



Interim Report January–June 2019

1 April–30 June 2019*

- Lending to the public rose 14% to SEK 30,323 million
- Operating income increased 5% to SEK 913 million
- Operating profit rose 8% to SEK 405 million
- Earnings per share increased 8% to SEK 1.56
- C/I before credit losses (excl. Insurance) was 39.0% (41.6%)
- The credit loss ratio was 2.0% (2.0%)

1 January–30 June 2019*

- Lending to the public rose 14% to SEK 30,323 million
- Operating income increased 8% to SEK 1,809 million
- Operating profit rose 9% to SEK 783 million
- Earnings per share rose 10% to SEK 3.03
- C/I before credit losses (excl. Insurance) was 39.6% (41.2%)
- The credit loss ratio was 2.1% (2.0%)
- The Board proposes a dividend of SEK 1.80 per share to be paid in autumn 2019. This represents an increase of 9% compared with the dividend in autumn 2018

“We delivered yet another quarter of strong, profitable growth. The core of our business model, Payment Solutions and mainly retail finance, continued to report a strong trend in growth and margins in the quarter.”

Kenneth Nilsson, CEO Resurs Holding AB

ABOUT RESURS HOLDING

Resurs Holding (Resurs), which operates through the subsidiaries Resurs Bank and Solid Försäkring, is the leader in retail finance in the Nordic region, offering payment solutions, consumer loans and niche insurance products. Since its start in 1977, Resurs Bank has established itself as a leading partner for sales-driven payment and loyalty solutions in retail and e-commerce, and Resurs has thus built a customer base of approximately 6.0 million private customers in the Nordics. Resurs Bank has had a banking licence since 2001 and is under the supervision of the Swedish Financial Supervisory Authority. The Resurs Group operates in Sweden, Denmark, Norway and Finland. At the end of the second quarter of 2019, the Group had 777 employees and a loan portfolio of SEK 30.3 billion. Resurs is listed on Nasdaq Stockholm.

* Certain performance measures provided in this section have not been prepared in accordance with IFRS or the capital adequacy rules, meaning that they are alternative performance measures. Calculations and reconciliation against information in the financial statements of these performance measures are provided on the website under “Financial reports.” Definitions of key ratios are provided on the website under “Financial data.” The figures in parentheses refer to 30 June 2018 in terms of financial position, and to the year-earlier period in terms of profit/loss items.

Statement by the CEO

Resurs continued to deliver both growth and profitability

The second quarter of the year was characterised by healthy growth in both our banking segments and in all four Nordic markets, with lending increasing 14 per cent to SEK 30,323 million on 30 June 2019. Profit after tax increased 8 per cent to SEK 313 million (289), our best ever quarterly earnings. This was achieved through our profitable growth based on responsible credit lending and continued good cost control. The scalability of the business also meant that the cost/income ratio continued to improve to 39.0 per cent (41.6 per cent) in the quarter. In total, we delivered on or over all of our financial targets, except for the risk-adjusted NBI margin, which continued to be negatively impacted mainly by the conditions in the Norwegian consumer loan market. The risk-adjusted NBI margin in the second quarter was 9.6 per cent (10.7 per cent), which was in line with the level in the first quarter of 2019.

Continued strong trend in Payment Solutions and competition on equal terms in Norway

The core of our business model, Payment Solutions and mainly retail finance, continued to report a strong trend in growth and margins in the quarter. A number of new collaborations with retail finance partners were initiated throughout the Nordic region during the quarter, in parallel with existing partnerships continuing to be developed. We are proud of the continued confidence shown in us by two leading and well-known retailers, Mio and Bauhaus, both of which chose to continue their strategic partnerships with Resurs as a payment solutions provider. We look forward to continuing to develop the customer journey and shopping experience by leveraging our ability to combine extensive retail experience with digital expertise to take their omni-retail to the next level.

Consumer Loans also reported high growth in lending in all markets. The Norwegian consumer loan market remained challenging due to the new law. As planned, Resurs took a number of measures during the quarter in the form of interest-rate hikes in June and rationalisation of costs, and also made a number of changes to the Norwegian organisation. After the new law came into effect in mid-May, we believe the consumer loan market is now, to a much greater extent, characterised by competition on equal terms. This immediately had a positive effect for Resurs with an increase in the share of special offers won in the agent channel compared with before the law came into effect, despite price increases on our new lending in the quarter.

Our smallest segment, Insurance, also reported healthy growth in both the premium earned and earnings for the quarter. During the year, we signed two new strategic partners in the Security business area, which is important for the continued development of this business area.

New credit rating and sustainable business model that is demonstrating its strength

During the quarter, Resurs Bank was awarded an investment grade rating of BBB-, stable outlook from Nordic Credit Rating (NCR). NCR's credit rating strengthens our conditions for seeking financing on advantageous terms and is entirely aligned with our strategy of actively working with different sources of financing to continue to build up long-term diversified financing.

At the start of June, Nordic Capital sold its remaining shareholding in Resurs, thus marking the end of a seven-year epoch as a major owner of the company. We would like to thank Nordic Capital for a fantastic partnership over the years, during our intensive phase of growth followed by the IPO in 2016 and our ongoing journey of growth as a listed company.

The ability of our business model to evolve in line with technology, regulations and customer needs is continuously challenged. But one thing is clear, Resurs's business model with its stable core of retail finance is continuing to deliver and once again demonstrated its strength during the quarter by counterbalancing and compensating the business segments to address the changing conditions in the four Nordic markets. In other words, Resurs stands strong and, as it has become accustomed to, continued to grow faster than the market during the quarter and capture market shares.

LENDING
SEK **30,323** MILLION

LENDING GROWTH
+14%

NET PROFIT FOR THE
QUARTER
+8%



Kenneth Nilsson
CEO Resurs Holding AB

Performance measures

<i>SEKm unless otherwise specified</i>	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change	Jan-Dec 2018
Operating income	913	868	5%	1,809	1,673	8%	3,437
Operating profit*	405	374	8%	783	718	9%	1,487
Net profit for the period	313	289	8%	607	554	10%	1,143
Earnings per share, SEK	1.56	1.44	8%	3.03	2.77	10%	5.72
C/I before credit losses, %*	39.5	42.2		40.0	41.8		41.2
C/I before credit losses (excl. Insurance), %*	39.0	41.6		39.6	41.2		40.5
Common Equity Tier 1 ratio, %	13.1	13.8		13.1	13.8		13.4
Total capital ratio, %	15.0	15.4		15.0	15.4		14.7
Lending to the public	30,323	26,626	14%	30,323	26,626	14%	27,957
NIM, %*	9.7	10.7		9.8	10.5		10.6
Risk-adjusted NBI margin, %*	9.6	10.7		9.6	10.6		10.6
NBI margin, %*	11.6	12.7		11.6	12.6		12.6
Credit loss ratio, %*	2.0	2.0		2.1	2.0		2.1
Return on equity excl. intangible assets (RoTE), %*	27.2	27.5		27.2	27.3		27.4
Return on equity excl. intangible assets, given a Common Equity Tier 1 ratio according to the Board's target and deducted dividend from the capital base, (RoTE), %*	34.4	33.4		34.1	32.6		33.9

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

Group results*

Second quarter 2019, April–June

Operating income

The Group's operating income increased 5 per cent to SEK 913 million (868). Net interest income increased 4 per cent to SEK 726 million (697), with interest income amounting to SEK 833 million (778) and interest expense to SEK -108 million (-81). Fee & commission income amounted to SEK 56 million (53) and fee & commission expense to SEK -15 million (-14), resulting in a total net commission for the banking operations of SEK 40 million (39).

Premium earned, net, in the insurance operations increased 7 per cent to SEK 219 million (204), while claim costs were SEK -54 million (-57), which is recognised in the item insurance compensation, net. Fee & commission expense in the insurance operations amounted to SEK -62 million (-54). In total, net insurance income increased to SEK 103 million (94).

OPERATING INCOME

+5%

Net expense from financial transactions amounted to SEK -3 million (-5), primarily comprising changes in value of investments in interest-bearing securities, equities and exchange-rate differences. Other operating income, mainly comprising remuneration from lending operations, amounted to SEK 48 million (42).

Operating expenses

The Group's expenses before credit losses fell 2 per cent to SEK -361 million (-366) and was the result of active work on cost efficiency improvements, particularly in the Norwegian market to meet the lower income margin. Personnel expenses rose SEK 1 million to SEK -158 million (-157) year-on-year. General administrative costs excluding personnel expenses declined SEK 6 million to SEK -142 million (-148), and depreciation, amortisation and impairment of tangible and intangible fixed assets rose SEK 11 million to SEK -23 million (-12). IFRS 16 resulted in an increase of SEK 8 million in depreciation, amortisation and impairment for the quarter, while general administrative costs declined. Other operating expenses fell SEK 11 million to SEK -38 million (-49). Viewed in relation to the operations' income, the cost level (excluding Insurance) amounted to 39.0 per cent (41.6 per cent).

Credit losses totalled SEK -148 million (-128) and the credit loss ratio was 2.0 per cent (2.0 per cent). The risk-adjusted NBI margin was 9.6 per cent (10.7 per cent). The lower margin was mainly the effect of the conditions in the Norwegian market in Consumer Loans.

Profit

Operating profit increased 8 per cent to SEK 405 million (374). Net profit for the quarter increased 8 per cent to SEK 313 million (289). Tax expense for the quarter amounted to SEK -92 million (-85).

First half of 2019, January–June

Operating income and expenses

The Group's operating income increased 8 per cent to SEK 1,809 million (1,673), primarily due to growth in lending. Net interest income increased 8 per cent to SEK 1,428 million (1,326), with interest income amounting to SEK 1,626 million (1,481) and interest expense to SEK -198 million (-155). Fee & commission income amounted to SEK 105 million (107) and fee & commission expense to SEK -29 million (-27). This resulted in a total net commission for the banking operations of SEK 76 million (80).

The Group's expenses before credit losses increased 4 per cent to SEK -724 million (-699). Viewed in relation to the operations' income, the cost level (excluding Insurance) continued to improve and amounted to 39.6 per cent (41.2 per cent) for the first six months of the year.

Credit losses totalled SEK -302 million (-256) and the credit loss ratio was 2.1 per cent (2.0 per cent). The risk-adjusted NBI margin was 9.6 per cent (10.6 per cent).

Profit

Operating profit increased 9 per cent to SEK 783 million (718). Net profit for the period amounted to SEK 607 million (554). Tax expense for the period amounted to SEK -176 million (-164).

C/I RATIO (excl. Insurance)

39.0%

OPERATING PROFIT FOR
THE QUARTER

+8%

OPERATING PROFIT FOR
THE PERIOD

SEK 783 MILLION

Financial position at 30 June 2019*

Comparative figures for this section refer to year-end 2018, except for cash flow for which comparative figures refer to the same period in the preceding year.

On 30 June 2019, the Group's financial position was strong, with a capital base of SEK 4,639 million (4,281) in the consolidated situation, comprising the Parent Company, Resurs Holding, and the Resurs Bank Group. The total capital ratio was 15.0 per cent (14.7 per cent) and the Common Equity Tier 1 ratio was 13.1 per cent (13.4 per cent).

Lending to the public amounted to SEK 30,323 million (27,957) on 30 June 2019, representing an 8 per cent increase for the period and a 6 per cent increase excluding currency effects. Lending to the public totalled SEK 26,626 million on 30 June 2018, corresponding to a 14 per cent annual increase and a 14 per cent annual increase excluding currency effects. This strong growth was driven by both banking segments and all geographic markets and is well in line with the Group's financial target of lending growth of more than 10 per cent.

In addition to capital from shareholders, the operations are financed by deposits from the public, the issued MTN bonds and the securitisation of certain loan receivables (ABS financing). The Group's strategy is to actively work with various sources of financing in order to use the most suitable source of financing at any given time and to create diversified financing in the long term.

Deposits from the public on 30 June 2019 rose 12 per cent to SEK 22,965 million (20,578). Financing through issued securities totalled SEK 7,626 million (7,832). Liquidity remained healthy and the liquidity coverage ratio (LCR) was 186 per cent (146 per cent) in the consolidated situation. The minimum statutory LCR ratio is 100 per cent. Lending to credit institutions at 30 June 2019 amounted to SEK 3,878 million (3,704). Holdings of treasury and other bills eligible for refinancing, as well as bonds and other interest-bearing securities, totalled SEK 2,429 million (2,272).

Cash flow from operating activities amounted to SEK 595 million (-796) for the period. Cash flow from deposits amounted to SEK 1,991 million (1,119) and the net change in investment assets totalled SEK -127 million (-133). Cash flow from investing activities for the period totalled SEK -69 million (-89) and cash flow from financing activities SEK -367 million (1,152). Since year-end, bonds of a nominal SEK 900 million have been issued under Resurs Bank's MTN programme.

Intangible assets amounted to SEK 2,090 million (1,974), and primarily comprise the goodwill that arose in the acquisition of Finaref and Danaktiv in 2014 and yA Bank in 2015.

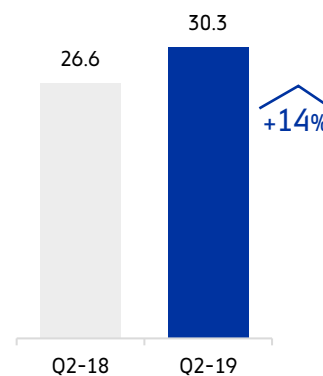
Dividend

As previously announced, the Board intends to convene an Extraordinary General Meeting that is expected to be held on 2 October 2019 in Helsingborg, Sweden. The Board intends to propose a motion to the Extraordinary General Meeting regarding the payment of dividends of SEK 1.80 per share, a total of SEK 360 million in dividends, corresponding to the amount that was deducted from the capital base in the first half of 2019.

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TOTAL CAPITAL RATIO
15.0%

LENDING TO THE PUBLIC



Trend in lending to the public in SEK billion.

LIQUIDITY COVERAGE RATIO
186%

Payment Solutions

Strong sales growth and continued confidence as strategic partner

Second quarter 2019, April–June

Payment Solutions followed up the excellent start to the year with yet another strong quarter of sales growth and stable margins in all Nordic markets. More than 30 per cent of new lending was generated from e-commerce.

A number of new collaborations with retail finance partners were initiated throughout the Nordic region during the quarter, in parallel with existing partnerships continuing to be developed. For example, Mio and Bauhaus both chose to give Resurs their continued confidence as a strategic partner for strengthening their business offerings in all sales channels and for taking their omni-retail to the next level.

Testing new ways of meeting changed consumption patterns and making the customer journey as quick, secure and simple as possible are becoming increasingly central for retailers. The new push function in Resurs Checkout, launched at the start of the year, means that the retailer can send a digital offer to the customer with the product reserved in Resurs Checkout for a limited period of time. This allows customers to make purchasing decisions when it suits them. The push function is now an integral part of Resurs's offering and has been met with widespread interest from both retail finance partners and the market as a whole. This led to a number of new business contacts being established during the quarter with retailers that showed interest in a partnership, largely thanks to this new service.

Work on AI in credit cards contributed to continued effective sales to existing customers based on the ability of this technology to tailor activities and offerings based on individual customer needs. The positive effect was particularly clear in the continued increased sales growth and profitability for the quarter.

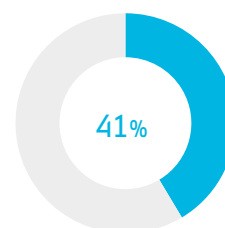
On 30 June 2019, lending to the public increased 11 per cent to SEK 11,146 million (10,045), an 11 per cent increase in constant currencies. Growth was mainly driven by higher volumes from existing retail finance partners.

Operating income totalled SEK 380 million (354), up 7 per cent year-on-year. The increase was mainly related to higher business volumes from both existing retail finance partners in all markets. Operating income less credit losses increased 12 per cent to SEK 341 million (305). The risk-adjusted NBI margin was at the same level as the year-earlier period at 12.5 per cent (12.5 per cent).

First half of 2019, January–June

Lending to the public on 30 June 2019 rose 11 per cent to SEK 11,146 million (10,045). Operating income totalled SEK 753 million (691), up 9 per cent year-on-year. The increase was mainly related to higher business volumes from both existing retail finance partners in all markets. Operating income less credit losses rose 14 per cent to SEK 665 million (585). The risk-adjusted NBI margin increased to 12.3 per cent (12.1 per cent).

PERCENTAGE OF
OPERATING INCOME JAN-
JUN 2019

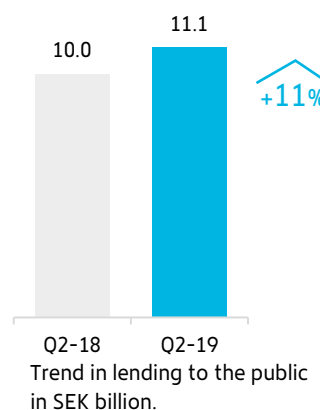


ABOUT PAYMENT SOLUTIONS

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

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

LENDING TO THE PUBLIC



Performance measures – Payment Solutions

SEKm unless otherwise specified	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change	Jan-Dec 2018
Lending to the public at end of the period	11,146	10,045	11%	11,146	10,045	11%	10,508
Operating income	380	354	7%	753	691	9%	1,425
Operating income less credit losses	341	305	12%	665	585	14%	1,239
Risk-adjusted NBI margin, %	12.5	12.5		12.3	12.1		12.5
Credit loss ratio, %	1.4	2.0		1.6	2.2		1.9

Consumer Loans

Increased lending growth and positive performance despite challenges in Norway

Second quarter 2019, April–June

Resurs's four Nordic markets were characterised by continued high growth in lending for the quarter. The Swedish market was responsible for the strongest performance in absolute terms, while lending in the Finnish market increased the most in per cent.

The Norwegian market remained challenging in the quarter. As planned, Resurs took a number of measures in the form of interest-rate hikes in June and rationalisation of costs, but also made a number of changes to the Norwegian organisation to better adapt the business to new conditions in the Norwegian consumer loan market. After the new law came into effect in mid-May, it is deemed that the consumer loan market is now, to a much greater extent, characterised by competition on equal terms. This had an immediate positive effect for Resurs with an increase in the share of special offers won in the agent channel compared with before the law came into effect, despite price increases on new lending in the second quarter.

Resurs's proprietary credit engine has been launched in four Nordic countries. The credit engine's process for digital loan processing provides efficient support for credit decisions at the same credit risk. To date, the credit engine has met expectations by generating both increased sales growth and offering customers a simple and digitised application process. The share of automated responses from the credit engine in the Nordic market for the quarter was almost 100 per cent. In turn, the share of loans granted that were signed electronically continued to rise during the quarter and amounted to slightly more than 80 per cent in the Nordic region. When customers sign electronically, they also receive an offer direct in the BankID app to supplement their loan with payment protection insurance. The offer enjoyed a flying start in the Swedish market and boosted sales of payment protection insurance in the quarter.

The integration of data from the Norwegian Gjeldsregisteret debt information company with the credit engine was completed during the quarter, which will provide further support for credit decisions in the Norwegian market by strengthening information collection and customer analytics.

Lending to the public on 30 June 2019 rose 16 per cent to SEK 19,176 million (16,581). In constant currencies the increase was 16 per cent. Operating income increased by 2 per cent in the quarter to SEK 485 million (474). Operating income less credit losses amounted to SEK 376 million (395) and the risk-adjusted NBI margin was 8.0 per cent (9.8 per cent). The trend in the risk-adjusted NBI margin was mainly due to the conditions in the Norwegian market and higher credit loss level as a result of increased debt collection transfers in the Norwegian market, but was in line with the first quarter of the year.

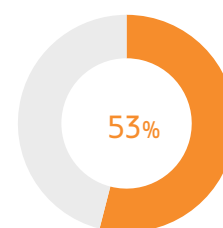
First half of 2019, January–June

Lending to the public on 30 June 2019 rose 16 per cent to SEK 19,176 million (16,581). Operating income for the period increased by 5 per cent to SEK 955 million (908). Operating income less credit losses amounted to SEK 740 million (758), and the risk-adjusted NBI margin was 8.1 per cent (9.8 per cent). The trend in the risk-adjusted NBI margin was mainly due to the conditions in the Norwegian market and higher credit loss level as a result of increased debt collection transfers in the Norwegian market, but was in line with the first quarter of the year.

Performance measures – Consumer Loans

SEKm unless otherwise specified	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change	Jan-Dec 2018
Lending to the public at end of the period	19,176	16,581	16%	19,176	16,581	16%	17,449
Operating income	485	474	2%	955	908	5%	1,864
Operating income less credit losses	376	395	-5%	740	758	-2%	1,515
Risk-adjusted NBI margin, %	8.0	9.8		8.1	9.8		9.5
Credit loss ratio, %	2.3	1.9		2.3	1.9		2.2

PERCENTAGE OF
OPERATING INCOME
JAN-JUN 2019

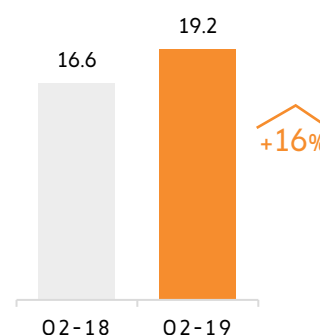


ABOUT CONSUMER LOANS

Consumer Loans' customers are offered unsecured loans, also known as consumer loans. Consumer loans are normally used to finance larger purchases, extend existing loans or to finance general consumption.

Consumer Loans also helps consumers to consolidate their loans with other banks, in order to reduce their monthly payments or interest expense. Resurs currently holds approximately SEK 19.2 billion in outstanding consumer loans.

LENDING TO THE PUBLIC



Trend in lending to the public in SEK billion.

Insurance

Continued favourable performance and strong earnings growth

Second quarter 2019, April–June

Insurance reported continued growth in both premium earned and profit in the second quarter. The existing partner base performed well at the same time as preparations were made for new partner launches. Another external partner was signed in the Security business area in the quarter.

During the quarter, the segment carried out the acquisition of a business that previously provided the company's car guarantee products. This acquisition offers more opportunities for developing the business in the Motor business line, which reported growth in premium earned of 7 per cent compared with the year-earlier quarter.

In Norway, the company received a certificate that improves the company's ability to capture market shares in the Norwegian bicycle market. Sales of a packaged insurance and anti-theft registration in the newly developed technical platform have started and the market is being actively cultivated.

Premium earned, net, increased 7 per cent year-on-year to SEK 219 million (205). All business areas reported a positive performance, although the increase was primarily due to the Security and Motor business lines. Operating income for the quarter rose 13 per cent to SEK 54 million (48). The trend in the capital market remained favourable in the second quarter, which resulted in a positive outcome for net income from financial transactions, which was SEK 4 million (1).

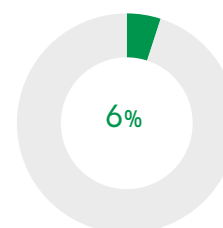
The technical result increased 14 per cent to SEK 22 million (19) as a result of growth in the Security business area and growth and improved profitability in the Motor business line. Operating profit increased 27 per cent to SEK 29 million (23) year-on-year as a result of higher income and good cost control. The total combined ratio improved to 90.6 per cent (91.3 per cent), primarily due to growth in premium earned and lower claim costs.

First half of 2019, January–June

Premium earned, net, increased 7 per cent compared with the year-earlier period to SEK 434 million (405). This increase was primarily attributable to the Security and Motor business lines. Operating income for the period increased 24 per cent to SEK 112 million (90). The capital market trended positively in the period and net income from financial transactions was SEK 13 million (-1).

The technical result increased 11 per cent to SEK 45 million (40), primarily due to growth in the Security and Motor business areas and improved profitability in the Product and Motor business lines. Operating profit rose SEK 17 million to SEK 60 million (43) as a result of the higher premium earned, the favourable performance of the capital market and a controlled cost trend. The total combined ratio improved to 90.4 per cent (90.8 per cent).

PERCENTAGE OF
OPERATING INCOME JAN-
JUN 2019

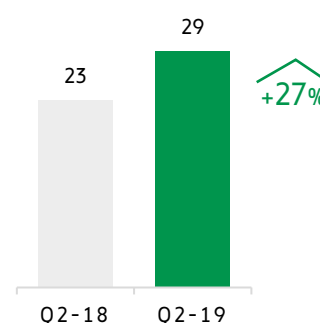


ABOUT INSURANCE

Non-life insurance is offered within the Insurance segment under the Solid Försäkring brand. The focus is on niche coverage, with the Nordic region as the main market.

Insurance products are divided into four business lines: Travel, Security, Motor and Product. The company partners with leading retail chains in various sectors, and has about 2.3 million customers across the Nordic region.

OPERATING PROFIT



Trend in operating profit in SEK million.

Performance measures – Insurance

SEKm unless otherwise specified	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change	Jan-Dec 2018
Premium earned, net	219	205	7%	434	405	7%	829
Operating income	54	48	13%	112	90	24%	178
Technical result	22	19	14%	45	40	11%	88
Operating profit	29	23	27%	60	43	40%	83
Combined ratio, %	90.6	91.3		90.4	90.8		90.2

SIGNIFICANT EVENTS

January–June 2019

Resurs Holding's CFO Peter Rosén to leave in November

Peter Rosén announced in June 2019 that he would leave his position as CFO of Resurs Holding. The process of recruiting his successor has begun.

Bauhaus decided to continue its partnership with Resurs

Resurs and BAUHAUS have enjoyed a successful partnership for many years and in June 2019 BAUHAUS decided to extend its collaboration with Resurs Bank. In addition to pursuing the partnership further, Resurs's engagement for providing Bauhaus's e-commerce solutions is also being expanded.

Resurs Bank extends its ABS financing

The ABS financing was expanded in June 2019, and a new 18-month revolving period commenced.

Resurs Bank was awarded an investment grade rating from Nordic Credit Rating (BBB-, stable outlook)

In May 2019, Resurs Bank was awarded an investment grade rating of BBB-, stable outlook from Nordic Credit Rating.

Mio chose Resurs to take its omni-retail to the next level

Following an extensive procurement process involving the largest providers in the market, Mio decided in May 2019 to continue with Resurs as its strategic partner to take its omni-retail to the next level.

Resolution on dividends in Resurs Holding and buyback authorisation

The Annual General Meeting held on 25 April 2019 resolved on a dividend of SEK 1.95 per share, totalling SEK 390 million. Including the dividend of SEK 1.65 paid on 12 October 2018, the 2018 dividend amounts to SEK 3.60, which amounts to 63 per cent of earnings per share, a total of SEK 720 million. Payment took place on 26 April 2019. The Meeting also resolved to authorise the Board to acquire own shares on the stock exchange for the period until the next Annual General Meeting. The authorisation to buy back shares encompasses up to 5 per cent of the shares in the company.

Resurs Bank began commercial partnership with Dicapay and enters new customer segment

In March 2019, Resurs entered into a commercial partnership with Dicapay and also became a part-owner of the company. With this partnership, Resurs is entering into a new customer segment and can now offer Resurs Checkout to a new group of small businesses.

Resurs Bank issued subordinated Tier 2 bonds of SEK 300 million

In March 2019, Resurs Bank issued subordinated Tier 2 bonds of SEK 300 million. These subordinated bonds were issued under Resurs Bank's MTN programme and have a tenor of ten years. There is the option of prematurely redeeming the bonds after five years.

Resurs Bank invested in newly established Kivra Oy

Resurs was one of the first to offer its Swedish customers the option of receiving post via Kivra's digital mailbox. In February 2019, Resurs further strengthened its partnership by investing in Kivra's new Finnish joint venture.

New Chairman of Resurs Holding in the autumn

The Chairman of the Board of Resurs Holding, Jan Samuelson, declined re-election at the AGM to be held in April 2019, but has agreed with the Nomination Committee to continue in his role of Chairman until the Extraordinary General Meeting that is planned to be held on 2 October 2019.

After the end of the period

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

SOME OF RESURS'S RETAIL FINANCE PARTNERS:


















Other information

Risk and capital management

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

Information on operations

Resurs Holding AB is a financial holding company. Operating activities are conducted in the wholly owned subsidiaries Resurs Bank AB, with subsidiaries, and Solid Försäkrings AB. 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 credit cards, and deposits. Retail finance loans are offered to finance both traditional in-store purchases and e-commerce. 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).

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

Employees

There were 777 full-time employees at the Group at 30 June 2019, up 45 since 31 March 2019 and down 42 since 30 June 2018. The increase in the second quarter was due to new employees in several areas and temporary summer staff. The decline compared with 30 June 2018 was due to fewer employees in several different areas and a slightly fewer temporary staff for the summer.

NUMBER OF EMPLOYEES

777

Information about the Resurs share

Resurs Holding's share is listed on Nasdaq Stockholm, Large Cap.
The final price paid for the Resurs share at the end of the period was SEK 55.30.

The ten largest shareholders with direct ownership on 30 June 2019 were:	Percentage of share capital
Waldakt AB (Bengtsson family)	28.9%
Swedbank Robur Fonder	8.8%
Handelsbanken Fonder	2.6%
Andra AP-fonden	2.4%
Norges Bank	2.1%
Avanza Pension	1.7%
SEB Fonder	1.7%
Vanguard	1.5%
AFA Försäkring	1.4%
Erik Selin	1.4%
Total	52.5%

Financial targets

Performance measures	Mid-term targets	Outcome Jan-Jun 2019
Annual lending growth	more than 10%	14%
Risk-adjusted NBI margin, excl. Insurance	about 10-12%	9.6%
C/I before credit losses excl. Insurance and adjusted for nonrecurring costs	under 40%	39.6%
Common Equity Tier 1 ratio	more than 11.5%	13.1%
Total capital ratio	more than 14%	15.0%
Return on tangible equity (RoTE) adjusted for nonrecurring costs ¹⁾	about 30%	34.1%
Dividend	at least 50% of profit for the year	n/a

1) Adjusted for the Common Equity Tier 1 ratio according to the Board's target and dividends deducted from the capital base for the current year.

Financial calendar

2 October 2019

Scheduled Extraordinary General Meeting

29 October 2019

Interim report for Jan–Sep 2019

NEXT INTERIM REPORT:

29 October

The Board's assurance

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, 22 July 2019.

Kenneth Nilsson, CEO

Board of Directors,

Jan Samuelson, Chairman of the Board

Martin Bengtsson

Johanna Berlinde

Mariana Burenstam Linder

Fredrik Carlsson

Anders Dahlvig

Christian Frick

Lars Nordstrand

Marita Odélius Engström

Mikael Wintzell

Summary financial statements - Group

Condensed income statement

SEK thousand	Note	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Interest income	G6	833,427	777,564	1,626,269	1,480,965	3,062,854
Interest expense	G6	-107,767	-80,686	-198,232	-154,900	-324,025
Fee & commission income		55,501	53,045	104,898	106,908	217,836
Fee & commission expense, banking operations		-15,124	-13,864	-28,545	-26,528	-57,090
Premium earned, net	G7	218,638	204,479	433,476	404,411	826,154
Insurance compensation, net	G8	-53,879	-56,819	-109,335	-112,405	-226,211
Fee & commission expense, insurance operations		-62,104	-53,626	-119,317	-111,048	-220,345
Net income/expense from financial transactions		-3,193	-4,824	260	-17,676	-47,929
Other operating income	G9	47,749	42,366	99,687	103,443	206,110
Total operating income		913,248	867,635	1,809,161	1,673,170	3,437,354
General administrative expenses	G10	-299,836	-305,045	-588,983	-586,492	-1,178,239
Depreciation, amortisation and impairment of intangible and tangible fixed assets		-22,596	-11,766	-44,278	-21,920	-49,039
Other operating expenses		-38,217	-49,360	-90,703	-90,680	-188,445
Total expenses before credit losses		-360,649	-366,171	-723,964	-699,092	-1,415,723
Earnings before credit losses		552,599	501,464	1,085,197	974,078	2,021,631
Credit losses, net	G11	-147,833	-127,819	-302,461	-255,908	-535,071
Operating profit/loss		404,766	373,645	782,736	718,170	1,486,560
Income tax expense		-91,922	-84,931	-176,016	-164,290	-343,145
Net profit for the period		312,844	288,714	606,720	553,880	1,143,415
Attributable to Resurs Holding AB shareholders		312,844	288,714	606,720	553,880	1,143,415
Basic and diluted earnings per share, SEK	G17	1.56	1.44	3.03	2.77	5.72

Statement of comprehensive income

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net profit for the period	312,844	288,714	606,720	553,880	1,143,415
Other comprehensive income that will be classified to profit/loss					
Translation differences for the period, foreign operations					
Hedge accounting ¹⁾	14,467	80,925	65,836	209,912	85,787
Hedge accounting - tax ¹⁾		-44,830		-87,377	-49,424
Comprehensive income for the period		9,863		19,223	10,873
	327,311	334,672	672,556	695,638	1,190,651
Attributable to Resurs Holding AB shareholders	327,311	334,672	672,556	695,638	1,190,651

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

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

Statement of financial position

SEK thousand	Note	30 Jun 2019	31 Dec 2018	30 Jun 2018
Assets				
Cash and balances at central banks		98,571	63,215	67,760
Treasury and other bills eligible for refinancing		1,077,626	1,009,021	728,699
Lending to credit institutions		3,878,240	3,703,650	3,156,890
Lending to the public	G12	30,322,736	27,956,576	26,625,900
Bonds and other interest-bearing securities		1,351,857	1,262,568	2,078,402
Subordinated debt		28,127	27,317	37,450
Shares and participating interests		73,922	68,556	69,506
Intangible fixed assets		2,089,941	1,973,681	2,036,369
Tangible assets		158,472	56,228	60,343
Reinsurers' share in technical provisions		4,059	4,267	4,278
Other assets		354,409	519,366	218,799
Prepaid expenses and accrued income		304,815	311,027	263,203
TOTAL ASSETS		39,742,775	36,955,472	35,347,599
Liabilities, provisions and equity				
Liabilities and provisions				
Liabilities to credit institutions			149,900	
Deposits and borrowing from the public		22,964,774	20,578,153	19,711,944
Other liabilities		1,036,972	1,010,465	1,108,692
Accrued expenses and deferred income		299,619	183,080	274,948
Technical provisions		567,109	532,115	492,124
Other provisions	G13	23,323	22,861	28,734
Issued securities		7,626,178	7,832,186	7,202,607
Subordinated debt		597,482	298,171	344,008
Total liabilities and provisions		33,115,457	30,606,931	29,163,057
Equity				
Share capital		1,000	1,000	1,000
Other paid-in capital		2,082,526	2,086,305	2,087,319
Translation reserve		98,880	33,044	127,566
Retained earnings incl. profit for the period		4,444,912	4,228,192	3,968,657
Total equity		6,627,318	6,348,541	6,184,542
TOTAL LIABILITIES, PROVISIONS AND EQUITY		39,742,775	36,955,472	35,347,599

See Note G14 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 period	Total equity
Initial equity at 1 January 2018 according to IAS 39	1,000	2,088,504	-14,192	4,113,518	6,188,830
Impact of revaluation of credit loss reserves due to IFRS 9 implementation				-438,681	-438,681
Impact of revaluation of credit loss reserves due to IFRS 9 implementation - tax effect				99,940	99,940
Equity at 1 January 2018 according to IFRS 9	1,000	2,088,504	-14,192	3,774,777	5,850,089
Initial equity at 1 January 2018	1,000	2,088,504	-14,192	3,774,777	5,850,089
<i>Owner transactions</i>					
Option premium received/repurchased		-1,185			-1,185
Dividends according to General Meeting				-360,000	-360,000
Net profit for the period				553,880	553,880
Other comprehensive income for the period			141,758		141,758
Equity at 30 June 2018	1,000	2,087,319	127,566	3,968,657	6,184,542
Initial equity at 1 January 2018 according to IAS 39	1,000	2,088,504	-14,192	4,113,518	6,188,830
Impact of revaluation of credit loss reserves due to IFRS 9 implementation				-438,681	-438,681
Impact of revaluation of credit loss reserves due to IFRS 9 implementation - tax effect				99,940	99,940
Equity at 1 January 2018 according to IFRS 9	1,000	2,088,504	-14,192	3,774,777	5,850,089
Initial equity at 1 January 2018	1,000	2,088,504	-14,192	3,774,777	5,850,089
<i>Owner transactions</i>					
Option premium received/repurchased		-2,199			-2,199
Dividends paid				-360,000	-360,000
Dividends according to Extraordinary General Meeting				-330,000	-330,000
Net profit for the year				1,143,415	1,143,415
Other comprehensive income for the year			47,236		47,236
Equity at 31 December 2018	1,000	2,086,305	33,044	4,228,192	6,348,541
Initial equity at 1 January 2019	1,000	2,086,305	33,044	4,228,192	6,348,541
<i>Owner transactions</i>					
Option premium received/repurchased		-3,779			-3,779
Dividends according to General Meeting				-390,000	-390,000
Net profit for the period				606,720	606,720
Other comprehensive income for the period			65,836		65,836
Equity at 30 June 2019	1,000	2,082,526	98,880	4,444,912	6,627,318

All equity is attributable to Parent Company shareholders.

Cash flow statement (indirect method)

SEK thousand	Jan- Jun 2019	Jan-Dec 2018	Jan-Jun 2018
Operating activities			
Operating profit	782,736	1,486,560	718,170
- of which, interest received	1,623,186	3,061,912	1,478,176
- of which, interest paid	-96,358	-320,663	-53,107
Adjustments for non-cash items in operating profit	551,532	735,250	462,754
Tax paid	-229,894	-435,187	-277,606
Cash flow from operating activities before changes in operating assets and liabilities	1,104,374	1,786,623	903,318
Changes in operating assets and liabilities			
Lending to the public	-1,924,660	-4,477,411	-2,125,210
Other assets	-204,162	-707,013	-749,111
Liabilities to credit institutions	-149,900	149,900	
Deposits and borrowing from the public	1,990,804	2,456,827	1,119,037
Acquisition of investment assets	-1,494,994	-1,423,084	-686,947
Divestment of investment assets	1,368,015	1,754,259	553,927
Other liabilities	-94,519	9,521	189,056
Cash flow from operating activities	594,958	-450,378	-795,930
Investing activities			
Acquisition of intangible and tangible fixed assets	-69,091	-136,382	-89,758
Divestment of intangible and tangible fixed assets	239	2,154	1,168
Cash flow from investing activities	-68,852	-134,228	-88,590
Financing activities			
Dividends paid	-390,000	-690,000	-360,000
Issued securities	-272,340	2,205,138	1,512,753
Option premium received/repurchased	-3,779	-2,199	-1,185
Subordinated debt	298,950	-42,664	
Cash flow from financing activities	-367,169	1,470,275	1,151,568
Cash flow for the period	158,937	885,669	267,048
Cash & cash equivalents at beginning of the year	3,766,865	2,855,822	2,855,822
Exchange rate differences	51,009	25,374	101,780
Cash & cash equivalents at end of the period	3,976,811	3,766,865	3,224,650
Adjustment for non-cash items in operating profit			
Credit losses	302,461	535,071	255,908
Depreciation, amortisation and impairment of intangible and tangible fixed assets	44,278	49,039	21,920
Profit/loss tangible assets		244	408
Profit/loss on investment assets	-18,430	3,853	617
Change in provisions	34,657	75,337	40,133
Adjustment to interest paid/received	103,020	6,639	100,663
Currency effects	81,381	59,688	39,594
Other items that do not affect liquidity	4,165	5,379	3,511
Sum non-cash items in operating profit	551,532	735,250	462,754

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.

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

SEK thousand	1 Jan 2019	Cash flow	Non cash flow items Accrued acquisition costs	Exchange rate differences	30 Jun 2019
Issued securities	7,832,186	-272,340	3,805	62,527	7,626,178
Subordinated debt	298,171	298,950	361		597,482
Total	8,130,357	26,610	4,166	62,527	8,223,660

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 and the Swedish Financial Supervisory Authority's regulations and general guidelines on Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25), as well as the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups.

In addition to IFRS 16, no new IFRS or IFRIC interpretations have entered into force since January 1, 2019. IFRS 16 replaces IAS 17 from 1 January 2019. Under the new standard, existing leases and right-of-use agreements are to be capitalised as assets and liabilities in the statement of financial position, with the associated effect that the cost in profit or loss is divided between depreciation in operating profit and interest expense in net financial items. The Group will be primarily affected by the right-of-use assets attributable to leases for premises and vehicle leases.

For further information regarding current leases, see the Annual Report for 2018. Regarding the effect of IFRS 16, see note G2.

The Parent Company has prepared its interim report in accordance with the requirements in the Annual Accounts Act (AAA) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The same accounting and valuation principles were applied as in the latest Annual report.

For detailed accounting principles for the Group, see the Annual report for 2018.

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

The interim information on pages 2-31 comprises an integrated component of this financial report.

G2. Effect of IFRS 16, Leasing

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

The right-of-use asset is reported in the item Property, plant and equipment and the lease liability is reported in the item Other liabilities in the statement of financial position.

The liability for unutilised lease obligations on 1 January 2019 amounts SEK 107 million and for unutilised right-of-use assets SEK 112 million. Equity has not been affected by the transition to IFRS 16. The average margin loan rate as at 1 January 2019 is 1.3 per cent.

As at 30 June 2019, the liability for unutilised lease obligations amounts to SEK 103 million and for unutilised right-of-use assets SEK 107 million. The income statement has been affected by the fact that the lease payments (General administrative expenses) have been distributed between interest expense, SEK 724 thousand and depreciation amounting SEK 14.8 million. The tax effect has a positive impact of SEK 78 thousand. The total impact on the financial result is SEK 258 thousand. As at 30 June 2019 the average margin loan rate amounted to 1.3 per cent.

IFRS 16 is not assessed as having a material impact on the Group's financial result and performance measures.

G3. Financing - Consolidated situation

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

The main type of financing remains deposits from the public. This type of financing has been offered to customers in Sweden, Norway and Germany. Deposits, which are analysed on a regular basis, totalled SEK 23,151 million (20,773), whereof in Sweden SEK 12,206 million (14,055), in Norway SEK 6,481 million (6,337) and in Germany SEK 4,464 million (381). The lending to the public/deposits from the public ratio for the consolidated situation is 131 per cent (135 per cent).

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 8,000 million (8,000). Within the programme, Resurs Bank has been working successfully to issue bonds on a regular basis and sees itself as an established issuer on the market. Resurs Bank has primarily issued bonds in Sweden but also in Norway. At 30 June 2019 the program has eleven outstanding issues at a nominal amount of SEK 5,150 million (4,250). Of the eleven issues, nine are senior unsecured bonds and two issues are a subordinated loan of SEK 600 million (300).

Resurs Bank has, outside the programme, issued NOK 200 million (600) in senior unsecured bonds and issued subordinated loan of SEK 200 million (200).

In May 2019, Resurs Bank was awarded BBB-with stable prospects of the rating company Nordic Credit Rating. Access to Nordic Credit Ratings analyses can be found on the website www.nordiccreditrating.com.

Resurs Bank has completed a securitisation of loan receivables, a form of structured financing, referred to as Asset Backed Securities (ABS). This took place by transferring loan receivables to Resurs Bank's wholly owned subsidiaries Resurs Consumer Loans 1 Limited. The acquisition of loan receivables by Resurs Consumer Loans was financed by an international financial institution. In June 2019, an agreement was signed to extend the existing financing and Resurs Bank has for a period of 18 months (revolving period), the right to continue sale of certain additional loan receivables to Resurs Consumer Loans. At 30 June 2019 a total of approximately SEK 3.7 billion in loan receivables had been transferred to Resurs Consumer Loans. Resurs Bank and Resurs Consumer Loans have provided security for the assets that form part of the securitisation. At the balance sheet date, the external financing amounted to SEK 2.9 billion (2.9) of the ABS financing.

Liquidity - Consolidated situation

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

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

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

The liquidity reserve, totalling SEK 1,923 million (1,899), 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 4,008 million (3,688) for the consolidated situation. Accordingly, total liquidity amounted to SEK 5,939 million (5,588) corresponds to 26 per cent (27 per cent) of deposits from the public. The Group also has unutilised credit facilities of NOK 50 million (50).

Liquidity Coverage Ratio (LCR) for the consolidated situation is reported to the authorities on a monthly basis. The LCR shows the ratio between high qualitative assets and net outflow during a 30-day stressed period. A ratio of 100 per cent means the assets managed the stress test scenario and is also the authority's limit. As at 30 June 2019, the ratio for the consolidated situation is 186 per cent (146 per cent). For the period January to June 2019, the average LCR measures 200 per cent for the consolidated situation.

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

Summary of liquidity – Consolidated situation

SEK thousand	30 Jun 2019	31 Dec 2018	30 Jun 2018
Liquidity reserve as per FFFS 2010:7 definition			
Securities issued by sovereigns	128,723	49,117	51,082
Securities issued by municipalities	760,872	729,974	546,588
Lending to credit institutions	45,000	250,000	289,000
Bonds and other interest-bearing securities	997,073	870,196	818,982
Summary Liquidity reserve as per FFFS 2010:7	1,931,668	1,899,287	1,705,652
Other liquidity portfolio			
Cash and balances at central banks	98,571	63,215	67,760
Securities issued by municipalities	143,131	100,033	
Lending to credit institutions	3,765,859	3,425,045	2,820,088
Bonds and other interest-bearing securities		100,043	969,507
Total other liquidity portfolio	4,007,561	3,688,336	3,857,355
Total liquidity portfolio	5,939,229	5,587,623	5,563,007
Other liquidity-creating measures			
Unutilised credit facilities	54,465	51,225	55,010

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

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

Liquid assets according to LCR

30/06/2019

SEK thousand	TOT	SEK	EUR	DKK	NOK
Level 1 assets					
Cash and balances with central banks	67,442				67,442
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	128,723		68,551	25,069	35,102
Securities issued by municipalities and PSEs	904,003	718,639			185,364
Extremely high quality covered bonds	302,533		120,293		182,240
Level 2 assets					
High quality covered bonds	531,251	531,251			
Total liquid assets	1,933,952	1,249,890	188,844	25,069	470,149

31/12/2018

SEK thousand	TOT	SEK	EUR	DKK	NOK
Level 1 assets					
Cash and balances with central banks	63,215				63,215
Securities or guaranteed by sovereigns, central banks, MDBs and international org.	49,117		24,662	24,455	
Securities issued by municipalities and PSEs	729,974	556,093			173,881
Extremely high quality covered bonds	188,624	100,099	42,498		46,027
Level 2 assets					
High quality covered bonds	572,680	531,730			40,950
Total liquid assets	1,603,610	1,187,922	67,160	24,455	324,073

Additional information on the Group's management of liquidity risks is available in the Group's 2018 Annual report.

SEK thousand	30 Jun 2019	31 Dec 2018	30 Jun 2018
Total liquid assets	1,933,952	1,603,610	2,152,199
Net liquidity outflow	985,249	1,031,174	952,065
LCR measure	186%	146%	206%

G4. Capital adequacy - Consolidated situation

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

The 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, which amounts to 2 per cent of the risk-weighted assets for Swedish and Norwegian exposures. The countercyclical capital buffer requirements will increase to 2.5 per cent for Swedish exposures from 19 September 2019 and for Norwegian exposures from 31 December 2019. For Danish exposures a countercyclical capital buffer requirement of 0.5 per cent of risk-weighted assets is effective from 31 of March and will increase to 1 per cent from 30 September 2019 and to 1.5 per cent from 30 June 2020. The Group currently does not need to take into a buffer requirement for its business areas in Finland.

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. Kapitalkravet för operativ risk beräknas enligt basmetoden. Under this method, the capital requirement for operational risks is 15 per cent of the income indicator (meaning average operating income for the past three years). External rating companies are used to calculate the bank's capital base requirement for bonds and other interest-bearing securities.

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

Capital base

SEK thousand	30 Jun 2019	31 Dec 2018	30 Jun 2018
Tier 1 capital			
Equity, Group	6,020,598	5,205,126	5,630,662
Net profit for the period, Group	606,720	1,143,415	553,880
Proposed dividend	-360,000	-390,000	
Foreseeable dividend			-330,000
Additional/deducted equity in the consolidated situation	-408,847	-537,809	-408,998
Additional/deducted net profit in the consolidated situation	-50,261	124,474	-26,292
Equity, consolidated situation (adjusted for proposed/foreseeable dividend)	5,808,210	5,545,206	5,419,252
<i>Adjustments according to transition rules IFRS 9:</i>			
Initial revaluation effect	287,930	321,804	321,804
Dynamic effect stage 1 and 2			30,732
Less:			
Additional value adjustments	-2,053	-2,039	-2,398
Intangible fixed assets	-2,044,423	-1,945,773	-2,006,070
Deferred tax asset ¹⁾			-8,734
Shares in subsidiaries	-120	-120	-100
Total Common Equity Tier 1 capital	4,049,544	3,919,078	3,754,486
Total Tier 1 capital	4,049,544	3,919,078	3,754,486
Tier 2 capital			
Dated subordinated loans	589,245	362,227	443,560
Total Tier 2 capital	589,245	362,227	443,560
Total capital base	4,638,789	4,281,305	4,198,046

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

Capital requirement

SEK thousand	30 Jun 2019		31 Dec 2018		30 Jun 2018	
	Risk-weighted exposure amount	Capital requirement ¹⁾	Risk-weighted exposure amount	Capital requirement ¹⁾	Risk-weighted exposure amount	Capital requirement ¹⁾
Exposures to institutions	777,103	62,168	748,532	59,883	630,484	50,439
Exposures to corporates	409,681	32,774	366,130	29,290	356,959	28,557
Retail exposures	20,578,537	1,646,283	19,027,139	1,522,171	18,146,201	1,451,696
Exposures in default	2,879,829	230,386	2,666,279	213,302	2,439,789	195,183
Exposures in the form of covered bonds	99,526	7,962	86,879	6,950	81,789	6,543
Exposures to institutions and companies with short-term credit rating			99,943	7,995		
Exposures in the form of units or shares in collective investment undertakings (funds)					99,256	7,941
Equity exposures	94,450	7,556	80,001	6,400	80,075	6,406
Other items	546,092	43,688	545,212	43,618	285,645	22,852
Total credit risks	25,385,218	2,030,817	23,620,115	1,889,609	22,120,198	1,769,617
Credit valuation adjustment risk	14,418	1,153	45,050	3,604	15,312	1,225
Market risk						
Currency risk	0	0	0	0	0	0
Operational risk	5,552,748	444,220	5,552,748	444,220	5,096,823	407,746
Total riskweighted exposure and total capital requirement	30,952,384	2,476,190	29,217,913	2,337,433	27,232,333	2,178,588

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

In addition to the treatment of Pillar 1 risks above, 1.0 % (1.0) of the consolidated situation's risk-weighted assets are allocated for Pillar 2 requirements as at 30 June 2019.

Capital ratio and capital buffers

	30 Jun 2019	31 Dec 2018	30 Jun 2018
Common Equity Tier 1 ratio, %	13.1	13.4	13.8
Tier 1 ratio, %	13.1	13.4	13.8
Total capital ratio, %	15.0	14.7	15.4
Common Equity Tier 1 capital requirement incl. buffer requirement, %	8.6	8.6	8.6
- of which, capital conservation buffer requirement, %	2.5	2.5	2.5
- of which, countercyclical buffer requirement, %	1.6	1.6	1.6
Common Equity Tier 1 capital available for use as buffer, %	7.0	6.7	7.4

Leverage ratio

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

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

SEK thousand	30 Jun 2019	31 Dec 2018	30 Jun 2018
Tier 1 capital	4,049,544	3,919,078	3,754,486
Leverage ratio exposure	40,047,699	37,406,727	35,692,627
Leverage ratio, %	10.1	10.5	10.5

G5. Segment reporting

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

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

Commission income and other operating income are reported in accordance with IFRS 15.

Apr-Jun 2019

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	302,961	528,904	3,712	-2,150	833,427
Interest expense	-31,787	-78,051	-79	2,150	-107,767
Provision income	86,183	27,378		-58,060	55,501
Fee & commission expense, banking operations	-15,124				-15,124
Premium earned, net			219,056	-418	218,638
Insurance compensation, net			-53,879		-53,879
Fee & commission expense, insurance operations			-119,228	57,124	-62,104
Net income/expense from financial transactions	-2,901	-3,949	3,672	-15	-3,193
Other operating income	40,211	10,641	320	-3,423	47,749
Total operating income	379,543	484,923	53,574	-4,792	913,248
of which, internal ¹⁾	32,512	26,836	-54,556	-4,792	0
Credit losses, net	-38,714	-109,119			-147,833
Operating income less credit losses	340,829	375,804	53,574	-4,792	765,415
Expenses excl. credit losses ²⁾			-24,947		
Operating profit, Insurance ³⁾			28,627		

Apr-Jun 2018

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	283,315	492,036	3,967	-1,754	777,564
Interest expense	-27,629	-54,800	-11	1,754	-80,686
Provision income	79,494	29,983		-56,432	53,045
Fee & commission expense, banking operations	-13,864				-13,864
Premium earned, net			204,902	-423	204,479
Insurance compensation, net			-56,819		-56,819
Fee & commission expense, insurance operations			-105,266	51,640	-53,626
Net income/expense from financial transactions	-3,183	-2,200	838	-279	-4,824
Other operating income	36,091	8,746	7	-2,478	42,366
Total operating income	354,224	473,765	47,618	-7,972	867,635
of which, internal ¹⁾	28,312	29,123	-49,463	-7,972	0
Credit losses, net	-49,484	-78,335			-127,819
Operating income less credit losses	304,740	395,430	47,618	-7,972	739,816
Expenses excl. credit losses ²⁾			-25,023		
Operating profit, Insurance ³⁾			22,595		

Segments information

Jan-Jun 2019

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	597,820	1,025,588	7,060	-4,199	1,626,269
Interest expense	-57,733	-144,618	-80	4,199	-198,232
Provision income	165,700	55,302		-116,104	104,898
Fee & commission expense, banking operations	-28,545				-28,545
Premium earned, net			434,280	-804	433,476
Insurance compensation, net			-109,335		-109,335
Fee & commission expense, insurance operations			-232,491	113,174	-119,317
Net income/expense from financial transactions	-5,211	-7,023	12,538	-44	260
Other operating income	80,498	25,595	320	-6,726	99,687
Total operating income	752,529	954,844	112,292	-10,504	1,809,161
of which, internal ¹⁾	64,281	54,394	-108,171	-10,504	0
Credit losses, net	-87,731	-214,730			-302,461
Operating income less credit losses	664,798	740,114	112,292	-10,504	1,506,700
Expenses excl. credit losses ²⁾			-52,164		
Operating profit, Insurance ³⁾			60,128		

Jan-Jun 2018

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	542,212	935,018	6,978	-3,243	1,480,965
Interest expense	-53,507	-104,613	-23	3,243	-154,900
Provision income	157,252	56,186		-106,530	106,908
Fee & commission expense, banking operations	-26,528				-26,528
Premium earned, net			405,216	-805	404,411
Insurance compensation, net			-112,405		-112,405
Fee & commission expense, insurance operations			-208,039	96,991	-111,048
Net income/expense from financial transactions	-8,573	-7,257	-1,377	-469	-17,676
Other operating income	79,942	28,449	7	-4,955	103,443
Total operating income	690,798	907,783	90,357	-15,768	1,673,170
of which, internal ¹⁾	53,585	55,126	-92,943	-15,768	0
Credit losses, net	-106,255	-149,653			-255,908
Operating income less credit losses	584,543	758,130	90,357	-15,768	1,417,262
Expenses excl. credit losses ²⁾			-47,426		
Operating profit, Insurance ³⁾			42,931		

Jan-Dec 2018

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	1,121,384	1,935,502	12,629	-6,661	3,062,854
Interest expense	-107,272	-223,362	-52	6,661	-324,025
Provision income	325,477	119,331		-226,972	217,836
Fee & commission expense, banking operations	-57,090				-57,090
Premium earned, net			828,678	-2,524	826,154
Insurance compensation, net			-226,211		-226,211
Fee & commission expense, insurance operations			-429,776	209,431	-220,345
Net income/expense from financial transactions	-21,182	-19,694	-7,745	692	-47,929
Other operating income	163,937	52,082		-9,909	206,110
Total operating income	1,425,254	1,863,859	177,523	-29,282	3,437,354
of which, internal ¹⁾	117,630	111,898	-200,246	-29,282	0
Credit losses, net	-186,442	-348,629			-535,071
Operating income less credit losses	1,238,812	1,515,230	177,523	-29,282	2,902,283
Expenses excl. credit losses ²⁾			-94,110		
Operating profit, Insurance ³⁾			83,413		

¹⁾ Inter-segment revenues mostly comprise mediated payment protection insurance, but also remuneration for Group-wide functions that are calculated according to the OECD's guidelines on internal pricing.

2) Reconciliation of Expenses excl. credit losses against income statement

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
As per segment reporting					
Expenses excl. credit losses as regards Insurance segment	-24,947	-25,023	-52,164	-47,426	-94,110
Not broken down by segment					
Expenses excl. credit losses as regards banking operations	-335,702	-341,148	-671,800	-651,666	-1,321,613
Total	-360,649	-366,171	-723,964	-699,092	-1,415,723
As per income statement					
General administrative expenses	-299,836	-305,045	-588,983	-586,492	-1,178,239
Depreciation, amortisation and impairment of intangible and tangible fixed assets	-22,596	-11,766	-44,278	-21,920	-49,039
Other operating expenses	-38,217	-49,360	-90,703	-90,680	-188,445
Total	-360,649	-366,171	-723,964	-699,092	-1,415,723

3) Reconciliation of Operating profit against income statement

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
As per segment reporting					
Operating profit, Insurance	28,627	22,595	60,128	42,931	83,413
Not broken down by segment					
Operating profit as regards banking operations	376,139	351,050	722,608	675,239	1,403,147
Total	404,766	373,645	782,736	718,170	1,486,560
As per income statement					
Operating profit	404,766	373,645	782,736	718,170	1,486,560
Total	404,766	373,645	782,736	718,170	1,486,560

Lending to the public

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Total Group
30/06/2019	11,146,324	19,176,412		30,322,736
31/12/2018	10,507,819	17,448,757		27,956,576
30/06/2018	10,045,360	16,580,540		26,625,900

G6. Net interest income/expense

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Interest income					
Lending to credit institutions	1,651	918	1,651	2,146	3,357
Lending to the public	828,202	773,851	1,618,838	1,474,546	3,052,213
Interest-bearing securities	3,574	2,795	5,780	4,273	7,284
Total interest income	833,427	777,564	1,626,269	1,480,965	3,062,854
Interest expense					
Liabilities to credit institutions	-1,702	-628	-3,881	-2,335	-7,316
Deposits and borrowing from the public	-81,794	-59,121	-144,112	-114,126	-234,512
Issued securities	-19,943	-16,556	-40,222	-30,678	-68,429
Subordinated debt	-3,788	-3,944	-9,065	-7,149	-10,815
Other liabilities	-540	-437	-952	-612	-2,953
Total interest expense	-107,767	-80,686	-198,232	-154,900	-324,025
Net interest income/expense	725,660	696,878	1,428,037	1,326,065	2,738,829

G7. Premium earned, net

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Premium earned	226,596	226,929	437,350	425,967	912,807
Premiums for specified reinsurance	-4,992	-5,707	-11,806	-12,640	-25,075
Change in provision for unearned premiums and unexpired risks	-2,343	-16,272	8,224	-8,764	-61,466
Reinsurers' share in change in provision for unearned premiums and unexpired risks	-623	-471	-292	-152	-112
Total premium earned, net	218,638	204,479	433,476	404,411	826,154

G8. Insurance compensation, net

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Claims paid, gross	-48,625	-50,731	-97,741	-99,149	-205,003
Less reinsurance share	1,733	1,807	3,640	3,668	7,829
Total claims paid, net	-46,892	-48,924	-94,101	-95,481	-197,174
Change in provision for losses incurred and reported, gross	-973	-5,150	-3,157	-9,468	-11,343
Less/additional reinsurance share	37	50	41	-179	-224
Total change in provision for losses incurred and reported, net	-936	-5,100	-3,116	-9,647	-11,567
Change in provision for losses incurred but not reported (IBNR), gross	-15	2,538	-587	2,915	1,634
Total change in provision for losses incurred but not reported (IBNR), net	-15	2,538	-587	2,915	1,634
Operating expenses for claims adjustment, gross	-6,121	-5,414	-11,700	-10,358	-19,484
Less reinsurance share	85	81	169	166	380
Total operating expenses for claims adjustment, net	-6,036	-5,333	-11,531	-10,192	-19,104
Total insurance compensation, net	-53,879	-56,819	-109,335	-112,405	-226,211

G9. Other operating income

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Other income, lending to the public	43,839	39,633	85,606	80,235	170,069
Other operating income	3,910	2,733	14,081	23,208	36,041
Total operating income	47,749	42,366	99,687	103,443	206,110

G10. General administrative expenses

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Personnel expenses	-158,070	-157,185	-311,028	-303,867	-607,086
Postage, communication and notification expenses	-31,597	-34,693	-64,180	-65,461	-129,171
IT expenses	-48,976	-43,658	-90,050	-91,010	-185,332
Cost of premises ¹⁾	-1,734	-8,760	-9,909	-19,687	-41,244
Consultant expenses	-14,689	-21,724	-32,878	-41,288	-79,681
Other	-44,770	-39,025	-80,938	-65,179	-135,725
Total general administrative expenses	-299,836	-305,045	-588,983	-586,492	-1,178,239

¹⁾ Se note G2

G11. Credit losses

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Provision of credit reserves					
Stage 1	151	4,456	-4,406	11,253	15,288
Stage 2	-11,119	-14,928	-57,437	-23,811	19,114
Stage 3	-96,872	-97,086	-23,763	-192,325	-235,908
Total	-107,840	-107,558	-85,606	-204,883	-201,506
Provision of credit reserves off balance (unutilised limit)					
Stage 1	584	-1,180	667	-1,596	2,490
Stage 2	-277	520	-712	-1,436	-416
Stage 3					
Total	307	-659	-45	-3,032	2,074
Write-offs of stated credit losses for the period	-43,399	-24,386	-225,500	-57,655	-354,004
Recoveries of previously confirmed credit losses	3,099	4,785	8,690	9,662	18,365
Total	-40,300	-19,601	-216,810	-47,993	-335,639
Credit losses	-147,833	-127,819	-302,461	-255,908	-535,071
off which lending to the public	-148,140	-127,159	-302,416	-252,876	-537,145

G12. Lending to the public

SEK thousand	30 Jun 2019	31 Dec 2018	30 Jun 2018
Retail sector	32,612,297	30,139,005	28,945,183
Corporate sector	456,589	405,607	389,625
Total lending to the public, gross	33,068,886	30,544,612	29,334,808
Stage 1	24,098,831	22,511,152	21,357,260
Stage 2	4,013,796	3,377,690	3,370,528
Stage 3	4,956,259	4,655,770	4,607,020
Total lending to the public, gross	33,068,886	30,544,612	29,334,808
Less provision for expected credit losses			
Stage 1	-178,143	-167,847	-177,527
Stage 2	-380,034	-312,399	-363,667
Stage 3	-2,187,974	-2,107,790	-2,167,714
Total expected credit losses	-2,746,151	-2,588,036	-2,708,908
Stage 1	23,920,688	22,343,305	21,179,733
Stage 2	3,633,763	3,065,291	3,006,861
Stage 3	2,768,285	2,547,980	2,439,306
Total net lending to the public	30,322,736	27,956,576	26,625,900

G13. Other provisions

SEK thousand	30 Jun 2019	31 Dec 2018	30 Jun 2018
Reporting value at the beginning of the year	22,861	24,660	24,660
Provision made/utilised during the period	117	-1,881	2,727
Exchange rate differences	345	82	1,347
Total	23,323	22,861	28,734
Provision of credit reserves, unutilised limit, Stage 1	9,323	9,762	13,814
Provision of credit reserves, unutilised limit, Stage 2	6,933	6,016	7,781
Other provisions	7,067	7,083	7,139
Reported value at the end of the period	23,323	22,861	28,734

G14. Pledged assets, contingent liabilities and commitments

SEK thousand	30 Jun 2019	31 Dec 2018	30 Jun 2018
Collateral pledged for own liabilities			
Lending to credit institutions	217,093	166,728	425,158
Lending to the public ¹⁾	3,599,858	3,617,840	3,617,085
Assets for which policyholders have priority rights ²⁾	944,984	940,173	887,444
Restricted bank deposits ³⁾	34,021	28,190	28,893
Total collateral pledged for own liabilities	4,795,956	4,752,931	4,958,580
Contingent liabilities			
Guarantees		311	1,311
Total contingent liabilities		311	1,311
Other commitments			
Unutilised credit facilities granted	28,407,930	27,533,519	27,601,611
Total other commitments	28,407,930	27,533,519	27,601,611

¹⁾ Refers to securitisation.

²⁾ Assets for which policyholders have priority rights in has previously been reported with deductions for technical provisions (net). As of 2018 Annual report, the item is reported without deductions for technical provisions. Comparative figures have been updated according to the same principal.

³⁾ As of 30 June 2019, SEK 31 thousand (27) refers mainly to a reserve requirement account at Finlands Bank.

G15. Related-party transactions

Resurs Holding AB, corporate identity number 556898-2291, is owned at 30 June 2019 to 28.9 per cent by Waldakt AB. Of the remaining owners, no single owner holds 20 per cent or more. Cidron Semper S.A.R.L (Nordic Capital) has a board position in Resurs Holding and is included in the note related-party transactions.

There have not been any significant changes to key persons since publication of the 2018 annual report. Companies with significant influence through direct or indirect ownership of the Resurs Group also have controlling or significant influence of Ellos Group AB and NetOnNet AB,

with which the Resurs Group conducted significant transactions during the period. Normal business transactions conducted during the period between the Resurs Group and these related companies are presented below. The Parent Company only conducted transactions with Group companies.

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

Related-party transactions, significant influence

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Processing fees	-111,766	-113,699	-219,979	-226,565	-452,009
Interest expense – deposits and borrowing from the public	-1,465	-1,940	-2,506	-3,882	-6,390
Fee & commission income	9,250	9,267	18,525	18,468	36,912
Fee & commission expense	-12,190	-10,835	-21,887	-21,972	-45,921
General administrative expenses	-6,140	-9,266	-13,091	-15,015	-27,232

SEK thousand	30 Jun 2019	31 Dec 2018	30 Jun 2018
Other assets	12,421	10,407	5,976
Deposits and borrowing from the public	-768,816	-953,166	-1,265,287
Other liabilities	-97,584	-114,386	-95,311

Transactions with key persons

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Interest expense – deposits and borrowing from the public	-18	-49	-50	-114	-237

SEK thousand	30 Jun 2019	31 Dec 2018	30 Jun 2018
Deposits and borrowing from the public	-12,152	-39,827	-41,070

G16. Financial instruments

SEK thousand	30 Jun 2019		31 Dec 2018		30 Jun 2018	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Financial assets						
Cash and balances at central banks	98,571	98,571	63,215	63,215	67,760	67,760
Treasury and other bills eligible for refinancing	1,077,626	1,077,626	1,009,021	1,009,021	728,699	728,699
Lending to credit institutions	3,878,240	3,878,240	3,703,650	3,703,650	3,156,890	3,156,890
Lending to the public	30,322,736	30,878,334	27,956,576	28,575,822	26,625,900	27,765,349
Bonds and other interest-bearing securities	1,351,857	1,351,857	1,262,568	1,262,568	2,078,402	2,078,402
Subordinated loans	28,127	28,127	27,317	27,317	37,450	37,450
Shares and participating interests	73,922	73,922	68,556	68,556	69,506	69,506
Derivatives	9,965	9,965	190,175	190,175	11,704	11,704
Other assets	222,990	222,989	191,757	191,757	99,320	99,320
Accrued income	36,868	36,868	83,088	83,088	54,854	54,854
Total financial assets	37,100,902	37,656,499	34,555,923	35,175,169	32,930,485	34,069,934
Intangible fixed assets	2,089,941		1,973,681		2,036,369	
Tangible assets	158,472		56,228		60,343	
Other non-financial assets	393,460		369,640		320,402	
Total assets	39,742,775		36,955,472		35,347,599	

SEK thousand	30 Jun 2019		31 Dec 2018		30 Jun 2018	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities						
Financial liabilities						
Liabilities to credit institutions			149,900	149,900		
Deposits and borrowing from the public	22,964,774	22,965,736	20,578,153	20,576,353	19,711,944	19,711,777
Derivatives	81,250	81,250	12,984	12,984	215,729	215,729
Derivatives instruments hedge accounting					69,038	69,038
Other liabilities	585,067	585,067	648,507	648,507	549,561	549,561
Accrued expenses	254,288	254,288	145,162	145,162	240,540	240,540
Issued securities	7,626,178	7,676,000	7,832,186	7,860,533	7,202,607	7,250,224
Subordinated debt	597,482	607,392	298,171	305,973	344,008	355,291
Total financial liabilities	32,109,039	32,169,733	29,665,063	29,699,412	28,333,427	28,392,160
Provisions	23,323		22,861		28,734	
Other non-financial liabilities	983,095		919,007		800,896	
Equity	6,627,318		6,348,541		6,184,542	
Total equity and liabilities	39,742,775		36,955,472		35,347,599	

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	30 Jun 2019			31 Dec 2018			30 Jun 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss:									
Treasury and other bills eligible for refinancing	1,077,626			1,009,021			728,699		
Bonds and other interest-bearing securities	1,351,857			1,262,568			2,078,402		
Subordinated loans	28,127			27,317			37,450		
Shares and participating interests	58,510		15,412	67,554		1,002	68,430		1,076
Derivatives		9,965			190,175			11,704	
Total	2,516,120	9,965	15,412	2,366,460	190,175	1,002	2,912,981	11,704	1,076
Financial liabilities at fair value through profit or loss:									
Derivatives		-81,250			-12,984			-215,729	
Derivatives instruments hedge accounting ¹⁾								-69,038	
Total	0	-81,250	0	0	-12,984	0	0	-284,767	0

¹⁾ Derivatives instruments hedge has been valued through the comprehensive income.

Financial instruments

Changes in level 3

SEK thousand	Jan-Jun 2019	Jan-Dec 2018	Jan-Jun 2018
Shares and participating interests			
Opening balance	1,002	979	979
Investments during the period	14,848		
Disposal	-514		
Exchange-rate fluctuations	76	23	97
Closing balance	15,412	1,002	1,076

Determination of fair value of financial instruments

Level 1

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

Level 2

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

Level 3

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

Financial instruments measured at fair value for disclosure purposes

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

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

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

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

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

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

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

Transfer between levels

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

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

Derivative agreement has been made under the ISDA agreement. The amounts are not offset in the statement of financial position. Most of the derivatives at 30 June 2019 were covered by the ISDA Credit Support Annex, which means that collateral is obtained and provided in the form of bank deposits between the parties.

Assets for the derivative agreements total to SEK 10 million (190), while liabilities total SEK 81 million (13). Collateral corresponding to SEK 53 million (0) and SEK 0 million (150) was received. The net effect on loans to credit institutions total SEK 53 million (0) and liabilities to credit institutions total SEK 0 million (150).

G17. Earnings per share

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

During January - June 2019, there were a total of 200,000,000 with a quotient value of SEK 0.005 (0.005). There is no dilution effect as of 30 June 2019.

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net profit for the period, SEK thousand	312,844	288,714	606,720	553,880	1,143,415
Average number of outstanding shares during the period	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Earnings per share, SEK	1.56	1.44	3.03	2.77	5.72

Parent company

Income statement

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net sales	5,080	6,617	11,333	11,950	25,511
Total operating income	5,080	6,617	11,333	11,950	25,511
Personnel expenses	-5,409	-5,031	-10,693	-9,842	-19,506
Other external expenses	-5,338	-6,171	-11,011	-11,185	-25,487
Depreciation, amortisation and impairment of intangible and tangible fixed assets		-14		-57	-57
Total operating expenses	-10,747	-11,216	-21,704	-21,084	-45,050
Operating profit	-5,667	-4,599	-10,371	-9,134	-19,539
Earnings from participations in Group companies	-3,779	129,999	-3,779	129,999	787,219
Other interest income and similar profit/loss items	15	138	105	138	674
Interest expense and similar profit/loss items	-67	-44	-72	-59	-97
Total profit/loss from financial items	-3,831	130,093	-3,746	130,078	787,796
Profit/loss after financial items	-9,498	125,494	-14,117	120,944	768,257
Appropriations					65,000
Tax on profit for the period	1,197	1,005	2,034	2,001	-10,034
Net profit for the period	-8,301	126,499	-12,083	122,945	823,223

Statement of comprehensive income

SEK thousand	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net profit for the period	-8,301	126,499	-12,083	122,945	823,223
Other comprehensive income that will be reclassified to profit or loss					
Comprehensive income for the period	-8,301	126,499	-12,083	122,945	823,223
Attributable to Resurs Holding AB shareholders	-8,301	126,499	-12,083	122,945	823,223

Balance sheet

SEK thousand	30 Jun 2019	31 Dec 2018	30 Jun 2018
Assets			
Non-current assets			
Property, plant & equipment			
Financial assets			
Participations in Group companies	2,053,431	2,053,410	2,053,390
Total non-current assets	2,053,431	2,053,410	2,053,390
Current assets			
Current receivables			
Receivables from Group companies	3,872	397,180	5,932
Other current receivables	615	449	494
Prepaid expenses and accrued income	717	334	798
Total current receivables	5,204	397,963	7,224
Cash and bank balances	148,160	165,603	175,252
Total current assets	153,364	563,566	182,476
TOTAL ASSETS	2,206,795	2,616,976	2,235,866
Equity and liabilities			
Equity			
Restricted equity			
Share capital	1,000	1,000	1,000
Non-restricted equity			
Share premium reserve	1,775,929	1,775,929	1,785,613
Profit or loss brought forward	433,223		320,316
Net profit for the period	-12,083	823,223	122,945
Total non-restricted equity	2,197,069	2,599,152	2,228,874
Total equity	2,198,069	2,600,152	2,229,874
Provisions			
Other provisions	453	399	315
Current liabilities			
Trade payables	387	294	173
Liabilities to group companies	470	500	489
Current tax liabilities	3,134	11,885	623
Other current liabilities	695	700	899
Accrued expenses and deferred income	3,587	3,046	3,493
Total current liabilities	8,273	16,425	5,677
TOTAL EQUITY AND LIABILITIES	2,206,795	2,616,976	2,235,866

Statement of changes in equity

SEK thousand	Share capital	Share premium reserve	Retained earnings	Profit/loss for the period	Total equity
Initial equity at 1 January 2018	1,000	1,785,613	0	680,316	2,466,929
<i>Owner transactions</i>					
Dividends according to General Meeting			-360,000		-360,000
Appropriation of profits according to resolution by Annual General Meeting			680,316	-680,316	0
Net profit for the period				122,945	122,945
Equity at 30 June 2018	1,000	1,785,613	320,316	122,945	2,229,874
Initial equity at 1 January 2018	1,000	1,785,613	0	680,316	2,466,929
<i>Owner transactions</i>					
Dividends according to General Meeting			-360,000		-360,000
Dividends according to extraordinary General Meeting		-9,684	-320,316		-330,000
Appropriation of profits according to resolution by Annual General Meeting			680,316	-680,316	0
Net profit for the period				823,223	823,223
Equity at 31 December 2018	1,000	1,775,929	0	823,223	2,600,152
Initial equity at 1 January 2019	1,000	1,775,929	0	823,223	2,600,152
<i>Owner transactions</i>					
Dividends according to General Meeting			-390,000		-390,000
Appropriation of profits according to resolution by Annual General Meeting			823,223	-823,223	0
Net profit for the period				-12,083	-12,083
Equity at 30 June 2019	1,000	1,775,929	433,223	-12,083	2,198,069

Pledged assets, contingent liabilities and commitments

The company has no pledged assets. According to the Board's assessment, the company has no contingent liabilities.

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