

# Q2 2021



**Nils Carlsson**

Chief Executive Officer



**Sofie Tarring Lindell**

Chief Financial Officer & Head of IR

# Highlights Q2 2021

**+3%**

Lending growth vs LY  
excluding sold NPL  
portfolios to  
SEK 31.1 billion

**+14%**

Improved technical  
result by Insurance vs  
LY to SEK 28 million

**-15%**

Lower operating profit to SEK  
313 million vs LY. Up  
4 per cent vs LQ

**2.3%**

Improved CoR  
compared with LY  
and LQ

**BBB**

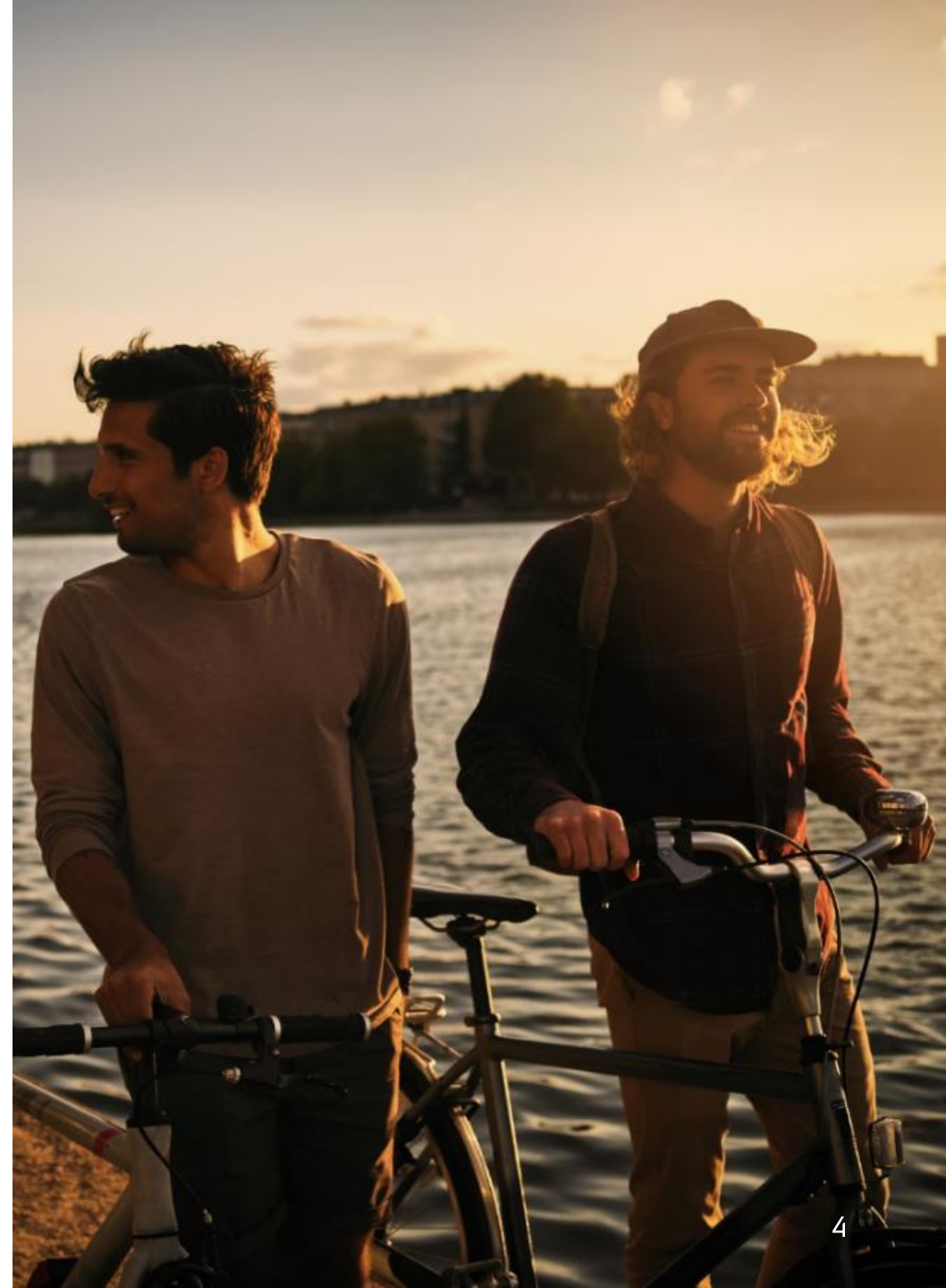
Improved credit  
rating from Nordic  
Credit Rating

**17.4%**

Stable total capital ratio  
and proposed dividend  
of SEK 3.00 per share

# Summary Q2 2021

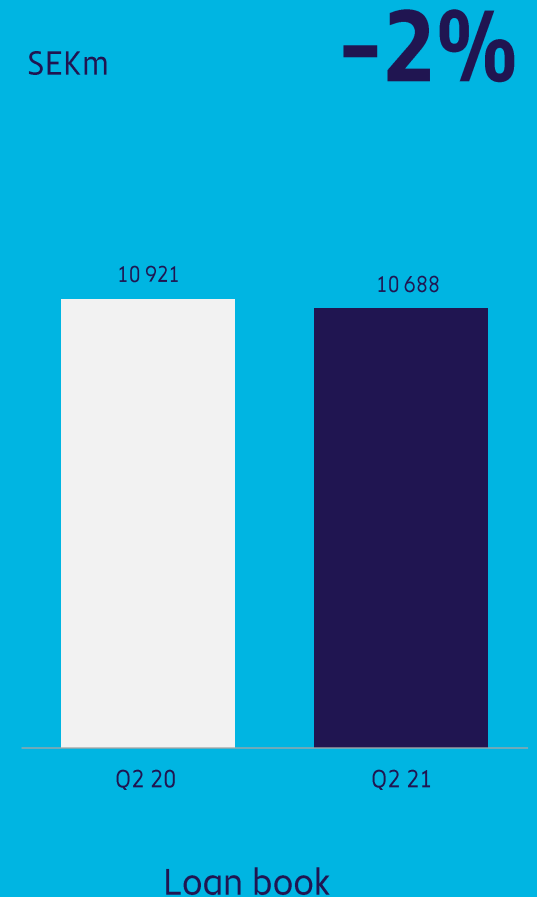
- The transformation journey continues
- A number of sustainable initiatives launched
  - Collaboration with Hemma
  - New subscription solution through partnership with Fairown
  - Our first climate calculation
- Continued positive signs in Norway and Resurs Bank app launched in NO
- Launch of digital wallets; Apple-Pay and Google Pay and 31% improved digital usage of our app from Q1
- Ongoing process of investigating the possibility of listing Solid Försäkring



## Payment Solutions

# New subscription solution and digital wallets

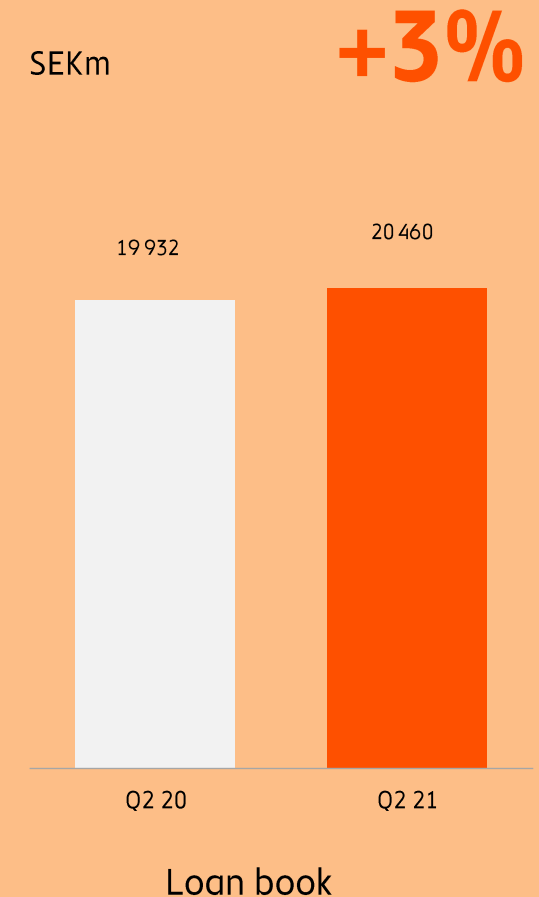
- Increased demand and positive performance in Sweden
- Continued work with *Partner Success Program* that was launched in Q1
- New subscription solution through partnership with Fairown and launched cooperation with the e-commerce partner Komplet, in NO
- Still affected by lower demand in travel sector, somewhat improving at end of quarter
- Launched digital wallets Apple and Google-Pay, improved application process of Supreme Card, completed applications up 24% vs Q1



## Consumer Loans

## Stable lending growth

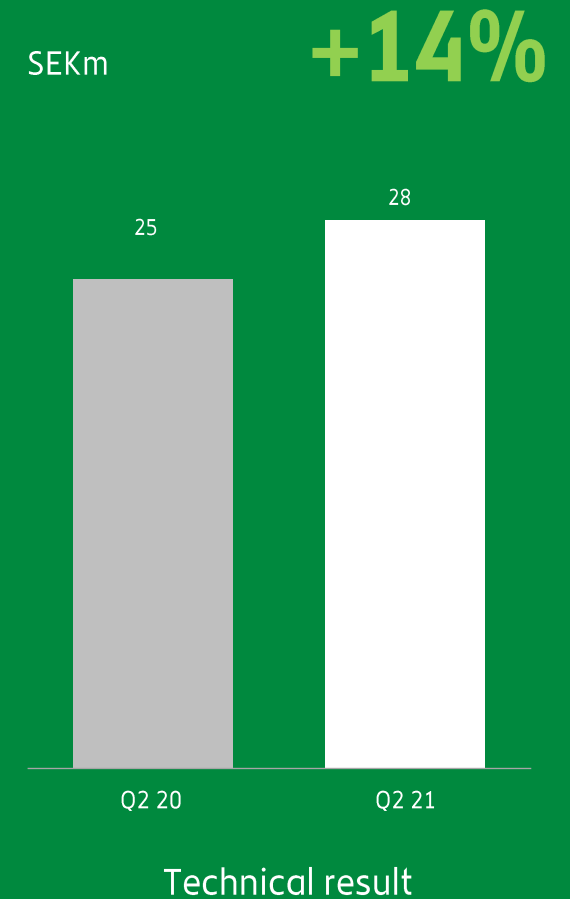
- Strong demand and performance in Sweden following efficient processing and use of the existing customer database
- Continued positive signs in Norway and focus on improved customer journeys
- Positive results from loan consolidation in Denmark at the end of the quarter
- Continued lower demand in Finland probably because of new credit and marketing law
- Continued focus on efficiency



## Insurance

## Growth in both premium income and technical result

- Premium earned, net up 6% vs last year and technical result up 14%
- New strategic partnership with Wästgöta Finans in the business line Personal Safety.
- Extended cooperation with Power in Denmark in the Product business line and ongoing process to prepare for the launch of Intersport Norway, signed in the first quarter
- Ongoing process of investigating the possibility of listing Solid Försäkring



# Q2 in figures

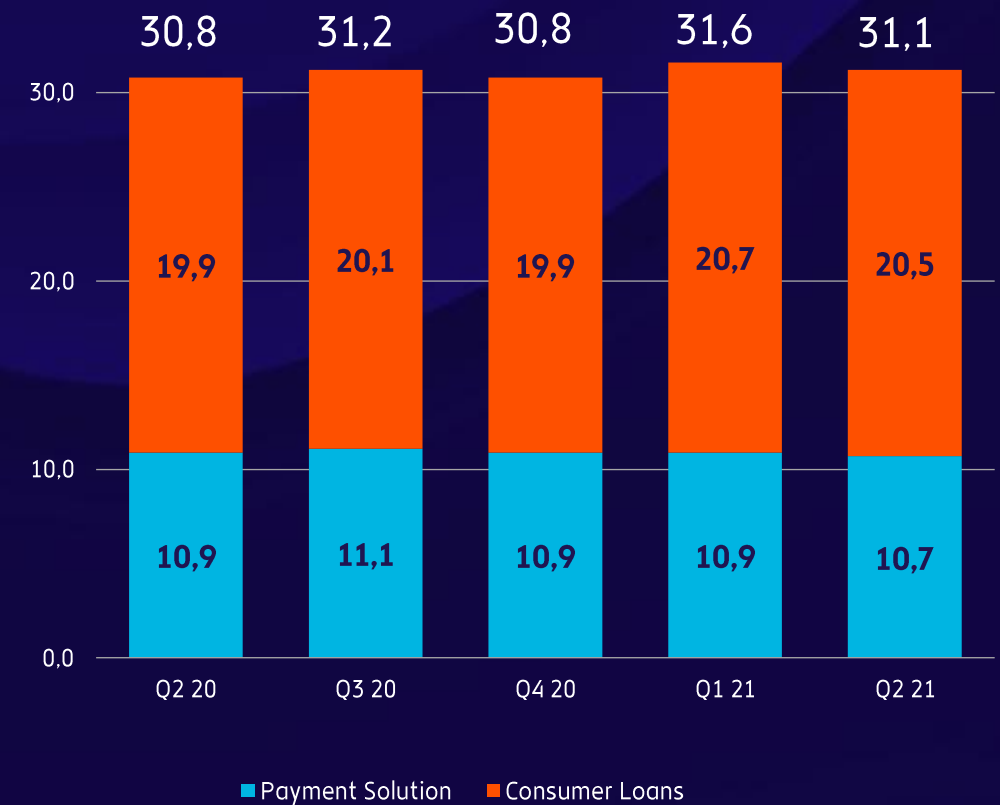


# Stable loan book trend

- The loan book increased +1% vs last year, excl sold NPL portfolios +3% in local currency
- Loan book growth vs last quarter -1%, excl sold NPL portfolio +1% in local currency

SEK bn

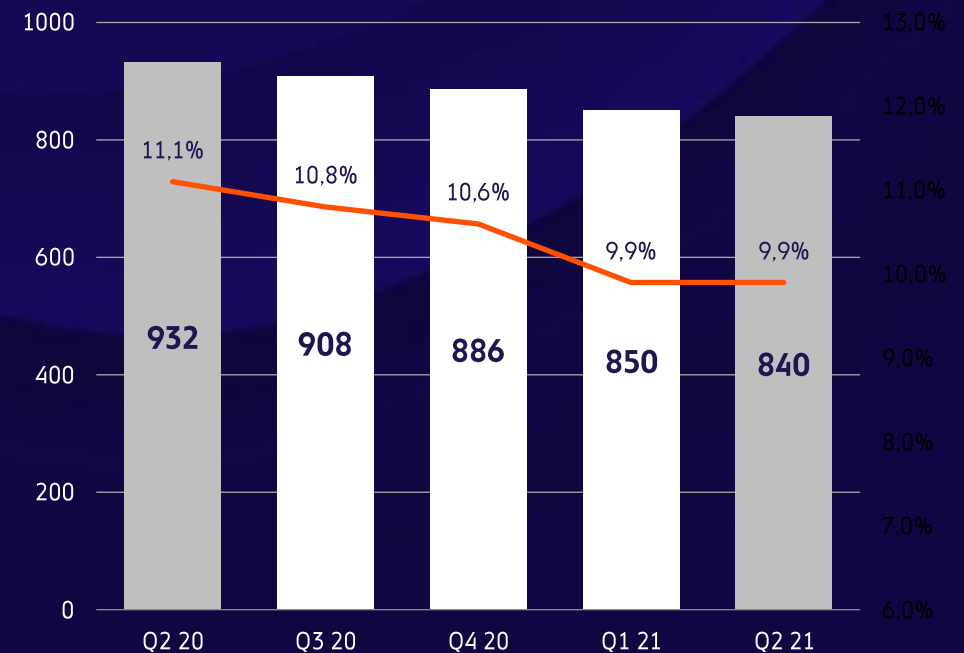
+1%



# Lower operating income

- Lower operating income mainly impacted by lower loan book in Norway and lower interest income in Denmark
- Net financial transactions lower than both last year and Q1
- Lower NBI margin than LY mainly due to mix in Payment Solutions and lower margins in Consumer Loans
- Stable NBI margin compared with Q1

SEKm

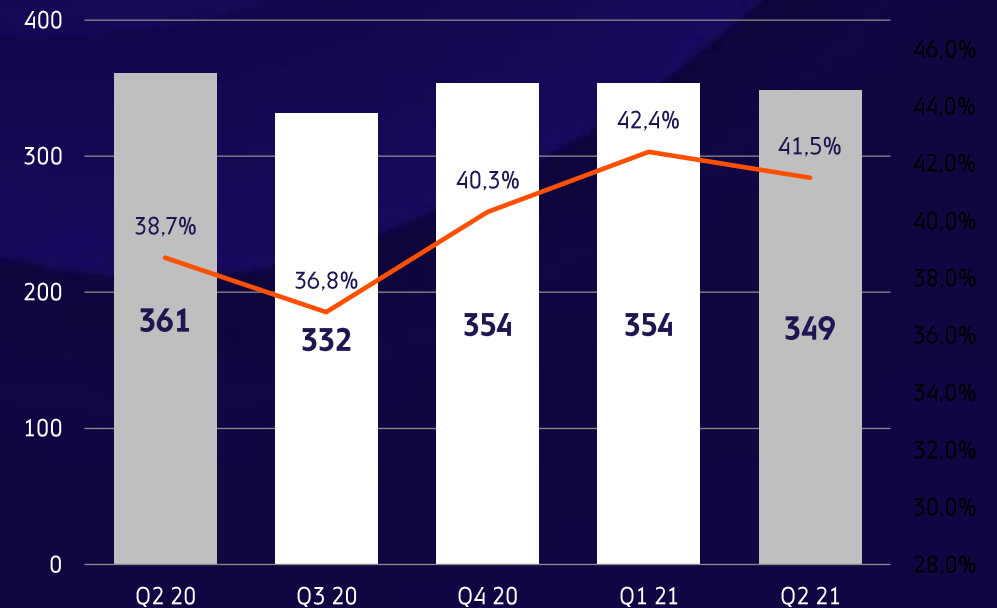
**-10%**

Note: Excluding nonrecurring costs of 10 MSEK in Q4-20

# Lower operating expenses & improved C/I vs Q1

- Operating expenses are in control and decreased compared with previous year
- C/I ratio (excl. Insurance) at 41.5% higher than LY following the lower income but improved vs Q1

SEKm

**-3%**

Note: Excluding nonrecurring costs of 60 MSEK in Q4-20

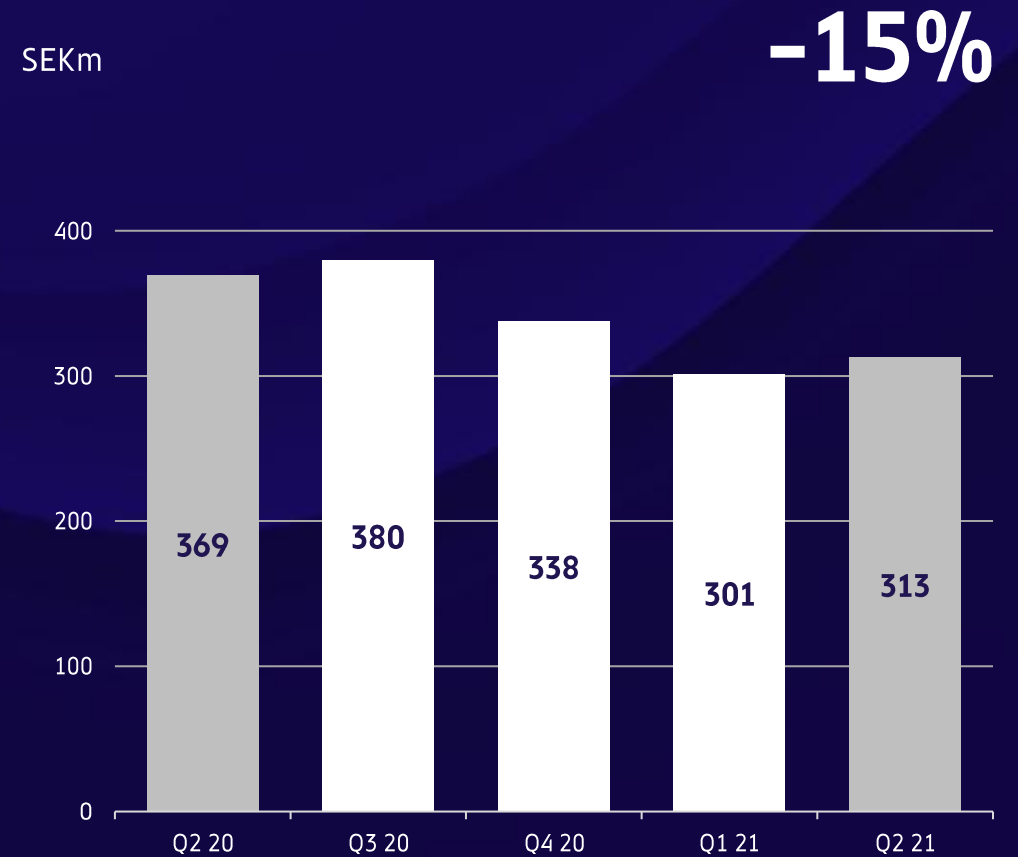
# Improved Credit losses & CoR

- Credit losses and CoR improved vs previous year following the restrictive credit assessment implemented at the beginning of 2020
- Also improved CoR compared with previous quarter
- No visible signs of negative changes in payment patterns due to covid-19



# Operating profit

- Recovering operating profit from previous quarter, although down 15% to SEK 313 million compared with previous year



Note: Excluding nonrecurring costs of 70 MSEK in Q4-2020

# Payment Solutions

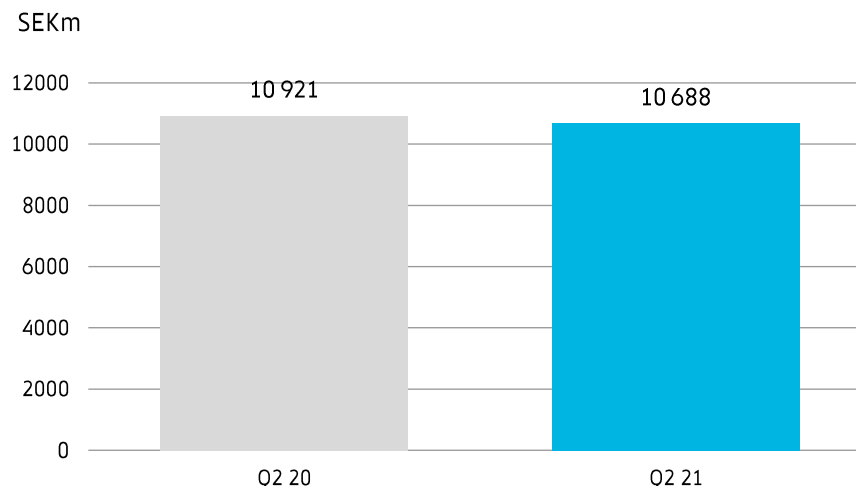
Loan book decreased 1% in local currency

Lower NBI margin due to negative customer mix as retailers with lower margins grew relatively more

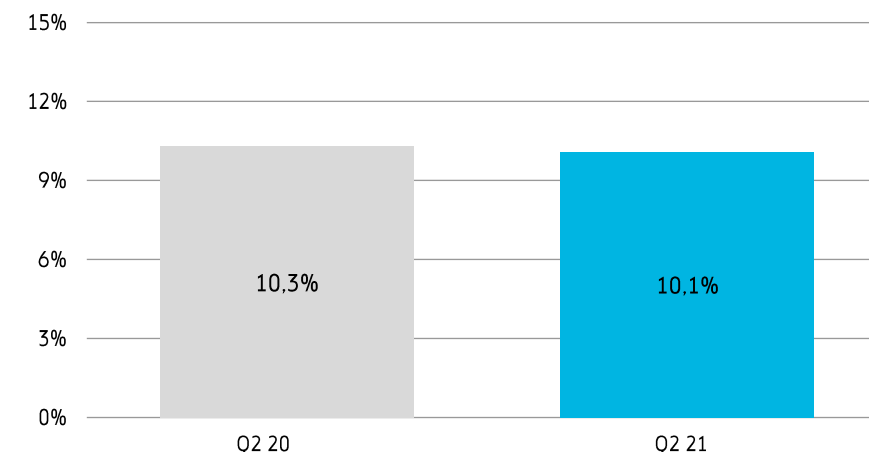
Improved cost of risk following better underlying credit quality

## Loan Book

-2%

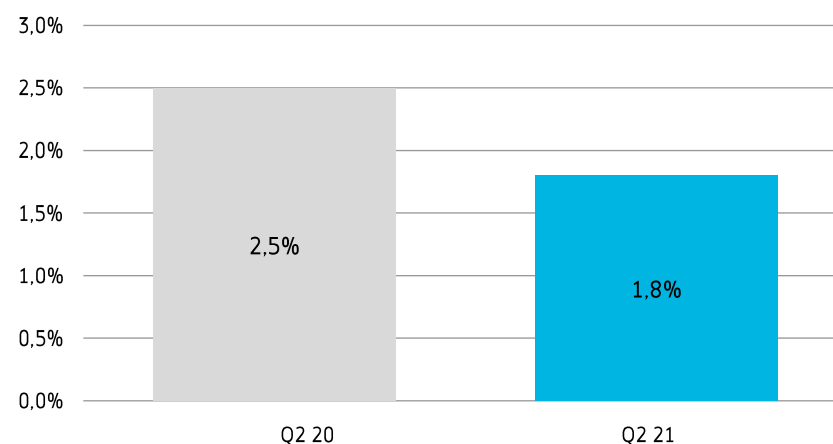


## Risk-adjusted NBI margin -0.2% pts



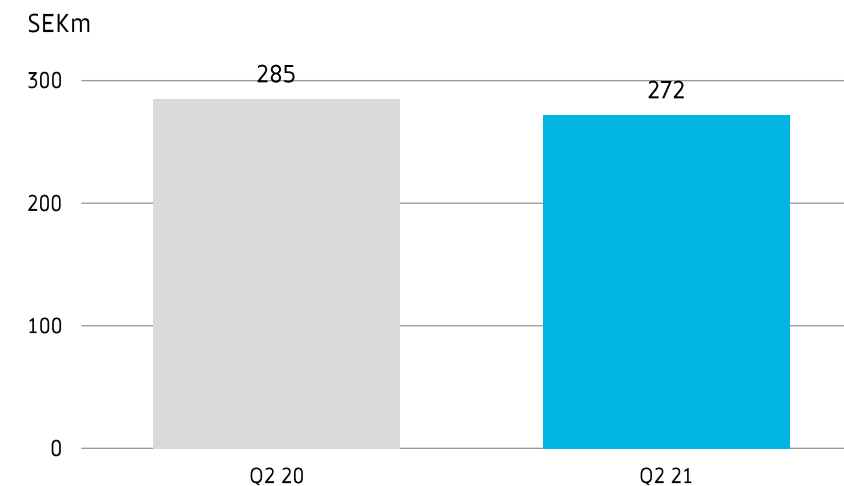
## Cost of Risk

-0.7% pts



## Operating income less credit losses

-5%



# Consumer Loans

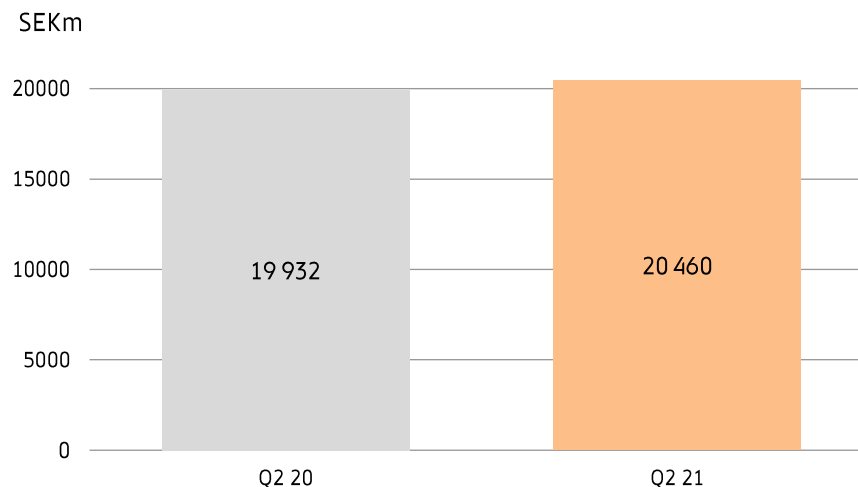
Loan book growth  
3% in local currency

Lower income in absolute  
numbers mainly  
impacted by lower loan  
book in Norway and  
lower interest income in  
Denmark

Lower NBI margin  
following lower risk in  
portfolio since 2020

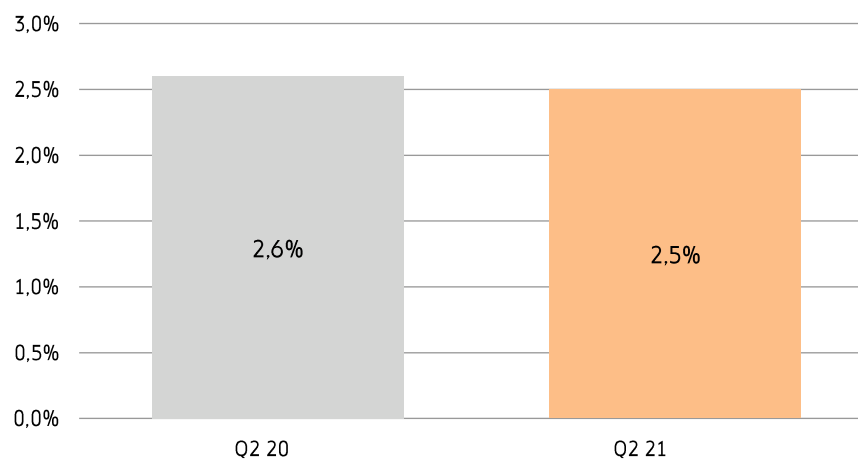
## Loan Book

+3%

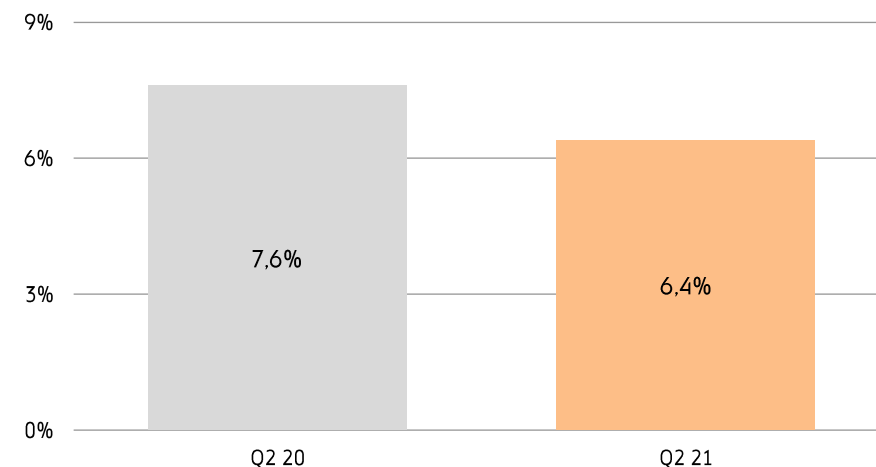


## Cost of Risk

-0.1% pts

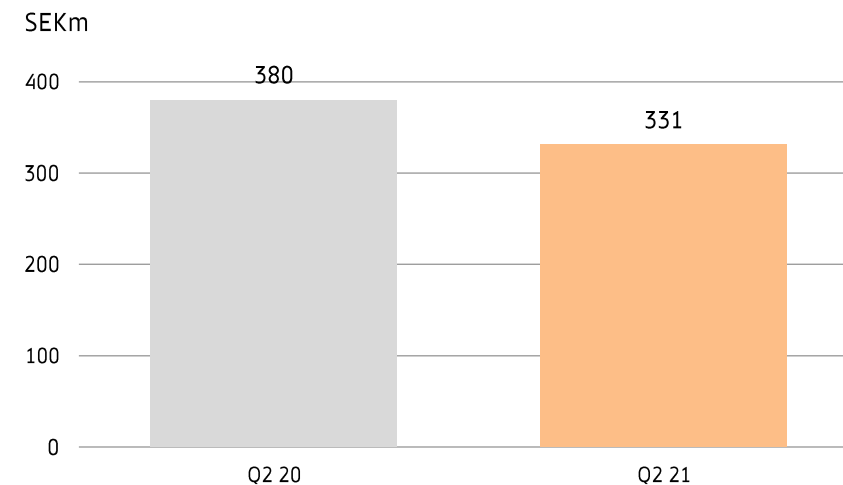


## Risk-adjusted NBI margin -1.2% pts



## Operating income less credit losses

-13%



# Insurance

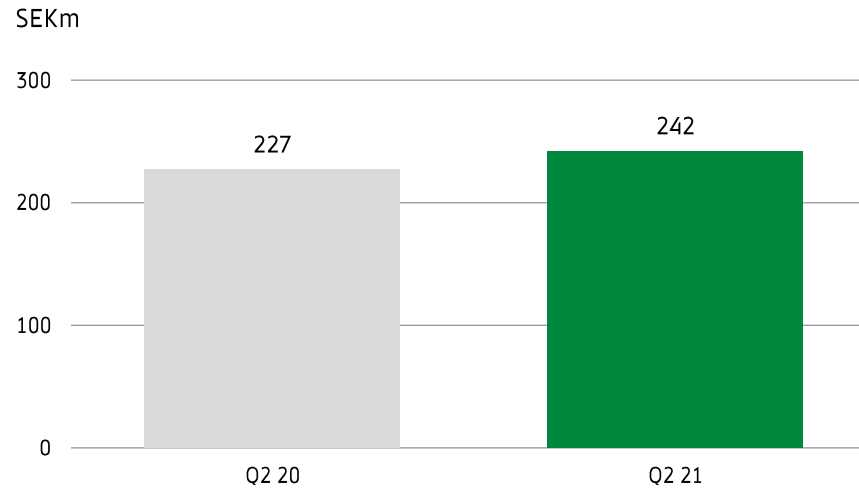
Premium earned increased 6% due to strong growth in Motor

Technical result increased 14% compared with previous year

Improved combined ratio

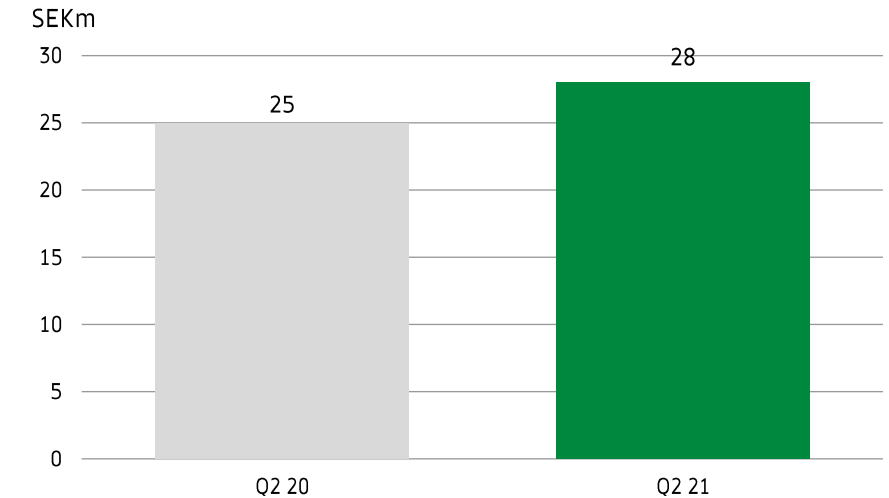
## Premium Earned, net

+6%



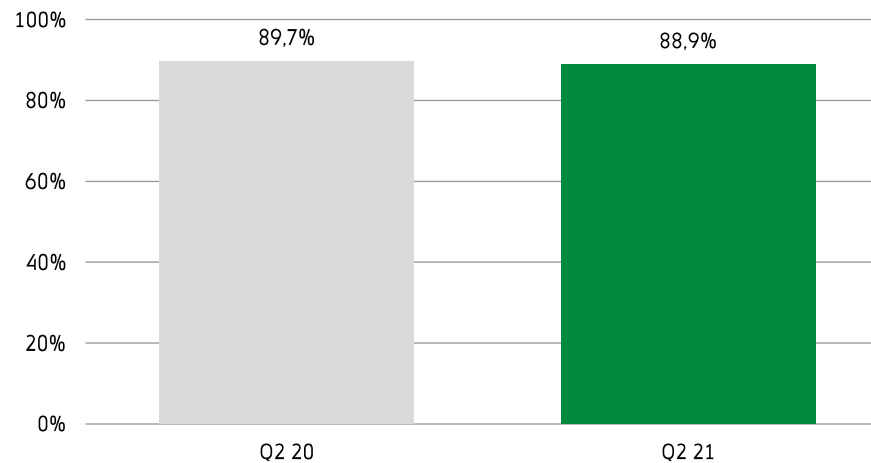
## Technical Result

+14%



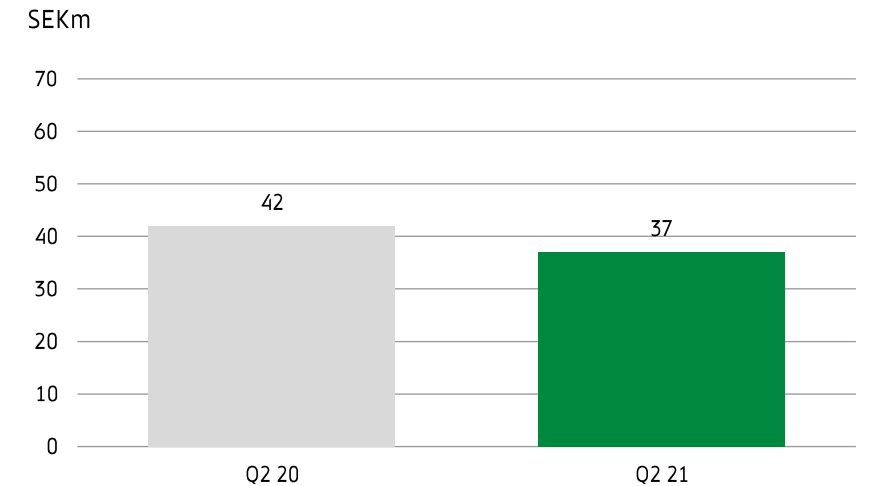
## Combined ratio

-0.8% pts



## Operating profit

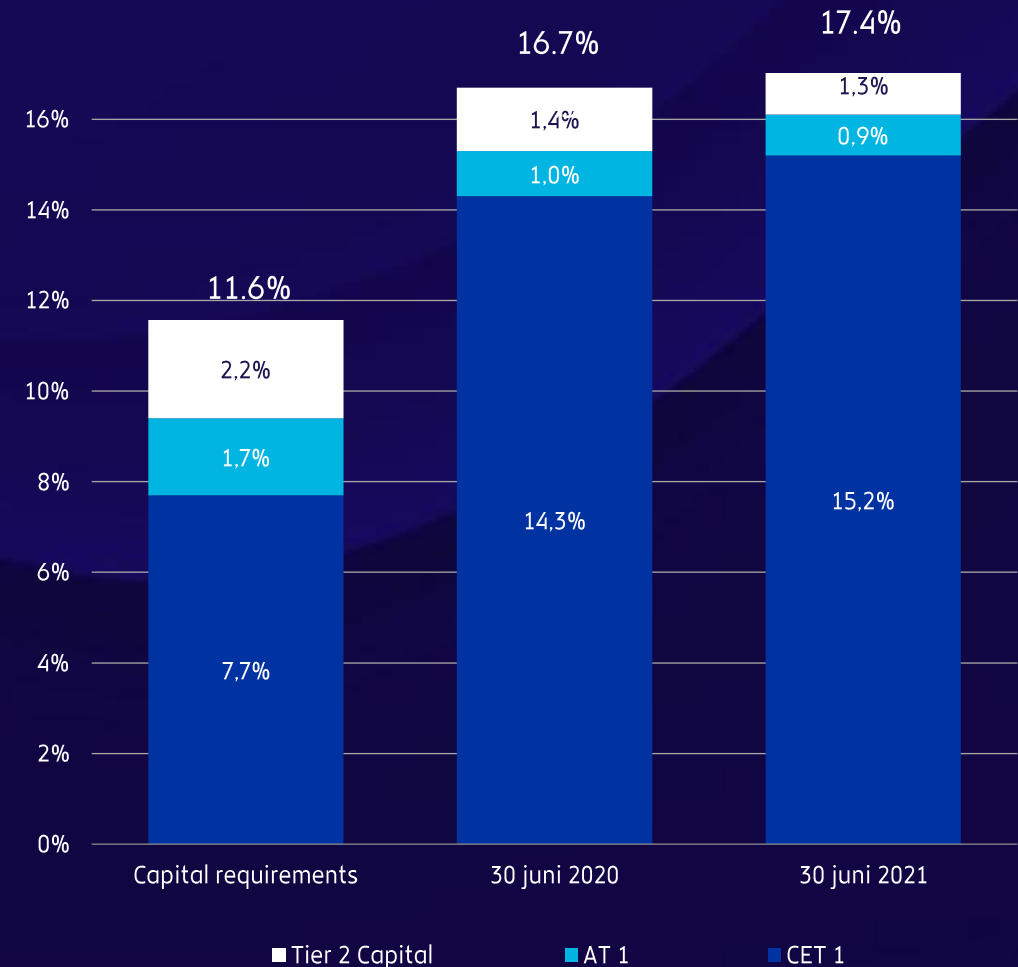
-13%





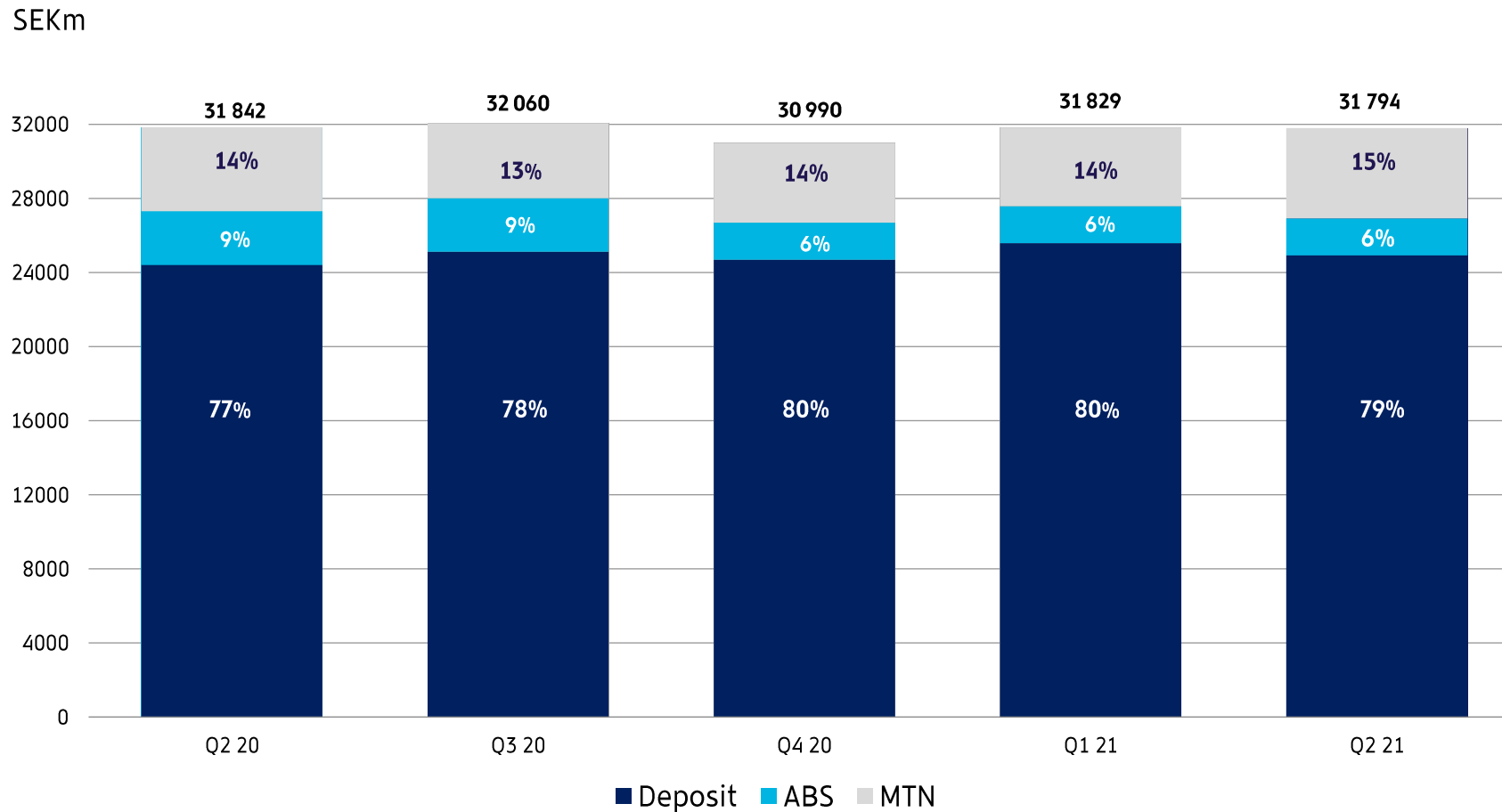
# Strong capital position

- Strong CET1 and total capital ratios well above requirement and targets, improved 0,7%-points vs previous year
- If regulatory authorities' restrictions are not extended after 30 sept 2021 the Boards intends to propose a dividend of 3.00 SEK per share during Q4 2021
- Additional capital requirements are expected:
  - Pillar II Guidance
  - Systemic Risk Buffer Norway



# Diversified funding

## Funding (excl. equity) & Funding mix



- Upgraded Credit Rating to BBB, stable outlook
- Continued strategy to maintain long-term diversified financing and actively work with various sources
- Issued SEK 600 million and NOK 600 million under the MTN programme during the quarter
- Liquidity remained very strong with LCR 292% in the consolidated situation

# Coming period

- Strengthening **competitiveness** and **growth** by creating one Nordic organisation, business driven IT solutions and improved customer experience
- Intention to announce **new financial targets** and arrange a digital **Capital Markets Day** in September 2021
- **Fewer Covid-19 restrictions** during H2 will affect some industries, for example travel industry, positively
- We have a **strong** and **stable position** and intends to invite to an extra general meeting in Q4-21 with the proposal to pay a dividend of SEK 3,00 per share

# Thanks!