

Resurs Bank, Annual report 2016, Alternative performance measures

Certain performance measures in the annual report are not prepared in accordance with International Financial Reporting Standards (IFRS). Management believes that these performance measures make it easier for investors to analyse the Group's performance. The reasons for the use of different performance measures, definitions and reconciliation of performance measures against information in the financial statements are provided below. Other companies can define or calculate these measures in different ways. The Group's definitions remain unchanged compared with prior periods.

Operating income and expenses before credit losses excluding the acquisition of yA Bank

yA Bank was acquired during the fourth quarter of 2015. We follow these performance measures excluding the acquisition of yA Bank to achieve comparability between operating income and expenses before credit losses. The Group considers these measures to be of relevance to investors who want to understand the Group's earnings generation excluding the investment in yA Bank. The same also applies to the reduction in deposits and the increase in lending to the public excluding yA Bank.

Performance measures for the Group excluding nonrecurring costs related to the penalty from the Swedish Financial Supervisory Authority

In 2015, we submitted a report to the Swedish Financial Supervisory Authority regarding inaccurate historical reporting. During the third quarter, a penalty fee of SEK 35 million was imposed on the bank. In order to facilitate understanding of earnings generated by the Group excluding these nonrecurring costs.

Increase in lending to the public excluding exchange-rate effects

We follow increases in local currency to see the actual increase in lending to the public.

Average equity excluding intangible assets

We also evaluate our operations in relation to average equity excluding intangible assets, which comprises adjusted equity that is reduced by goodwill and other intangible assets. This measure is used to evaluate our use of equity.

Reconciliation of alternative performance measures

SEK thousand	Jan-Dec 2016	Jan-Dec 2015
Operating income excl. yA Bank		
Operating income	2,678,567	2,222,981
Operating income yA Bank	476,631	72,539
Operating income excl. yA Bank	2,201,936	2,150,442
Net interest inc./exp. excl. yA Bank		
Interest income	2,439,122	1,979,344
Interest expense	-242,688	-219,781
Interest income yA Bank	491,974	78,224
Interest expense yA Bank	-85,195	-12,826
Net interest inc./exp. excl. yA Bank	1,789,655	1,694,165
The groups expense before credit losses excl. yA Bank		
The groups expenses before credit losses	-1,164,593	-1,015,851
Expenses before credit losses yA Bank	-148,631	-21,465
The groups expense before credit losses excl. yA Bank	-1,015,962	-994,386
Operating profit/loss excl. nonrecurring costs		
Operating profit/loss	1,137,281	833,364
Nonrecurring costs acquisition of yA Bank		-42,496
Nonrecurring penalty från Swedish Financial Supervisory Authority	-35,000	
Operating profit/loss excl. nonrecurring costs	1,172,281	875,860
Net profit for the period excl. nonrecurring costs		
Net profit for the period	904,846	573,527
Nonrecurring costs acquisition of yA Bank		-31,532
Nonrecurring penalty från Swedish Financial Supervisory Authority	-35,000	
Net profit for the period excl. nonrecurring costs	939,846	605,059
Average equity excl. Intangible assets and adjusted non recurring costs		
Average equity	4,888,810	3,552,464
Average intangible assets	1,797,427	1,205,951
Average equity excl. intangible assets	3,091,383	2,346,513
Average nonrecurring costs	17,500	15,766
Average equity excl. Intangible assets and adjusted non recurring costs	3,108,883	2,362,279
Opening balance lending to the public	18,198,658	13,923,973

Reconciliation of alternative performance measures

SEK thousand	31 Dec 2015- 31 Dec 2016	31 Dec 2014- 31 Dec 2015
Reconciliation of increase in lending to the public excluding exchange-rate effects		
Increase lending to the public	3,006,106	
FX effects	733,352	
Increase in lending to the public excluding exchange-rate effects	2,272,754	
Reconciliation of increase in lending to the public excluding yA Bank		
Increase lending to the public	3,006,106	4,274,685
Lending to the public yA Bank	1,199,486	3,532,879
Increase in lending to the public excluding yA Bank	1,806,620	741,806
Reconciliation of increase in lending to the public excl. yA Bank and excl. exchange-rate effects		
Increase lending to the public	3,006,106	
Lending to the public yA Bank	1,199,486	
Exchange-rate effects	369,564	
Increase in lending to the public excl. yA Bank and excl. exchange-rate effects	1,437,056	
Reconciliation of the change in deposit from the public excl. yA Bank		
Change in deposits from the public	2,165,060	449,233
Deposits from the public yA Bank	1,478,282	3,441,300
Change in deposits from the public excl. yA Bank	686,778	-2,992,067