



CAPITAL MARKET DAY 2017

- Continuing to deliver strong and profitable growth

AGENDA

Subject	Presenter	Timing
Welcome		09.00
Who we are	Kenneth Nilsson, CEO	
Financial performance and profitability	Peter Rosén, CFO	
Coffee break		
Market outlook and strategic agenda	Erik Frick, CSO	10.30
Segment Payment Solutions	Ola Carlman, Business Area Director	
Segment Consumer Loans	Johan Flodén, Business Area Director	
Segment Insurance	Marcus Tillberg, Managing Director	
Concluding remarks	Kenneth Nilsson, CEO	
Lunch		



WHO WE ARE

Kenneth Nilsson, CEO

40 YEARS OF STRONG AND PROFITABLE GROWTH

Built by retailers for retailers

- Convert visitors to customers and increase average tickets
- Launch innovative solutions for retailers and customers, for example moved payment decision from store to home
- Create loyal and returning customers
- Build customer database with cross-selling opportunities

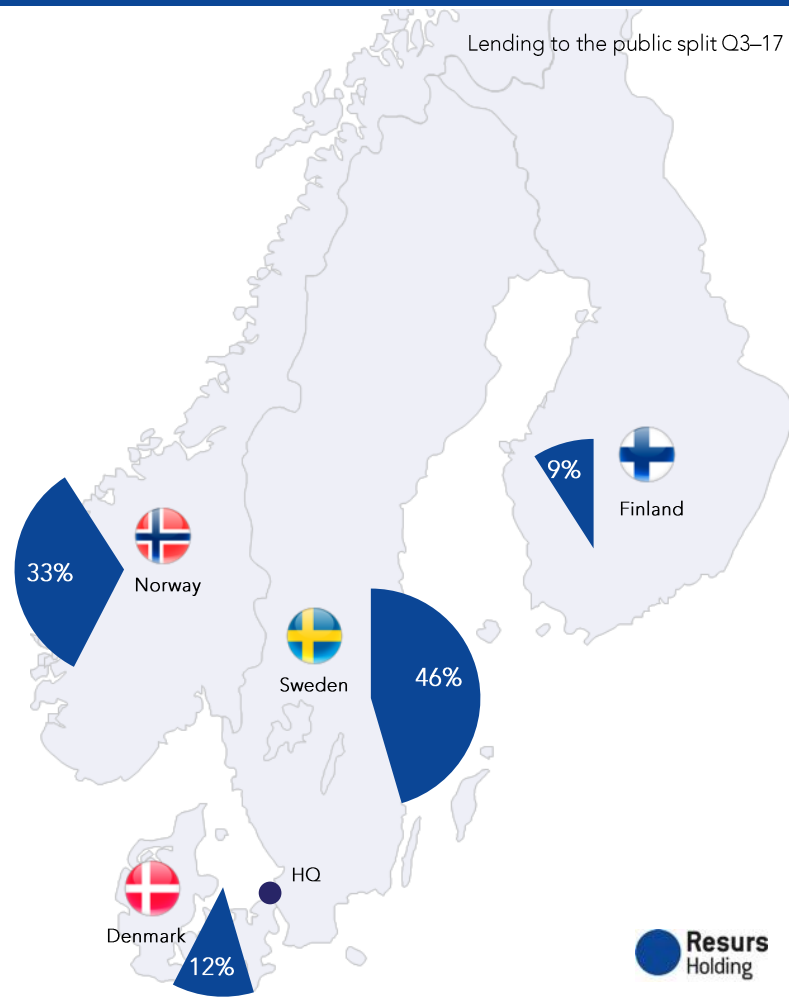


**We drive
retail sales**

THE NORDIC MARKET - FROM A RESURS PERSPECTIVE

Pan-Nordic presence

- Presence in the Nordic market for almost 20 years and we have been driving the development of the various markets for decades
- Head office in Helsingborg, Sweden and full service offices in all of the Nordic countries have always been in forefront
- The Nordic countries differ in dynamics and competition



INNOVATION - A PART OF OUR DNA



0% interest in 1980s

- We have continuously launched new innovations to drive retail sales and simplify for our partners



Digitise offline shopping

- Launch of in-store mobile credit application and digital application makes the process faster, easier and paperless



Loyo Pay - mobile payments

- One app for your total Omni-shopping. Issued in the Nordics with global functionality

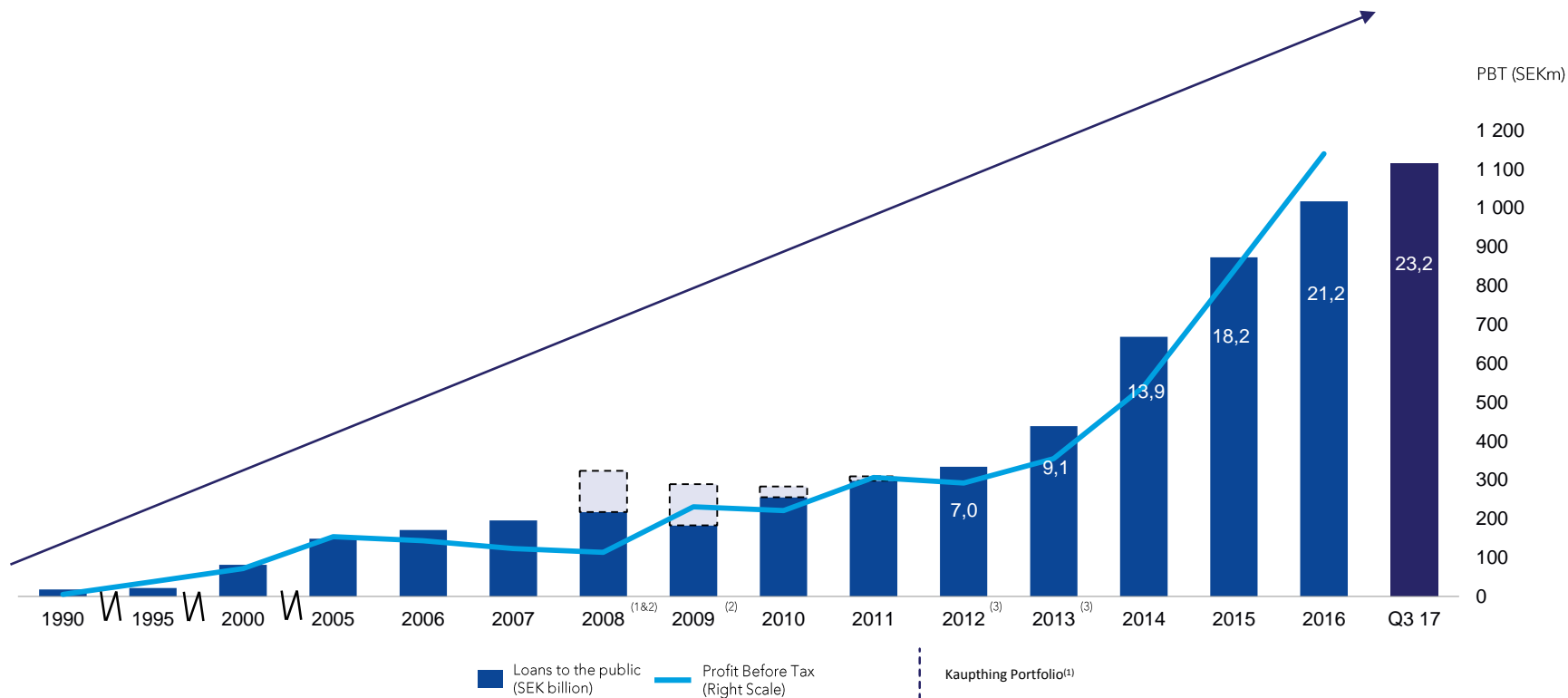
IT'S A PEOPLE'S GAME

Our personnel make the difference

- Continuous digitisation and launch of innovative tools for our agents and automation of manual processes
- Focus on leadership development
- The Resurs' spirit of "Always improving" and core values guide us through every action and decision



40 YEARS AND STILL “GROWING” STRONG



1. Kaupthing Finans credit portfolio acquired in 2008

2. 2009 reported PBT adjusted to exclude SEK 170 MM of dividends received in the year; 2008 reported PBT adjusted for SEK 273 MM of negative goodwill from the acquisition of Kaupthing Finans

3. Excludes loans in Insurance segment of SEK157m and SEK121m in 2012 and 2013 respectively



FINANCIAL PERFORMANCE AND PROFITABILITY

Peter Rosén, CFO

FINANCIAL TARGET PERFORMANCE

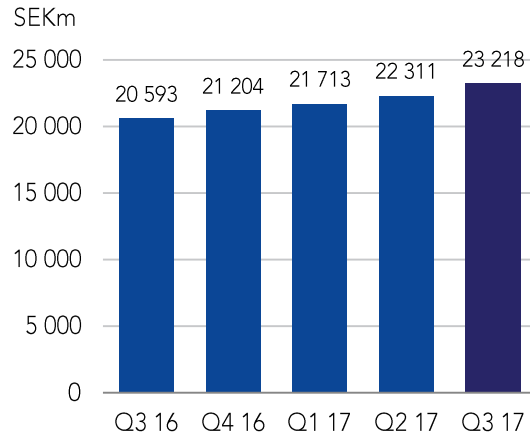
Metric	Target	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Annual lending growth	~ 10% p.a.	✓	✓	✓	✓	✓	✓	✓
NBI margin, excl. Insurance	In line with recent performance (c. 13% – 15% in 2013-2015)	✓	✓	✓	✓	✓	✓	–
C/I before credit losses excl. Insurance and adjusted for nonrecurring costs	~ 40% in the medium term	✓	✓	✓	✓	✓	✓	✓
Credit loss ratio	In line with recent performance (c. 2% – 3% in 2013-2015)	✓	✓	✓	✓	✓	✓	✓
Return on equity (RoTE) adjusted for nonrecurring costs*	~ 30% in the medium term	✓	✓	✓	✓	✓	✓	✓
Payout ratio	> 50%	✓	✓	✓	✓	✓	✓	✓
CET 1 ratio/ Total Capital Ratio	>12.5% CET1 14.5% Total Capital	✓ / –	✓ / –	✓	✓ / –	✓	✓	✓

* Based on Capital Employed at 12.5% CET1 Ratio and dividends deducted from the capital base for the current year.

STRONG GROWTH IN BOTH SEGMENTS - ABOVE TARGET

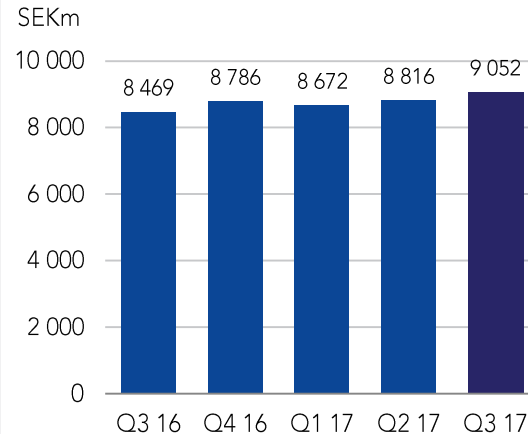
Total

+13%



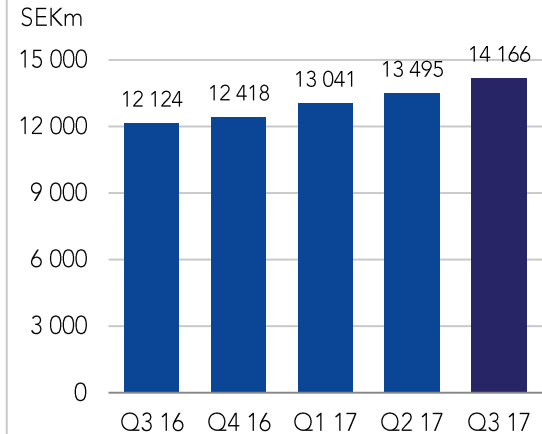
Payment Solutions

+7%



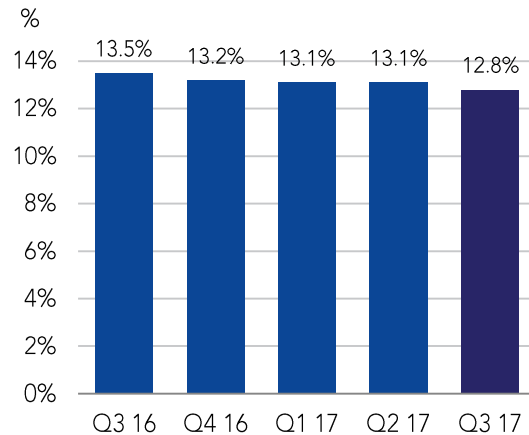
Consumer Loans

+17%

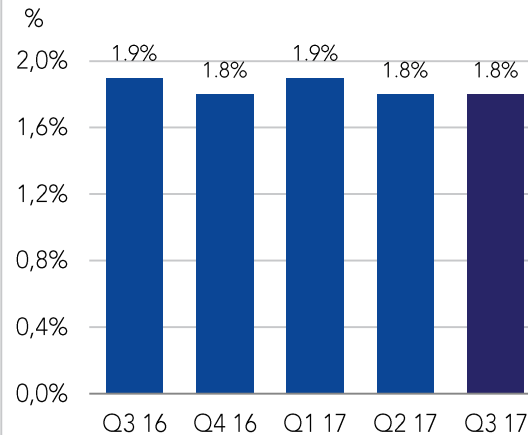


STABLE MARGIN EVOLUTION - ON TARGET

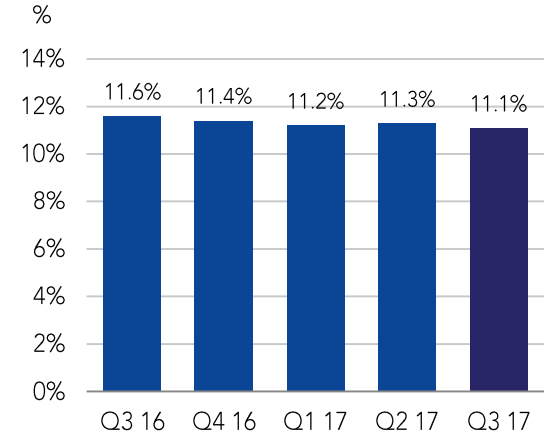
NBI-Margin*



Cost of Risk

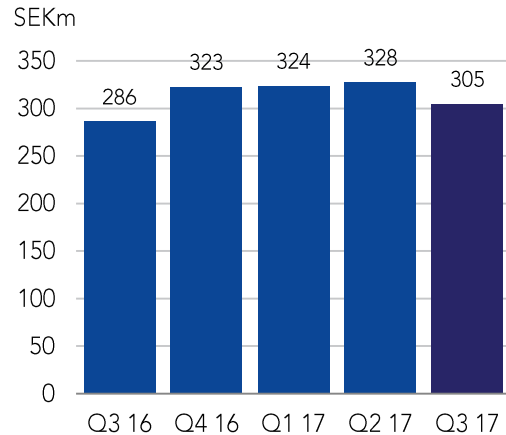


Risk adjusted NBI margin

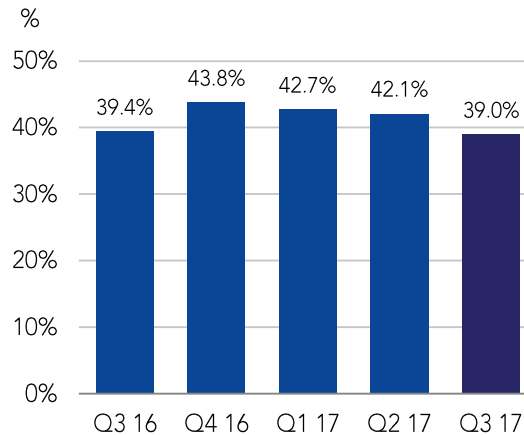


IMPROVED COST INCOME RATIO - ABOVE TARGET

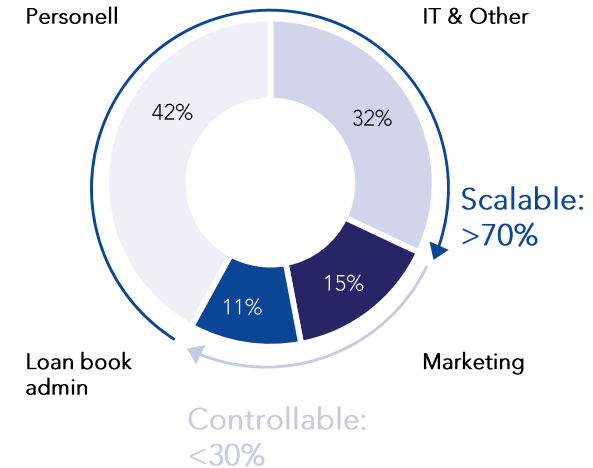
Operating Expenses*



Cost Income Ratio, bank*

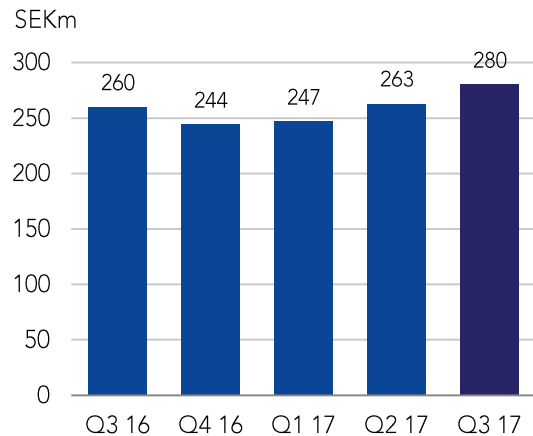


Expense breakdown

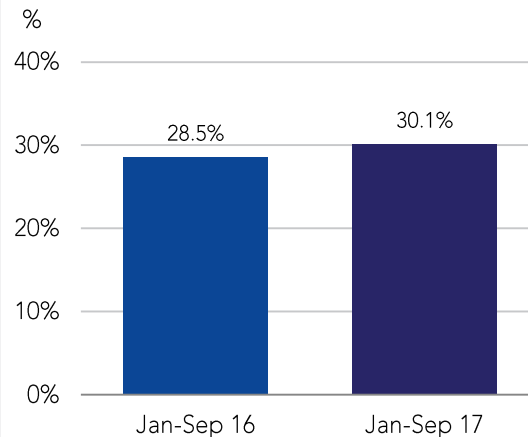


INCREASED PROFITABILITY - ON TARGET

Net Income*



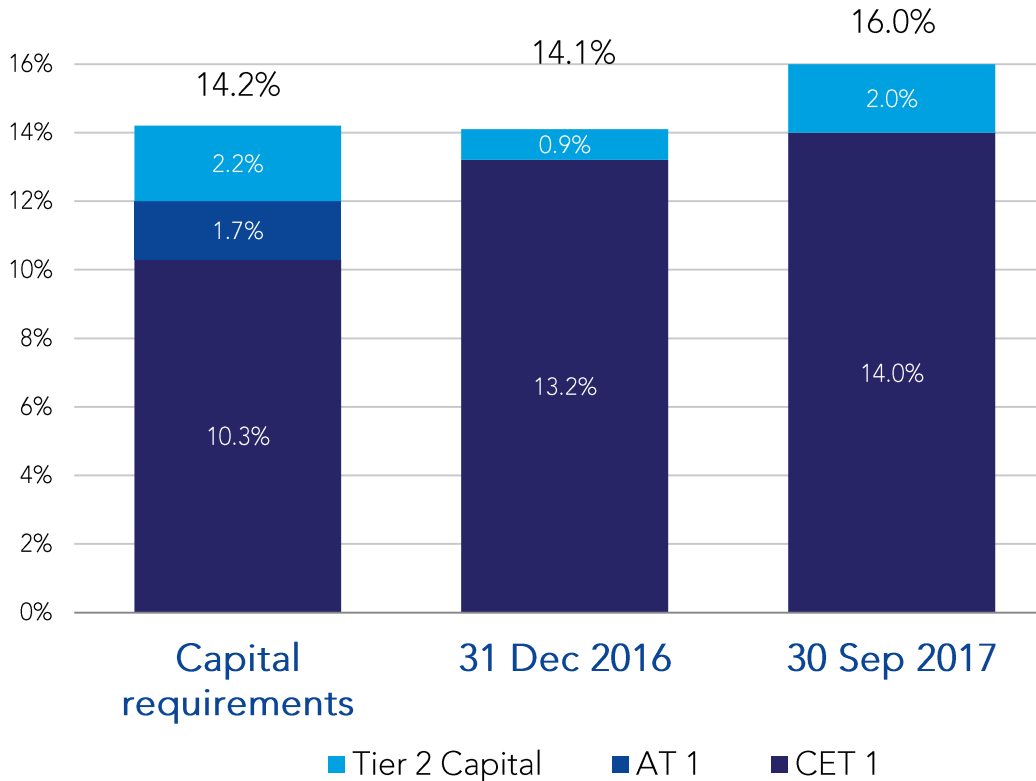
Return on equity (RoTE) adjusted for nonrecurring costs **



*FSA fine nonrecurring costs of SEK35m reduced in Q3 2016. FSA fine is a non-tax deductible costs

** Based on Capital Employed at 12.5% CET1 Ratio and dividends deducted from the capital base for the current year

STRONG CAPITAL POSITION - ABOVE TARGET



NEW FINANCIAL TARGETS

Metric	Target	Jan-Sep 17
Annual lending growth	> 10% p.a.	13%
Risk adjusted NBI margin	In line with recent performance (c. 10% – 12%)	11.1%
C/I before credit losses excl. Insurance and adjusted for nonrecurring costs	< 40% in the medium term	41.3%
Return on equity (RoTE) adjusted for nonrecurring costs*	~ 30% in the medium term	30.1%
Payout ratio	> 50%	n/a
Common Equity Tier 1 ratio/ Total Capital Ratio	>12.5% CET1 15.0% Total Capital	14.0% CET1 16.0% Total Capital

**Based on Capital Employed at 12.5% CET1 Ratio and dividends deducted from the capital base for the current year*

These targets do not include any effects of IFRS 9 since the implementation of the rules is as yet uncertain.

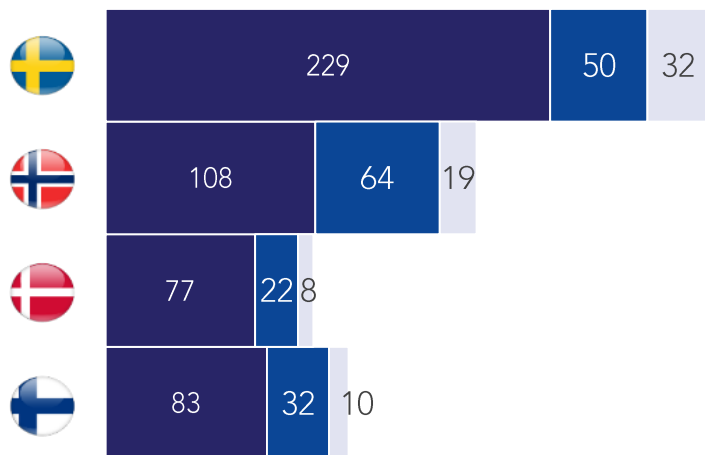


MARKET OUTLOOK AND STRATEGIC AGENDA

Erik Frick, CSO

ATTRACTIVE MARKET OUTLOOK

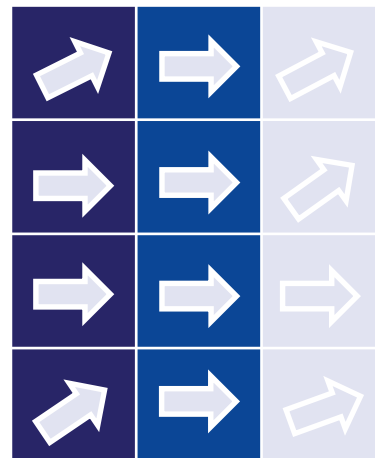
Breakdown of Resurs market Q2 (SEK bn)



Resurs market share Q2

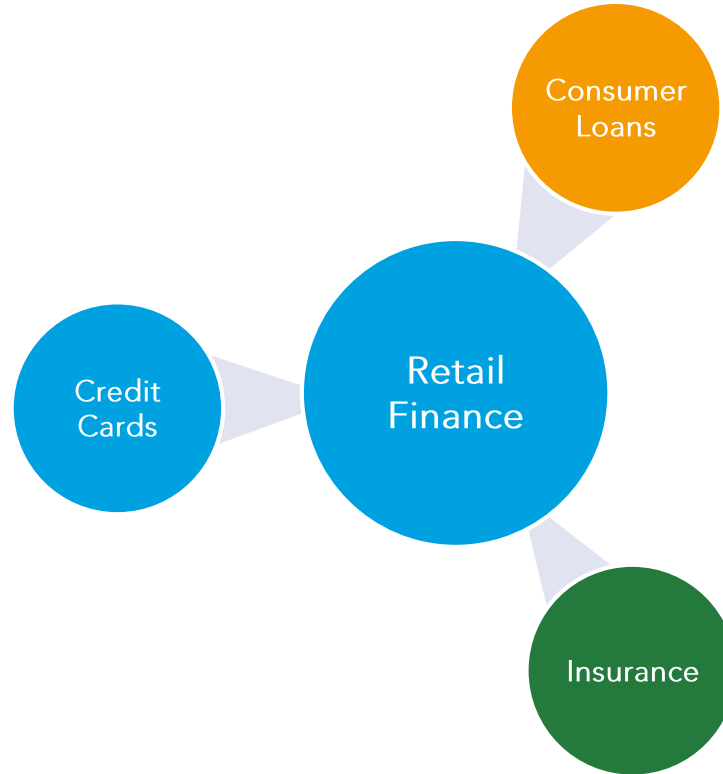
3%	3%	10%
5%	<1%	6%
1%	<1%	20%
2%	<1%	9%

Market potential



RESURS DIFFERENTIATED BY UNIQUE BUSINESS MODEL

*Retail Finance
feeds our growing
database*



*The large customer
database with approx.
5,5 million customers
provides opportunities
for cross-selling*

RESURS WELL POSITIONED WITH A CLEAR STRATEGY OF PARTNER ADAPTION



CURRENT TRENDS DRIVING THE MARKET

AI/Machine learning



Increased regulations



Digitisation of payments



Consolidation



Customer Consent



Omni-channel banking



STRATEGIC AGENDA TO STRENGTHEN OUR BUSINESS MODEL

Strategic areas

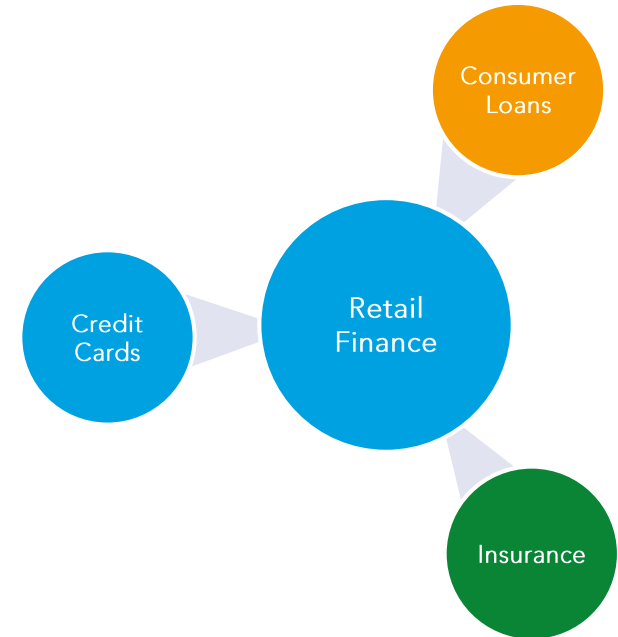
	Development of retail finance partners
	Consumer Experience
	Innovation
	Cross-selling

Growth path

Organic





M&A

Acquisitive









FROM STRATEGIC AREAS TO OPERATIONAL IMPACT

Resurs strategic areas

	Development of retail finance partners
	Consumer Experience
	Innovation
	Cross-selling
<hr/>	
	M&A



Market trends




AI/Machine learning 	Increased regulations 	Digitisation of payments 
Consolidation 	Customer Consent 	Omni-channel Banking 

Operational impact

- Pure omni-channel continued development
- Digitising offline retail, for example with digital applications and in-store self-service digital application through use of mobile bank ID
- Digitise all cards, loyalty cards, gift cards through Loyo Pay







FROM STRATEGIC AREAS TO OPERATIONAL IMPACT

Resurs strategic areas

	Development of retail finance partners
	Consumer Experience
	Innovation
	Cross-selling
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	M&A



Market trends





AI/Machine learning 	Increased regulations 	Digitisation of payments 
Consolidation 	Customer Consent 	Omni-channel Banking 

Operational impact

- Robotics implemented within business support lower customer handling time and reduce errors
- Launch of 'My credit rating' to allow customers to influence and understand their credit score
- Development of automated CRM systematics to interact with customers through entire customer life time cycle







FROM STRATEGIC AREAS TO OPERATIONAL IMPACT

Resurs strategic areas

	Development of retail finance partners
	Consumer Experience
	Innovation
	Cross-selling
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	M&A



Market trends





AI/Machine learning 	Increased regulations 	Digitisation of payments 
Consolidation 	Customer Consent 	Omni-channel Banking 

Operational impact

- New mobile platform, Loyo Pay – digitising payments
- Omni-merchant portal and checkout to drive retailer sales
- Development of in-house mobile application to support customer digital experience







FROM STRATEGIC AREAS TO OPERATIONAL IMPACT

Resurs strategic areas

	Development of retail finance partners
	Consumer Experience
	Innovation
	Cross-selling
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	M&A



Market trends





AI/Machine learning 	Increased regulations 	Digitisation of payments 
Consolidation 	Customer Consent 	Omni-channel Banking 

Operational impact

- New credit decision tool enabling personalised automatic credit decisions
- New loan application procedure enabling an automatic process for majority of applicants
- Continue development of in-house telemarketing sales on a pan-Nordic basis







FROM STRATEGIC AREAS TO OPERATIONAL IMPACT

Resurs strategic areas

	Development of retail finance partners
	Consumer Experience
	Innovation
	Cross-selling
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M&A	



Market trends

AI/Machine learning 	Increased regulations 	Digitalization of payments 
Consolidation 	Customer Consent 	Omni-channel Banking 

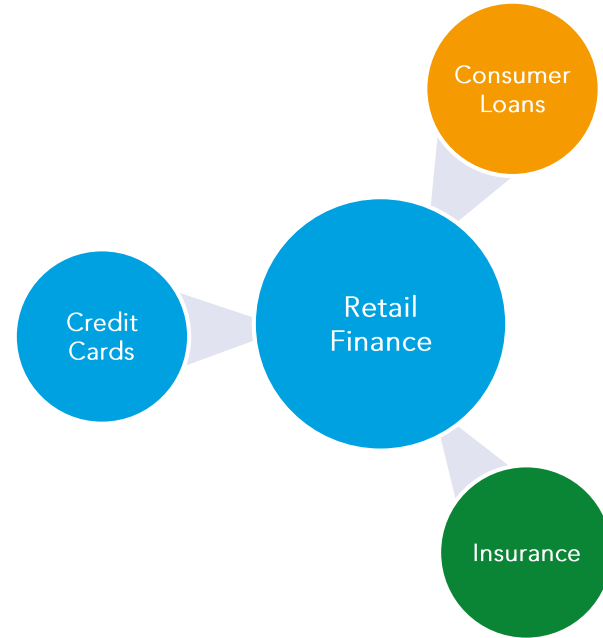
Operational impact

- Continuously evaluating potential targets to acquire
- Targeting both dedicated consumer finance companies and focused fin tech businesses
- Historic success by acquisitions of e.g. yA Bank, DanAktiv, Finaref

STRATEGIC AGENDA TO ENABLE CONTINUED STRONG AND PROFITABLE GROWTH

Key take away

- Resurs is well positioned for future key macro trends in the financial universe
- Resurs will continue the success story of digitising our product portfolio
- Much emphasis will be placed on mobile first in 2018
- Intense focus on removing on / offline thinking, it is all about sales, omni-sales!



PAYMENT SOLUTIONS

Ola Carlman, Business Area Director

STRONG VALUE PROPOSITION FOR ALL STAKEHOLDERS

We drive retail sales

Good for retailers..

- Drive sales
- Support omni-channel transition
- Foster customer loyalty

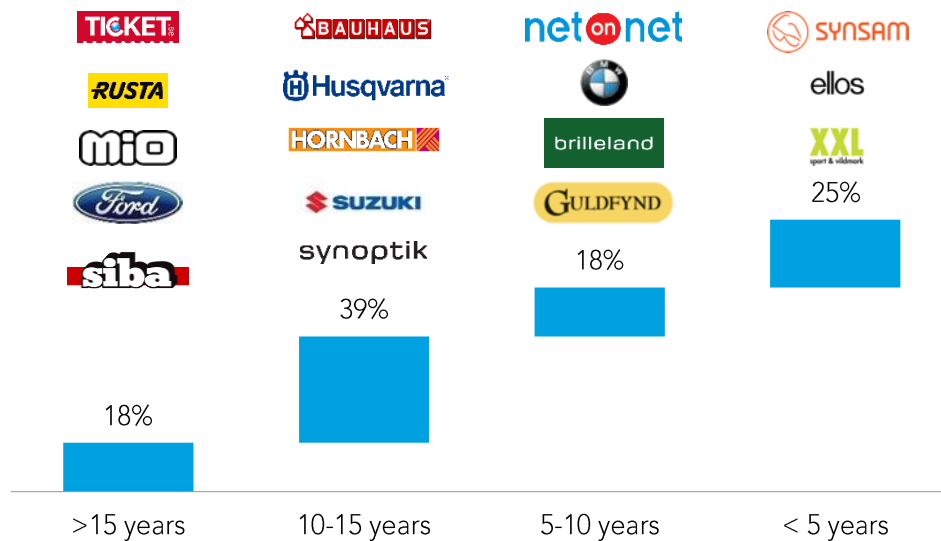
..good for customers...

- Increase purchasing power
- Payment flexibility

..and good for Resurs..

- Profit contribution
- Retailer loyalty
- Cross-selling

We have longstanding relations with top Nordic Retailers



% of Retail Partners

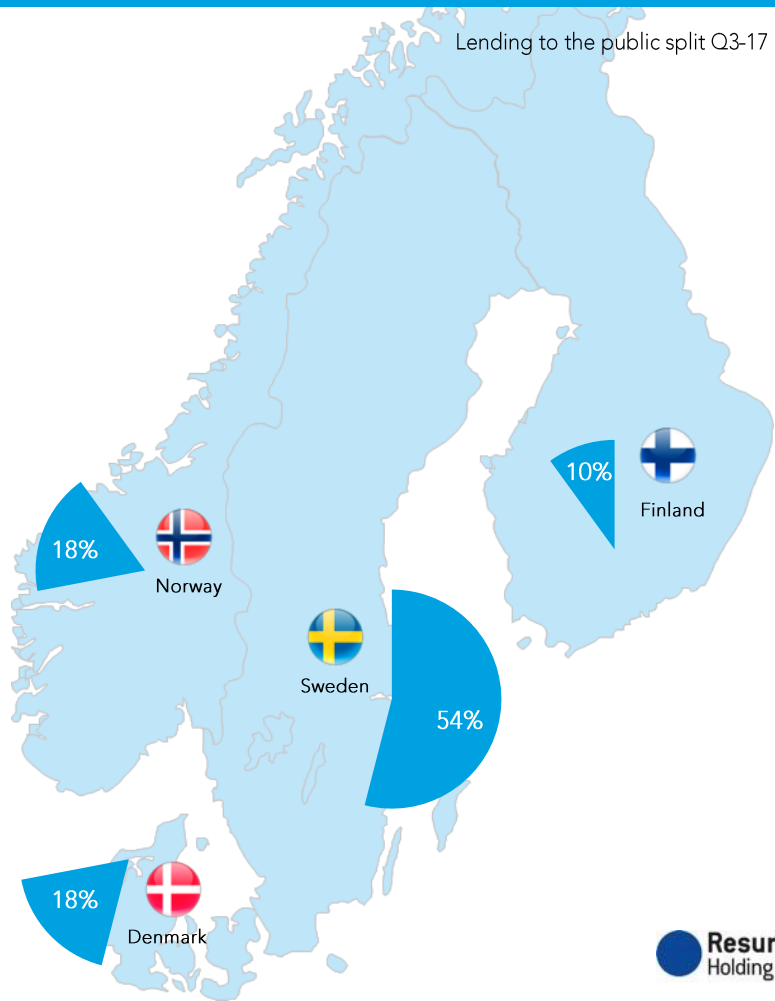
OVERVIEW PAYMENT SOLUTIONS

Retail finance

- **Large partner base**
- Highly entrenched position and **longstanding relationships**
- **Ticket size** approx. SEK 1 500 and short duration of 6 months, **allow for attractive pricing and margin**

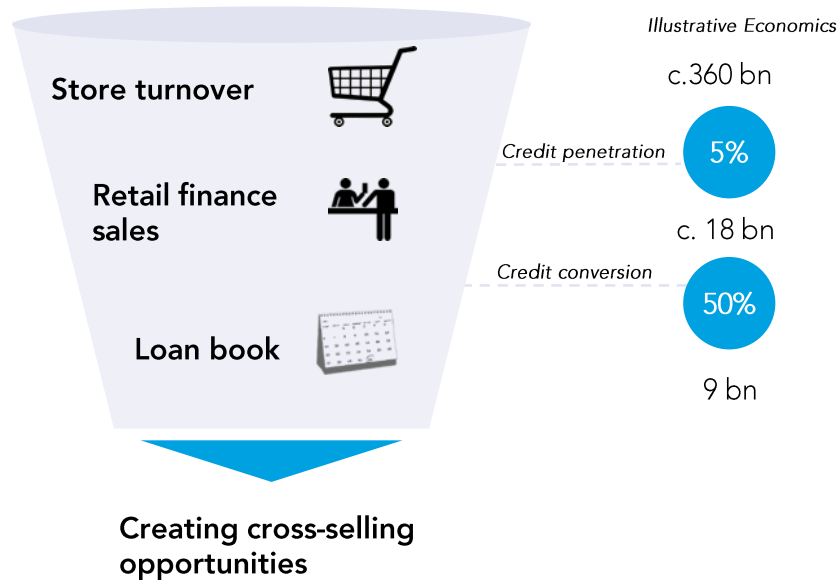
Credit cards

- **Co-branded partnerships** with brands such as British Airways, KLM/Air France, BMW, Lufthansa
- **Unique database** provides cross-selling opportunities
- Our own brand **Supreme Card** with average approved limit approx. SEK 27 800



GROWTH POTENTIAL EMBEDDED IN THE SALES FUNNEL

Establish new partnerships



1. Add new retail finance partners

2. Drive retail sales

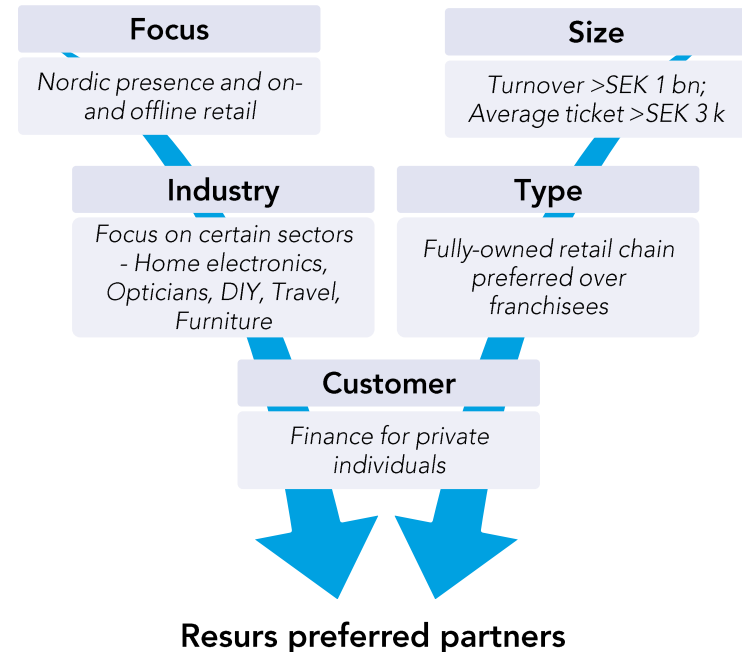
3. Develop credit penetration

4. Enhance conversion performance

1. ADD NEW RETAIL FINANCE PARTNERS

Further potential in adding new partners

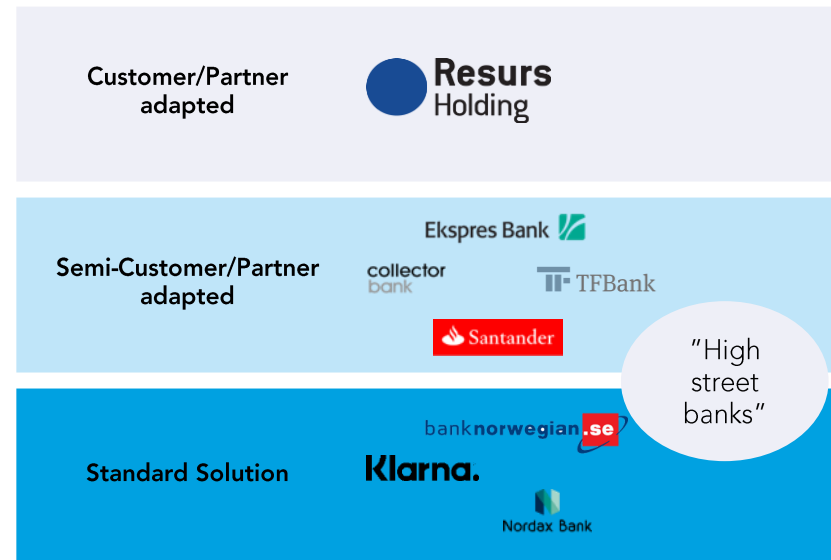
- Focused hunting process provides us with further potential for adding new retail finance partnerships
- Target partners from three different groups:
 - Retailers that do not currently have retail finance
 - Retailers that have their own financing solution
 - Retailers from the competition



1. ADD NEW RETAIL FINANCE PARTNERS

Strong value proposition

- **Retail Heritage**
 - We know retail and understand its challenges and help the retailer to drive sales
- **Reputation**
 - We have a proven 40-year track-record of supporting and driving retail sales
- **Bespoke Set-up**
 - We offer a omni-channel solution with the ability to tailor products and processes
- **Added Services**
 - For example: gift cards, analytics and insight, CRM, sales training, factoring, Loyo



2. DRIVE RETAIL SALES

We drive retail sales regardless of channel



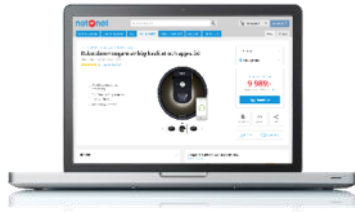
Drive traffic to the
retailers' stores

Convert visitors to
customers

Increase average
ticket

Help retailers with
CRM

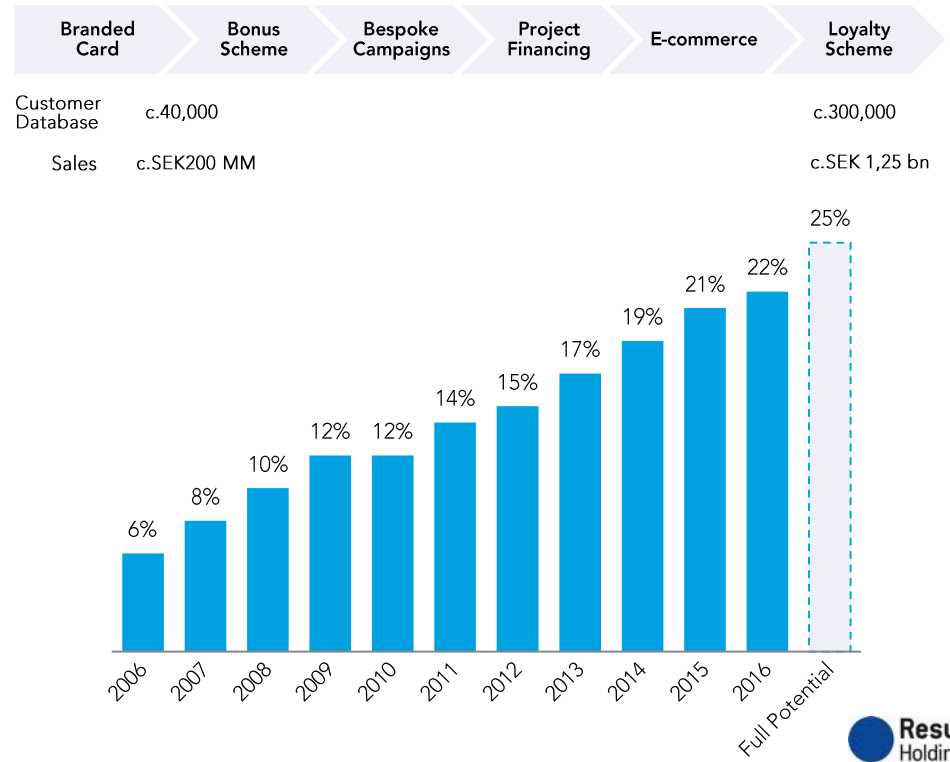
Create loyal
customers



3. DEVELOP CREDIT PENETRATION

Support increased credit penetration

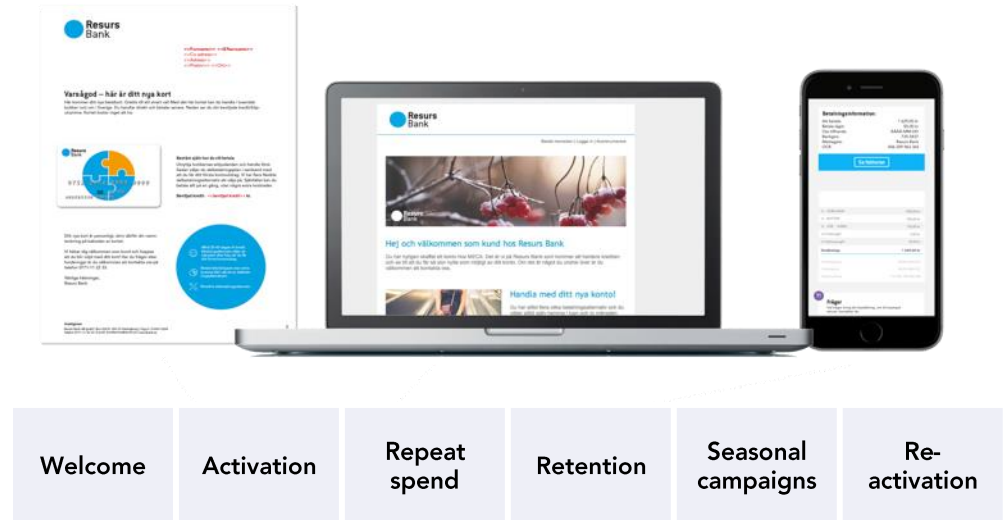
- Individual growth activity plans developed with our partners to support growth
- Innovative solutions that make it easier for retailers, such as digital applications and in-store digital credit application
- Engage management attention from partners
- Relevant incentive systems in place for partner sales teams and customers



4. ENHANCE CONVERSION PERFORMANCE

Improve credit conversion

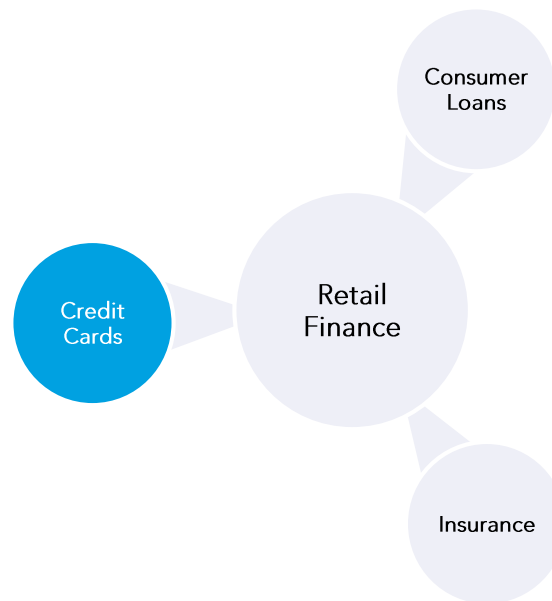
- Offering relevant payment alternative to maximise conversion
- Structured and automated CRM-process to encourage desired behaviour
 - Welcome and activation of new customers
 - Drive traffic and repeat spend to retailers
 - Reactivation of inactive customers



STRONG CARD BUSINESS READY FOR ATTRACTIVE FUTURE DEVELOPMENT

Strategic growth agenda

- Winning new co-branded credit card partnerships such as Lufthansa's Miles & More
- Optimise customer incentives to reward our best customers
- Innovative features such as selectable pin, Masterpass and Loyo Pay
- Improved customer segmentation to decrease marketing costs and increase profitability
- Significant sales contribution from Business Support



WE ARE AT THE FOREFRONT OF NEW TECHNOLOGY

The development of Loyo Pay

- Loyo pay – one app for your total OMNI shopping
- Simple onboarding using mobile bank ID
- Available to our customers in Sweden, Norway and Finland, next step roll-out in Denmark
- Issued in the Nordics with global functionality
- Next step, merging two apps into one
- All current and future Resurs Bank Cards will be made available in the app



KEY TAKE AWAY

Value for retailers

- **Drive sales** – providing financing drives conversion of visitors into paying customers
- **Support omni-channel transition** – ready to use solution for brick and mortar retailers entering the online world (or vice versa)
- **Foster customer loyalty** – store credit allowance and reward program incentivise customers to revisit store

Good For Retailer...

Value for customers

- **Increases purchasing power** – customer can bring home product on the day, but pay later, including interest free payment options
- **Payment flexibility** – customers have time to decide when and how they amortise the credit

...Good for Customer...

Value for Resurs

- **Profit contribution** – profitable product standalone
- **Retailer loyalty** – integral part of partners' business through longstanding relationships
- **Cross-selling** – significant potential through 5,5 MM unique customers database

...and Good for Resurs

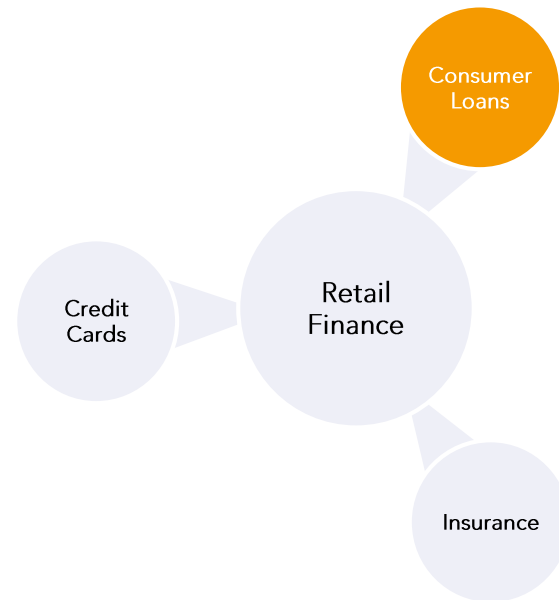
CONSUMER LOANS

Johan Flodén, Business Area Director

LEVERAGING THE RETAIL FINANCE DATABASE TO DRIVE SALES

Unique database that provides benefits for Consumer Loans

- Enables to focus on **better risk and higher margin** loans
- **Reduces acquisition cost** – allows for surgical targeting
- **Efficient credit underwriting and risk based pricing** – identify good and bad credit behaviour in internal database

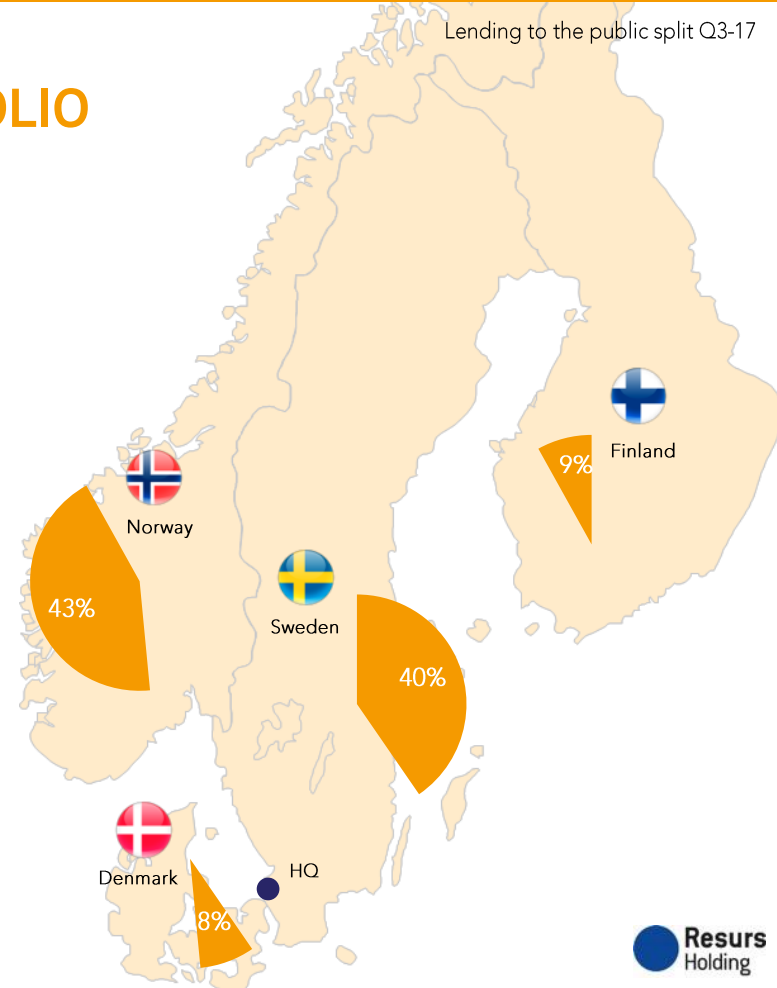


OVERVIEW OF CONSUMER LOAN PORTFOLIO

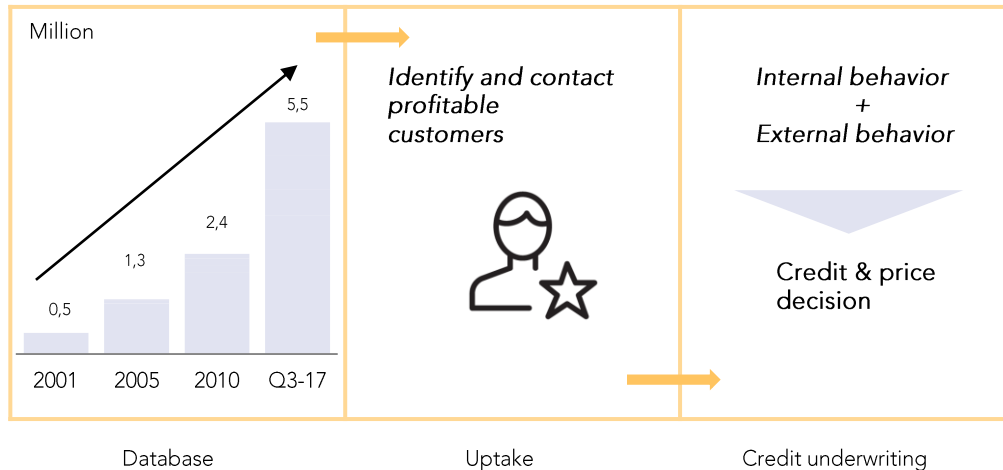
Attractive economics enabled by unique advantage of internal database

- Granular portfolio with **approx. 185 000 loans** in the Nordic region
- Average new lending **ticket size of approx. 90 000 SEK** and a duration of approx. 3 years
- Consumer Loans **maximum ticket size** overview by country:

SE	400 000 SEK
NO	500 000 NOK
DK	300 000 DKK
FI	30 000 EUR



STRONG OUTLOOK ENABLED BY ADVANTAGE OF INTERNAL DATABASE

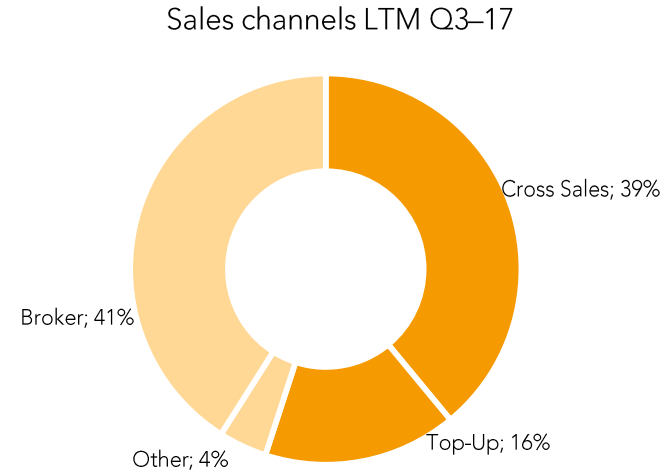


1. Improve database segmentation
2. Simplify application process
3. Develop credit underwriting
4. Capture potential in each market

1. LEVERAGING THE RETAIL FINANCE DATABASE THROUGH IMPROVED SEGMENTATION

Further potential to improve cross-sales

- Identify credit active customers with attractive risk profiles through external and internal risk profile
- Choose which channel to contact customer
- Ensure low acquisition costs
- Use the same method for existing consumer loans customers



Sales generated from our database c. 55%

Excl. yA Bank c. 70%

2. CONTINUE TO IMPROVE COMMUNICATION TO CUSTOMERS AND CREDIT APPLICATION PROCESS

Digitisation of customer contact

- Launch of new technical platform, credit decision tool, enables:
 - Improved credit scoring
 - Entire application process is digitised
- Launch of 'My Credit Rating'

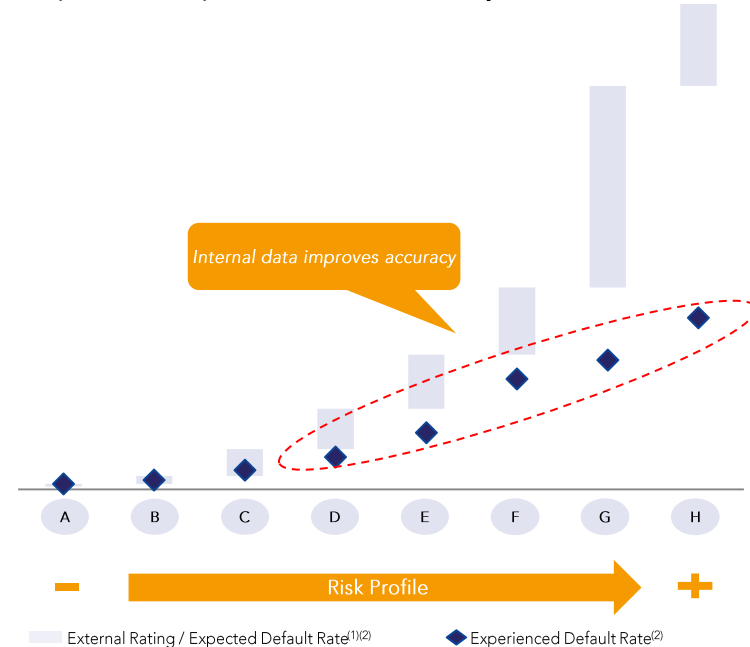


3. DEVELOP CREDIT UNDERWRITING AND RISK BASED PRICING MODELS

We have an unique opportunity to price risk

- Use of internal data allows for pre-screening of candidates
- Better than market average default rates
- c. 85% of loans priced based on internal data

Expected vs Experienced Default Rate by Risk Profile ^{(%)(1)}



1) Default rate defined as % into litigation 12 months after issuance

3. CONTINUE TO DEVELOP CREDIT UNDERWRITING AND RISK BASED PRICING MODELS

Sophisticated risk adjusted pricing model based on internal data

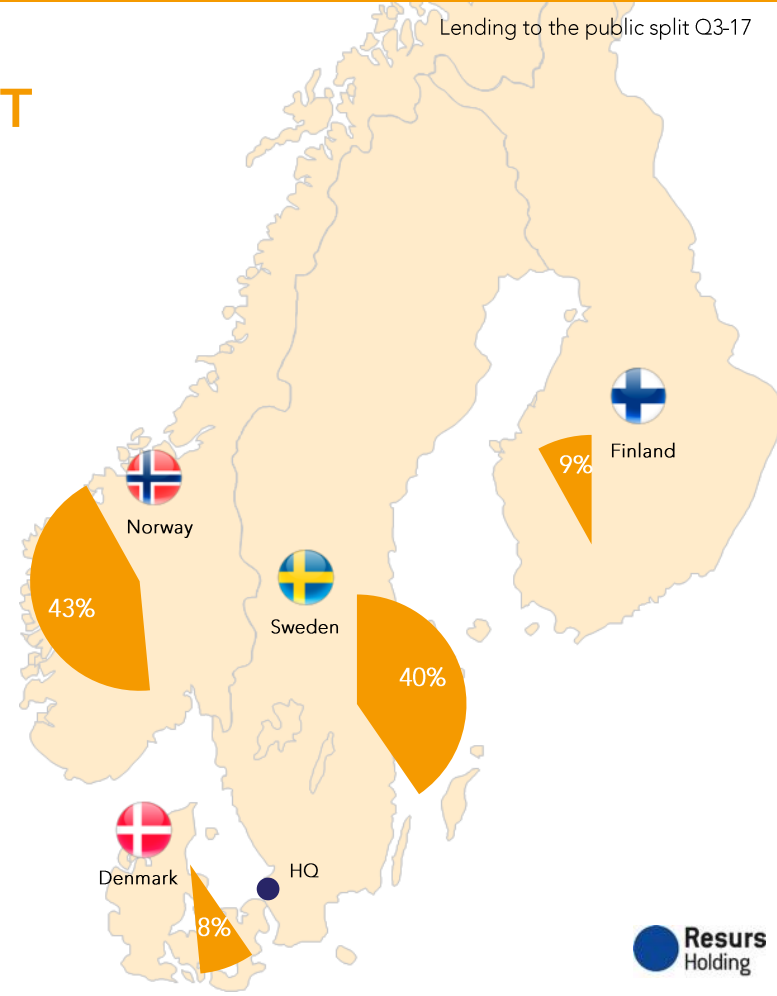
- Based on recent credit behaviour regarding Resurs's products for example payment history, internal behaviour, no delay in existing credits
- Bespoke scorecard + public data for risk adjusted pricing
- Unconvincing external database check can be overridden by flawless recent credit history in internal database

	External Rating	External Check	Internal Check
LOW RISK	A B C D E	✓	✓ <div>✗</div>
MEDIUM RISK	F G H	?	<div>✓</div>
HIGH RISK	I ...	✗	✗

4. CAPTURE POTENTIAL IN EACH MARKET

Continue roll out of Resurs model

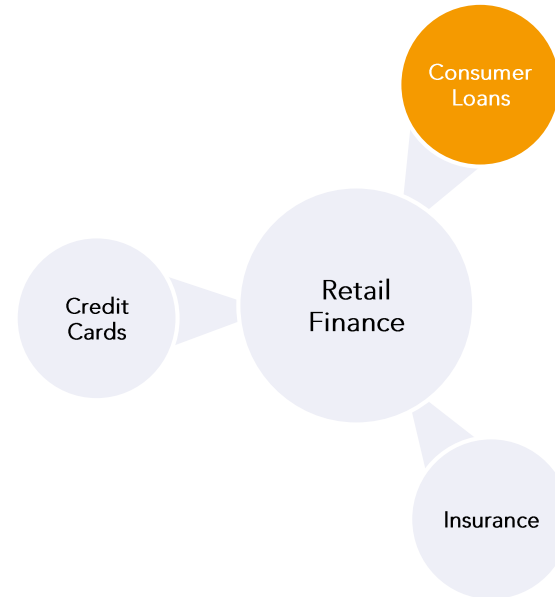
- Different dynamics in each market
- Test and start up new distribution channels
- Further analyse and develop scorecards



STRONG OUTLOOK TO FUTURE GROWTH

Key take away

- **Unique database** provides benefits for Consumer Loans
- Enables focus on **better risk and higher margin loans**
- **Reduces acquisition cost** – allows for surgical targeting
- **Efficient credit underwriting** and risk based pricing – identify good and bad credit behaviour in internal database



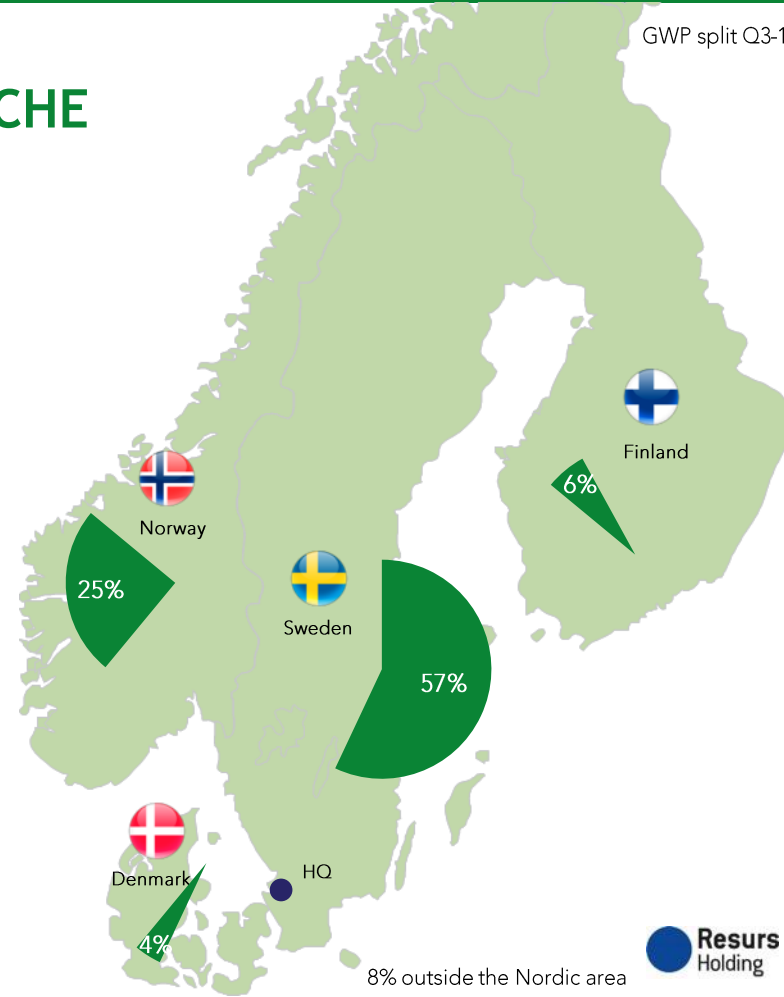
INSURANCE

Marcus Tillberg, Managing Director

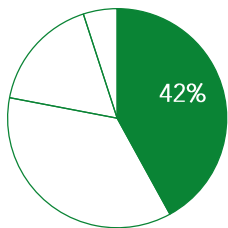
VISION TO BE THE NORDIC LEADING NICHE INSURANCE PROVIDER

Overview

- Founded in 1993, Solid is a Swedish non-life insurance company providing niche insurance policies
- Focus on key niche segments:
 - **Product** (consumer electronics, bicycles, etc.)
 - **Personal Safety** (payment protection, income insurance and ID theft insurance)
 - **Car Plus** (roadside assistance and car warranty)
 - **Travel** (travel, luggage, cancellation and car trips)
- Operates primarily through a partner based distribution model with longstanding and mutually dependent relationships. Partners benefit from Solid's value proposition:
 - Building increased profitability
 - Driving higher customer loyalty
 - Enhancing product offering

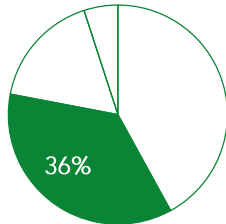


FOCUS ON KEY NICHE INSURANCE SEGMENTS



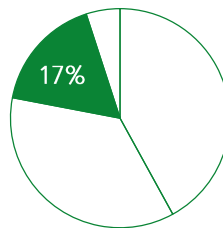
Product

- Solid's largest business area in terms of premiums
- Mainly mediated through retail partners
- Extensions directly to customers are an important part of the business model
- Significant market penetration in product insurance



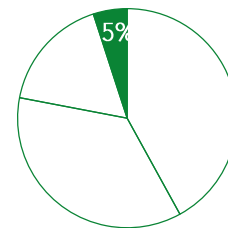
Personal Safety

- Consists of income insurance, Payment Protection Insurance (PPI) and ID theft insurance
- PPI insurance sold through Resurs Bank and yA Bank
- Clear disclosure of costs and benefits of the product



Car Plus

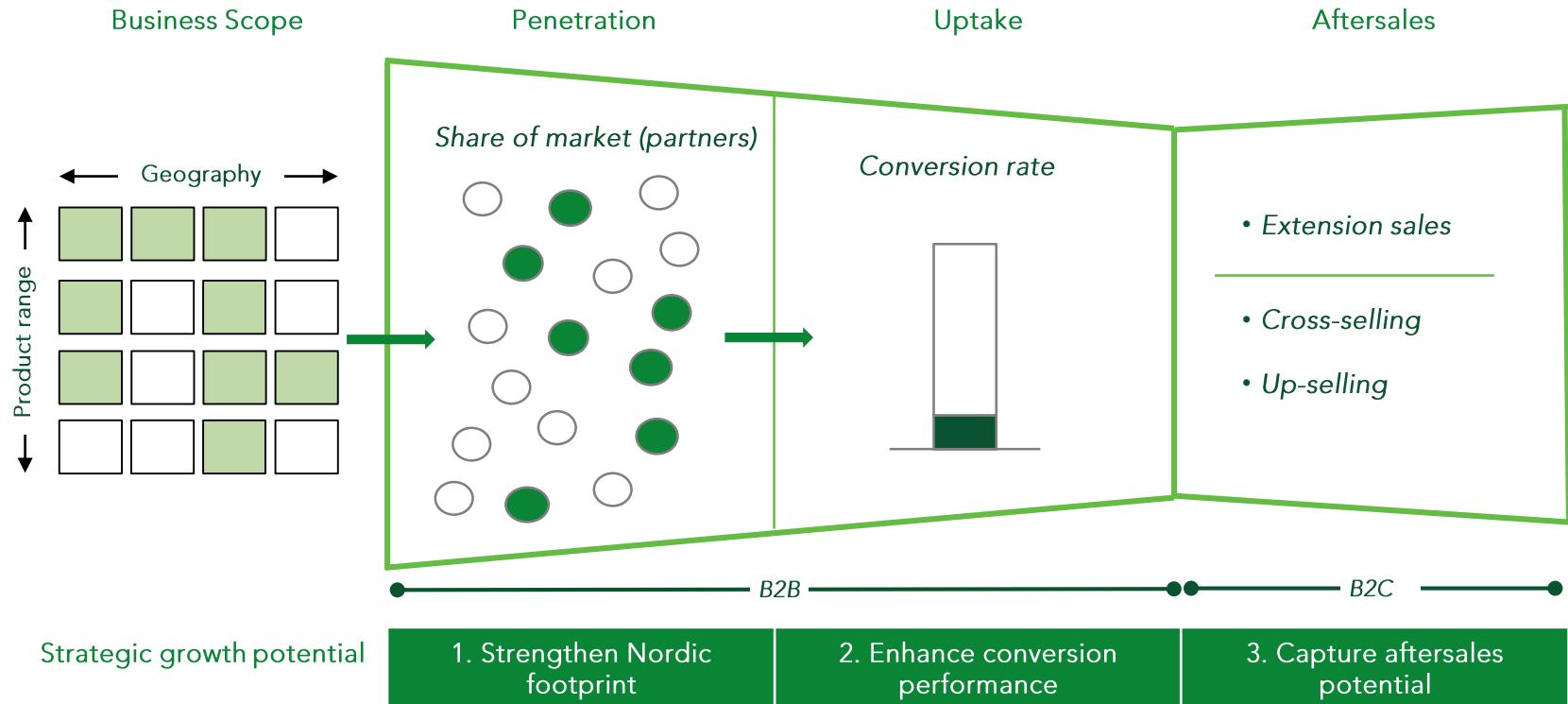
- Consists of roadside assistance and car warranties (auto insurance disposed in 2014) as well as selected other categories (e.g. car windscreens)
- Mediated through partners and direct to consumer
- Sales go through both car dealers, car repair shops and directly to consumers



Travel

- Wide portfolio of products that are sold in more than 20 countries in Europe
- Provided through travel agencies (online and offline), directly to consumers via direct marketing and online sales promotion
- UK travel portfolio in run-off

STRATEGIC GROWTH AGENDA EMBEDDED IN THE SALES FUNNEL



1. ORGANICALLY STRENGTHEN NORDIC FOOTPRINT IN EXISTING PRODUCT AREAS

Further potential in adding new partners

- A successful hunting process has enabled Insurance to secure a large number of partners in recent years, generating further growth going forward
- Focus on new markets for existing partners, efficient lead generation and cross sales with Resurs Bank
- Develop and grow the Nordic branches
- Comprehensive value proposition offered to our partners

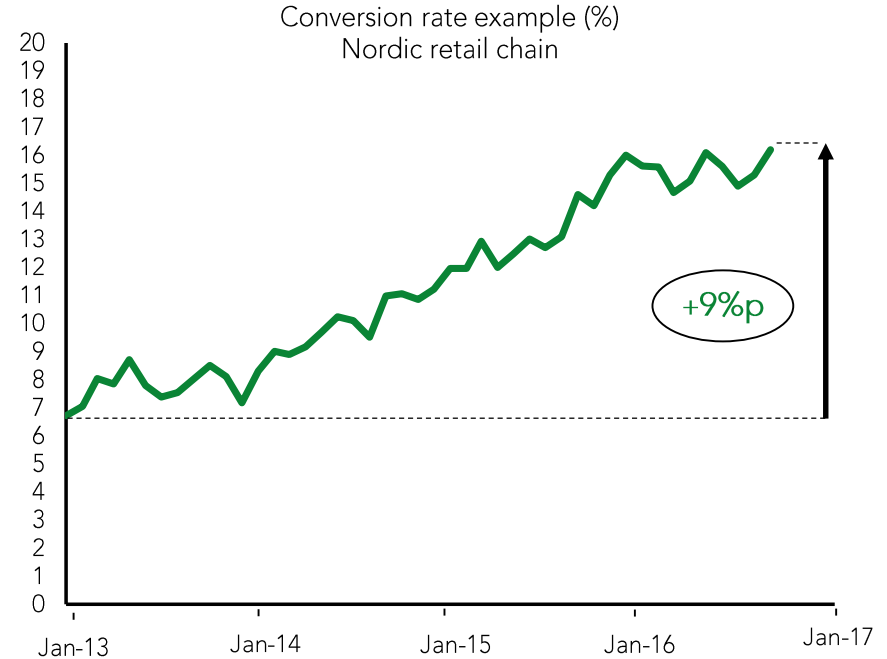


New partners last 3 years

2. ENHANCE CONVERSION PERFORMANCE IN EXISTING PARTNER BASE

Support increased conversion rate through partner base

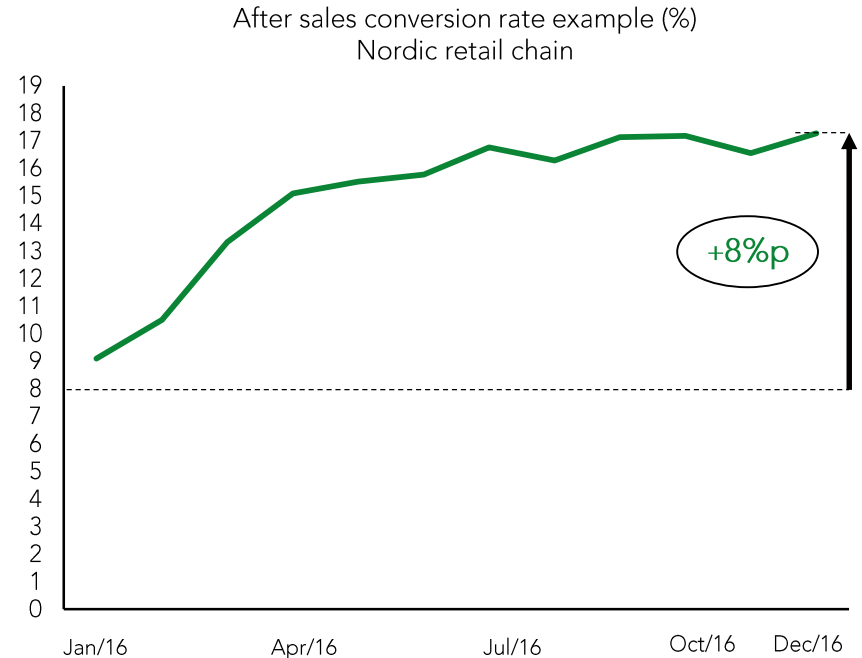
- Growth activity plans developed with our partners to support growth
- Efficient onboarding process
- System integrations to ensure efficient sales
- Engage management attention from partners
- Relevant incentive systems in place for partner sales teams
- Integration of Resurs subsidiary yA Bank, and optimise business support sales



3. CAPTURE AFTERSALES POTENTIAL

Dedicated effort to capture aftersales potential

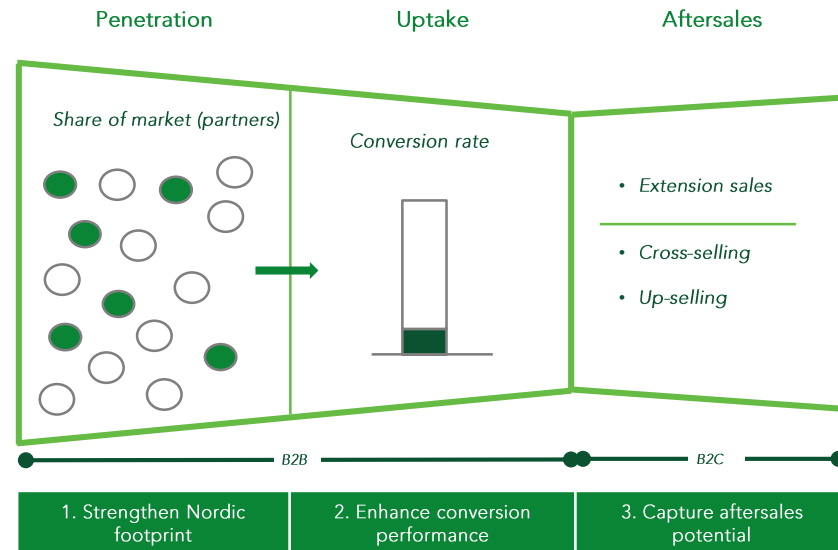
- Strengthen digital presence, e-mail usage etc. to increase conversion
- Rise extension sales through improved customer data base
- Optimise aftersales using several sales channels, internal outbound etc.
- Continue analyse and optimising of scorecards
- Utilise customer database to find new potential leads for cross- or add-on sales
- Further develop omni customer journeys



STRONG PLATFORM TO SUPPORT FUTURE GROWTH

Key take away

- Clear strategy implemented to support future profitable growth
- Historical development proves the strategy to successfully contribute to growth
- Substantial potential estimated in existing and potential partner base as well as in aftersales
- There are commercial initiatives in place within the different key strategic areas that aim to drive further growth





CONCLUDING REMARKS

Kenneth Nilsson, CEO



THANK YOU!