cash items in operating profit		
Credit losses	644,853	854,566
Depreciation, amortisation and impairment of intangible and tangible fixed assets	122,882	131,513
Profit/loss tangible assets	-321	-739
Profit/loss on investment assets ¹⁾	3,660	-2,709
Change in provisions	-2,414	1,701
Adjustment to interest paid/received	10,977	-6,604
Currency effects	-3,925	5,921
Depreciation, amortisation and impairment of shares		10,000
Other items that do not affect liquidity	3,215	3,337
Sum non-cash items in operating profit	778,927	996,986

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 26,288 million (24,873), whereof in Sweden SEK 11,480 million (11,714), in Norway SEK 6,102 million (6,441) and in Germany SEK 8,705 million (6,718). The lending to the public/deposits from the public ratio is 127 per cent (124 per cent).

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 9,000 million (9,000). Within the programme, Resurs Bank has been working successfully to issue bonds on a regular basis and sees itself as an established issuer on the market. Resurs Bank has primarily issued bonds in Sweden but also in Norway. The programme has thirteen outstanding issues at a nominal amount of SEK 5,400 million (4,900) and NOK 1,050 million (0). Of the thirteen issues, eleven are senior unsecured bonds and two issues are a subordinated loan of SEK 600 million (600).

Resurs Bank has been awarded the credit rating BBB with stable outlook from the rating company Nordic Credit Rating (NCR). Access to Nordic Credit Ratings analyses can be found on the website www.nordiccreditrating.com.

Resurs Bank has completed a securitisation of loan receivables, a form of structured financing, referred to as Asset Backed Securities (ABS). This took place by transferring loan receivables to Resurs Bank's wholly owned subsidiaries Resurs Consumer Loans 1 Limited. Resurs Bank signed an agreement in December 2020 to extend the existing ABS financing. This financing has been arranged with JP Morgan Chase Bank. Resurs Bank has for a period of 18 months (revolving period), the right to continue sale of certain additional loan receivables to Resurs Consumer Loans. At 31 December 2021 a total of approximately SEK 2.5 billion in loan receivables had been transferred to Resurs Consumer Loans. Resurs Bank and Resurs Consumer Loans have provided security for the assets that form part of the securitisation. At the balance sheet date, the external financing amounted to SEK 2.0 billion (2.0) of the ABS financing.

Liquidity

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

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

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

The liquidity reserve, totalling SEK 1,898 million (1,860), is in accordance with Swedish Financial Supervisory Authority regulations on liquidity risk management (FFFS 2010:7) and applicable amendments thereto for Resurs Bank. Accordingly, assets are segregated, unutilised and of high quality. The liquidity reserve largely comprises assets with the highest credit quality rating.

In addition to the liquidity reserve, Resurs Bank has other liquid assets primarily comprised of cash balances with other banks. These assets are of high credit quality and total SEK 5,038 million (5,005). Accordingly, total liquidity amounted to SEK 6,936 million (6,865). Total liquidity corresponded to 26 per cent (28 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 31 December 2021 the ratio for the consolidated situation is 240 per cent (288 per cent). For the period January to December 2021, the average LCR measures 243 per cent.

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

Summary of liquidity

SEK thousand	31 Dec 2021	31 Dec 2020
Liquidity reserve as per FFFS 2010:7 definition		
Securities issued by sovereigns	179,334	176,381
Securities issued by municipalities	1,054,883	958,037
Lending to credit institutions	15,000	55,000
Bonds and other interest-bearing securities	648,607	670,374
Summary Liquidity reserve as per FFFS 2010:7	1,897,824	1,859,792
Other liquidity portfolio		
Cash and balances at central banks	215,590	208,520
Securities issued by municipalities	570,349	1,150,181
Lending to credit institutions	4,252,364	3,646,645
Bonds and other interest-bearing securities	5,038,303	5,005,346
Total other liquidity portfolio		
	6,936,127	6,865,138
Total liquidity portfolio		
Other liquidity-creating measures	51,270	47,730

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

31/12/2021 SEK thousand	Total	SEK	EUR	DKK	NOK
Level 1 assets					
Cash and balances with central banks	184,468		120,723		63,745
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	179,334		118,816	28,632	31,886
Securities issued by municipalities and PSEs	1,625,233	1,309,878	73,761		241,594
Extremely high quality covered bonds	648,608	325,910	150,684		172,014
Level 2 assets					
High quality covered bonds	0				
Total liquid assets	2,637,643	1,635,788	463,984	28,632	509,239

31/12/2020 SEK thousand	Total	SEK	EUR	DKK	NOK
Level 1 assets					
Cash and balances with central banks	179,039		119,552		59,487
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	176,381		117,636	28,696	30,049
Securities issued by municipalities and PSEs	1,908,211	1,609,889	73,853		224,469
Extremely high quality covered bonds	390,740	117,923	191,293		81,524
Level 2 assets					
High quality covered bonds	279,634	201,043			78,591
Total liquid assets	2,934,005	1,928,855	502,334	28,696	474,120

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

SEK thousand	31 Dec 2021	31 Dec 2020
Total liquid assets	2,637,643	2,934,005
Net liquidity outflow	1,078,916	995,751
LCR measure	240%	288%

P3. Capital adequacy

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

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

Credit risk is calculated by applying the standardised method under which the asset items of the consolidated situation are weighted and divided between 17 different exposure classes. The total risk-weighted exposure amount is multiplied by 8 per cent to obtain the minimum capital requirement for credit risk. The capital requirement for operational risk is calculated by the standardised method. Under this method, the capital requirement for operational risks is 12 per cent of the income indicator (meaning average operating income for the past three years). External rating companies are used to calculate the bank's capital base requirement for bonds and other interest-bearing securities.

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

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

Capital base

SEK thousand	31 Dec 2021	31 Dec 2020
Tier 1 capital		
Equity	6,477,948	6,524,736
Proposed dividend		-458,000
Foreseeable dividend	-262,000	-392,000
Untaxed reserves (78% thereof)		168,745
Equity	6,215,948	5,843,481
<i>Adjustments according to transition rules IFRS 9:</i>		
Initial revaluation effect	169,371	237,119
<i>Less:</i>		
Additional value adjustments	-2,464	-3,073
Intangible assets	-1,330,443	-1,365,443
Total Common Equity Tier 1 capital	5,052,412	4,712,084
Total Tier 1 capital	5,052,412	4,712,084
Tier 2 capital		
Dated subordinated loans	299,539	611,845
Total Tier 2 capital	299,539	611,845
Total capital base	5,351,951	5,323,929

Specification of risk-weighted exposure amount and capital requirements

SEK thousand	31 Dec 2021		31 Dec 2020	
	Risk-weighted exposure amount	Capital requirement ¹⁾	Risk-weighted exposure amount	Capital requirement ¹⁾
Exposures to institutions	901,889	72,151	752,268	60,181
Exposures to corporates	341,666	27,333	341,056	27,284
Retail exposures	22,776,334	1,822,107	20,883,338	1,670,667
Exposures in default	2,925,566	234,045	3,044,468	243,557
Exposures in the form of covered bonds	64,730	5,178	66,890	5,351
Equity exposures	61,548	4,924	57,379	4,591
Other items	612,139	48,972	322,683	25,816
Total credit risks	27,683,872	2,214,710	25,468,082	2,037,447
Credit valuation adjustment risk	40,688	3,255	25,265	2,021
Market risk				
Currency risk				
Operational risk (standard methods)	4,998,021	399,842	5,089,268	407,141
Total riskweighted exposure and total capital requirement	32,722,581	2,617,807	30,582,615	2,446,609
Concentration risk		282,493		256,135
Interest rate risk		138,557		29,936
Currency risk		2,739		4,667
Total Tier 2 capital requirement		423,789		290,738
Capital buffers				
Capital conservation buffer		818,065		764,566
Countercyclical capital buffer		61,568		64,314
Total capital requirement Capital buffers		879,633		828,880
Total capital requirement		3,921,229		3,566,227

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

Regulatory capital requirements

	31 Dec 2021		31 Dec 2020	
	Amount	Share of risk-weighted exposure amount	Amount	Share of risk-weighted exposure amount
Common Equity Tier 1 capital pursuant to Article 92 CRR (Pillar 1)	1,472,516	4.5	1,376,218	4.5
Other Common Equity Tier 1 capital requirements (Pillar 2)	238,381	0.7	195,747	0.6
Combined buffer requirement	879,633	2.7	828,880	2.7
Total Common Equity Tier 1 capital requirements	2,590,530	7.9	2,400,844	7.9
Common Equity Tier 1 capital	5,052,412	15.4	4,712,084	15.4
Tier 1 capital requirements under Article 92 CRR (Pillar 1)	1,963,355	6.0	1,834,957	6.0
Other Tier 1 capital requirements (Pillar 2)	317,842	1.0	236,456	0.8
Combined buffer requirement	879,633	2.7	828,880	2.7
Total Tier 1 capital requirements	3,160,829	9.7	2,900,292	9.5
Tier 1 capital	5,052,412	15.4	4,712,084	15.4
Capital requirements under Article 92 CRR (Pillar 1)	2,617,806	8.0	2,446,609	8.0
Other capital requirements (Pillar 2)	423,790	1.3	290,738	1.0
Combined buffer requirement	879,633	2.7	828,880	2.7
Total capital requirement	3,921,229	12.0	3,566,227	11.7
Total capital base	5,351,951	16.4	5,323,929	17.4

Capital ratio and capital buffers

	31 Dec 2021	31 Dec 2020
Common Equity Tier 1 ratio, %	15.4	15.4
Tier 1 ratio, %	15.4	15.4
Total capital ratio, %	16.4	17.4
Institution specific buffer requirements, %	2.7	2.7
- of which, capital conservation buffer requirement, %	2.5	2.5
- of which, countercyclical buffer requirement, %	0.2	0.2
Common Equity Tier 1 capital available for use as buffer after meeting the total own funds requirements, %	7.1	8.5

Bruttosoliditetsgrad

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

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

SEK thousand	31 Dec 2021	31 Dec 2020
Tier 1 capital	5,052,412	4,712,084
Leverage ratio exposure	43,402,457	40,942,256
Leverage ratio, %	11.6	11.5

P4. Pledged assets, contingent liabilities and commitments

SEK thousand	31 Dec 2021	31 Dec 2020
Collateral pledged for own liabilities		
Lending to credit institutions	128,900	90,000
Lending to the public ¹⁾	2,458,568	2,455,141
Restricted bank deposits ²⁾	33,828	32,286
Total collateral pledged for own liabilities	2,621,296	2,577,427
Contingent liabilities	0	0
Other commitments		
Unutilised credit facilities granted	24,239,177	23,891,248
Total Other commitments	24,239,177	23,891,248

¹⁾ Refers to securitisation.

²⁾ As of 31 December 2021, SEK 31,122 thousand (29,481) refers mainly to a reserve requirement account at Finlands Bank.

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