Resurs Holding

Q1 2018 PRESENTATION

TODAY'S PRESENTERS

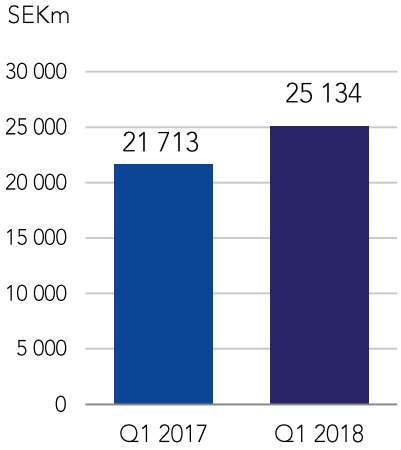
Kenneth Nilsson
Chief Executive Officer

Peter Rosén
Chief Financial Officer

ANOTHER QUARTER OF STRONG GROWTH

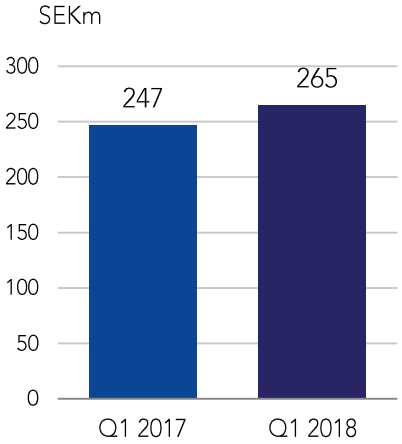
Strong lending

+16%



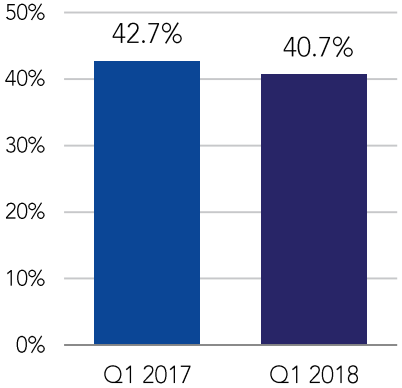
Increased net income

+7%



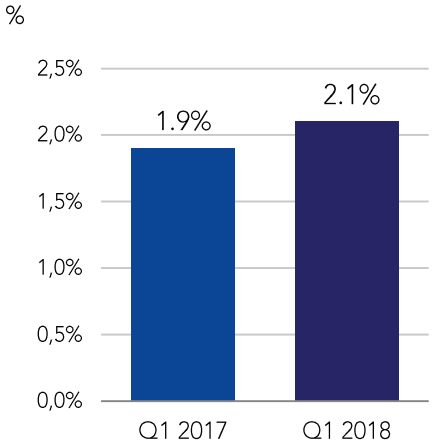
Improved C/I ratio

-2.0% pts



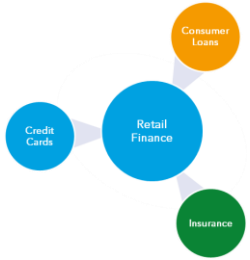
Slightly Increased CoR

+0.2% pts



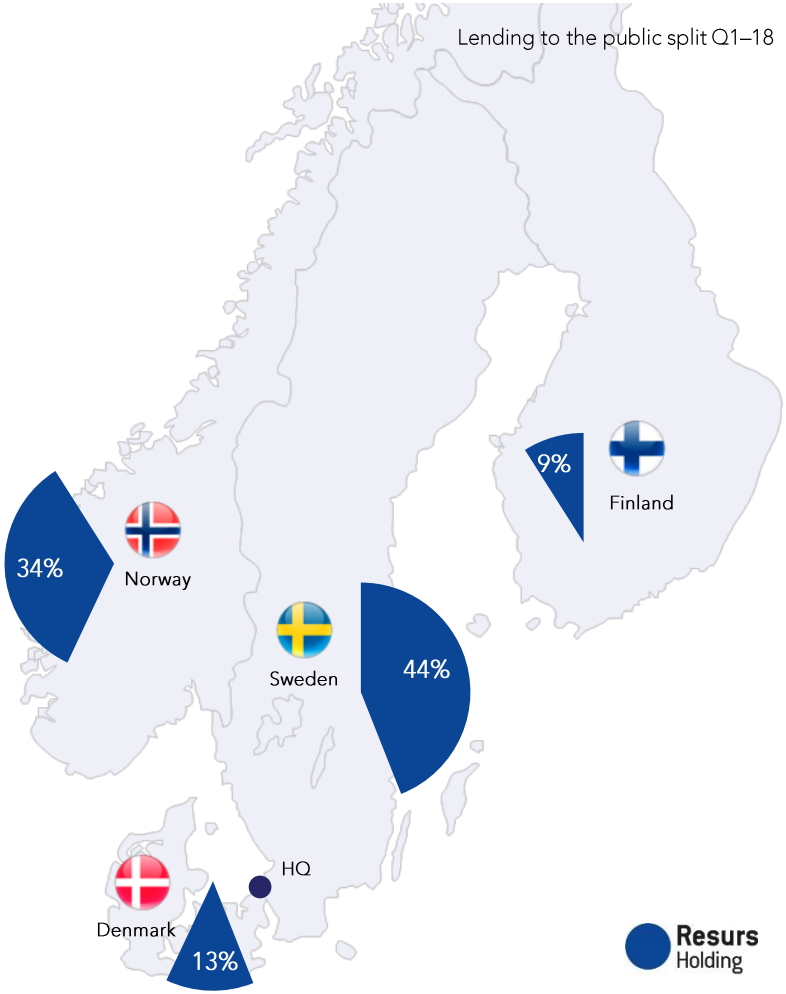
Resurs Holding

THE STRENGTH OF OUR BUSINESS MODEL



Three segments – four markets

- Presence in the Nordic consumer credit market for almost 20 years and we have been driving the development of the various markets for decades
- In 2017 the total market grew by 9 per cent. We reported 14 per cent total growth. We are growing faster than the market and we are thus continuing to capture market shares
- During Q1-18 we had strong growth in all markets and grew 16 per cent. Growth picked up in Norway but at a lower pace than prior to the new regulations



Resurs Holding

STRONG LENDING GROWTH AND NEW RETAIL FINANCE PARTNERS

Highlights

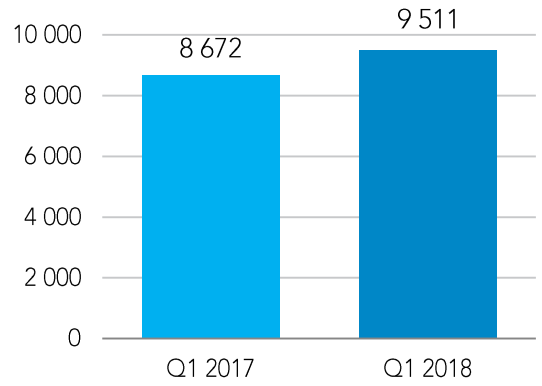
- Continued focus on developing existing partnerships which is driving the strong growth
- Several new partners during the quarter, among them Magasin du Nord in Denmark and extended cooperations with Memira and Jaktia
- Launched our digital credit application in physical stores in Finland. Its usage was about 60 percent in the Nordics towards the end of the quarter
- Continued strong trend in credit card sales due to cross sales on inbound calls

New and extended partnerships in 2018

Magasin
BIKE MASTERS
memira ögonkliniker
Sony Centre
Coronaria
Jaktia
norrgavel
Parkett.no
XL MØBLER TID TIL FORANDRING
DE ROSA SINCE 1953

Strong lending growth

+10%



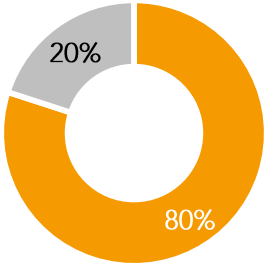
Resurs Holding

LAUNCH OF CREDIT ENGINE ENABLES FURTHER STRONG GROWTH

Highlights

- Continued strong profitable growth in all markets
- Growth picked up in Norway, launch of credit engine enabled strong growth in Resurs and yA Bank also showed stable growth again
- Increasing ticket sizes over time due to further developed selection and increased maximum loan offers

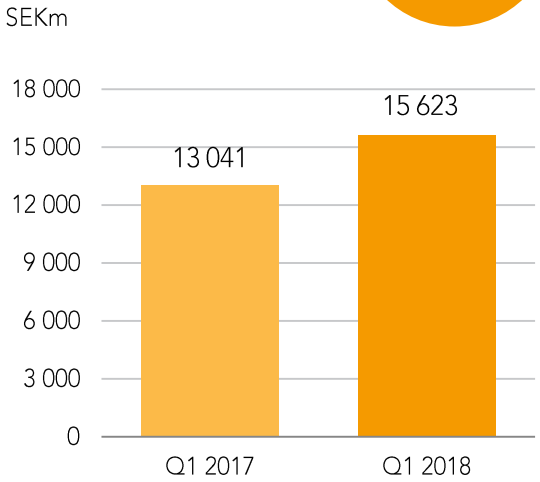
Utilising the database



>80% of sales in Q1 to existing customers in our database. Since most of our sales are to customers who are already known in our database, we can achieve higher margins because this knowledge has a positive impact on acquisition costs and credit risk.

Strong lending growth

+20%



Resurs Holding

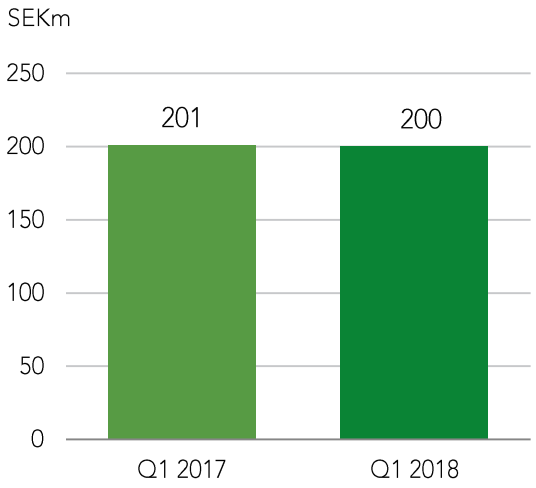
STABLE DEVELOPMENT AND NEW COOPERATIONS

Highlights

- Premium earned net up in line with same period last year excluding the discontinued UK travel-insurance operations
- Stadium was signed during the first quarter, strenghtening Insurance's strong position in the swedish bicycle market
- Succesful launch of the XXL cooperation in Norway, signed in Q4 2017
- Extension of partnership with Ticket (travel insurance) and Autoexperten (roadside assistance)

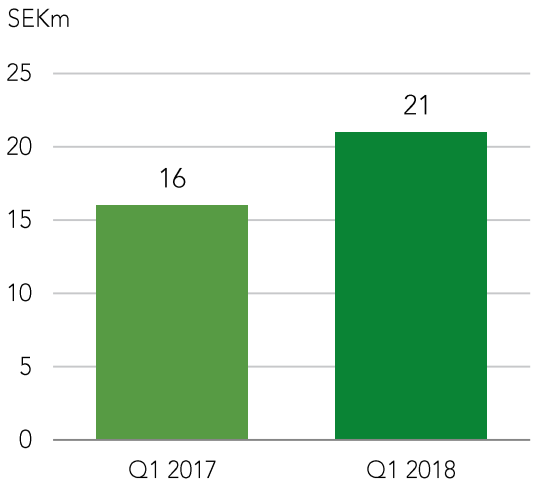
Premium earned net*

+0%



Technical Result

+31%



*Excluding UK travel insurance business

Resurs Holding

DEVELOPMENT OF OMNI-CHANNEL - FOR A SEAMLESS PURCHASE EXPERIENCE

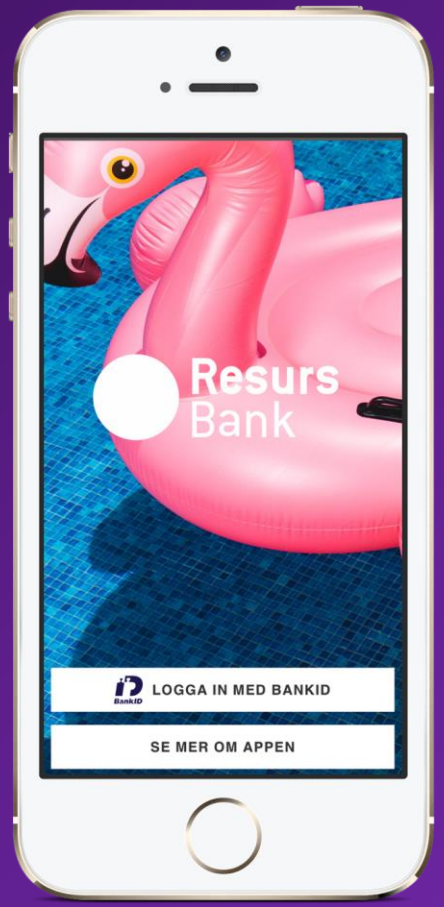
Launch of Resurs Checkout in store

- During Q1 over 30% of our retail finance sales came from e-commerce
- Our retail finance partners choose Resurs Checkout due to our high conversion rates and broad offering of payment solutions
- During the quarter we launched Resurs Checkout in physical stores, which means that consumers are able to move from a retail finance partner's physical store to the e-commerce store or the other way round
- During 2018 we will continue to develop our omni-channel solutions

DEVELOPING OUR CUSTOMER RELATIONSHIP AND INTERFACE - RESURS BANK APP

Release of Resurs Bank App

- Current focus on developing our mobile platforms, since our consumers use their mobiles more and more for financial services
- Creating a more user-friendly interface with possibilities to handle Resurs Bank's services through a mobile device
- The app is easy to use with mobile BankID and supports all major mobile devices, both on iOS and Android
- We are testing the app internally and the ambition is to launch in Sweden in Q3-18. Development based on a pan Nordic approach, more countries to roll out later



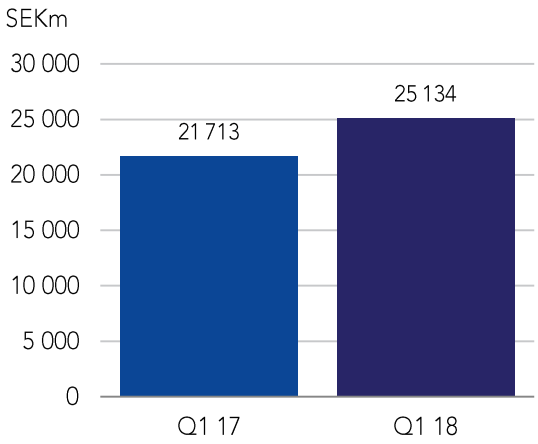
Resurs Holding

Q1 2018 IN FIGURES

CONTINUED STRONG PROFITABLE GROWTH

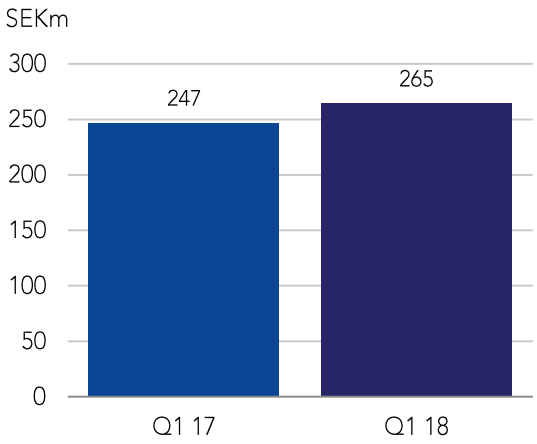
Loan book

+16%

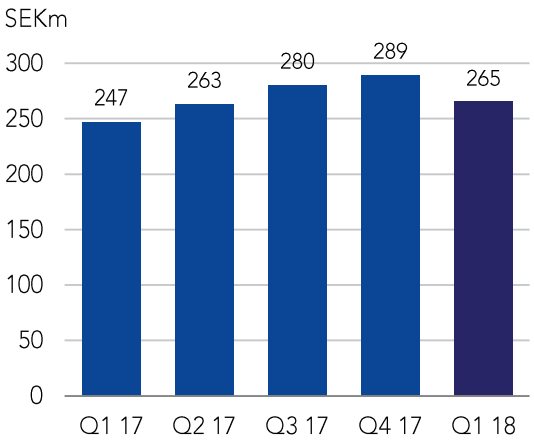


Net Income

+7%



Net Income

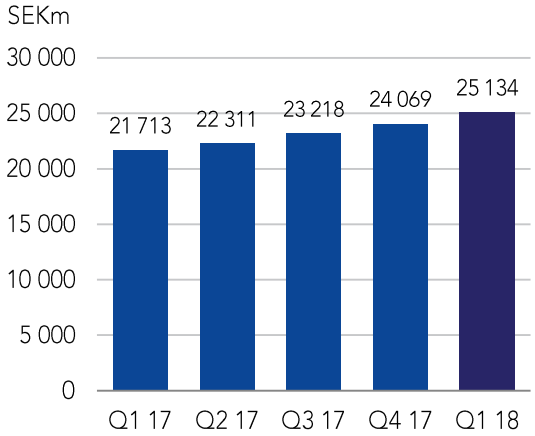


Resurs Holding

STRONG GROWTH IN BOTH SEGMENTS

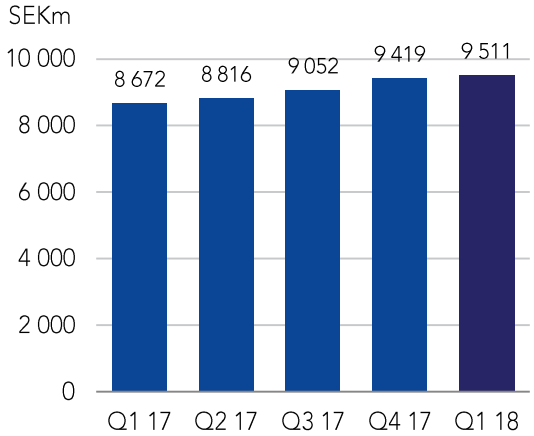
Total

+16%



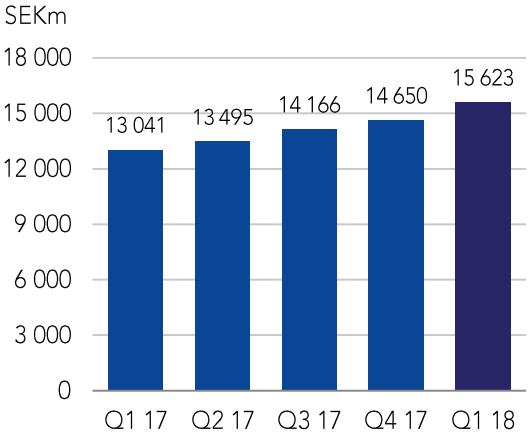
Payment Solutions

+10%



Consumer Loans

+20%

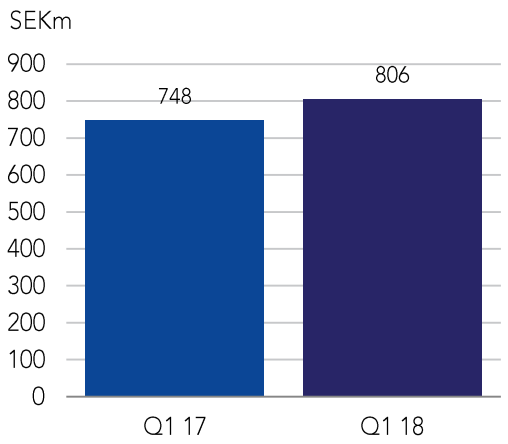


Resurs Holding

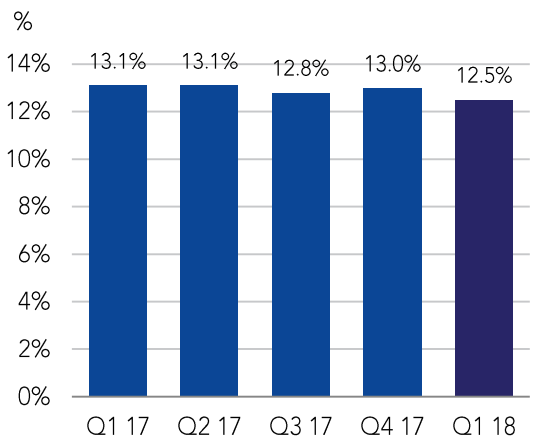
SOLID INCREASE IN OPERATING INCOME

Operating income

+8%



NBI margin*



Highlights

- Solid increase in operating income despite negative impact from financial net
- The NBI margin was further negatively impacted by currency effects and lending growth in Norway with lower margins

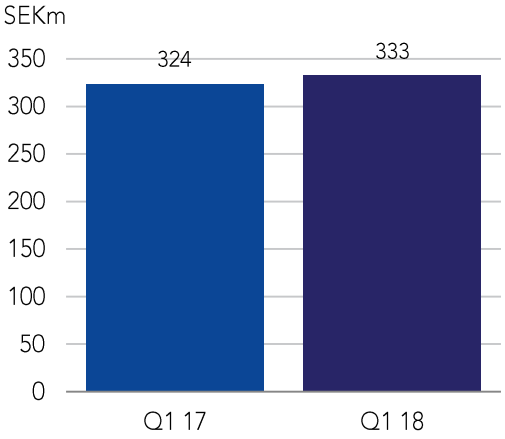
** NBI for bank calculated as Group operating income less reported insurance segment operating income*

Resurs Holding

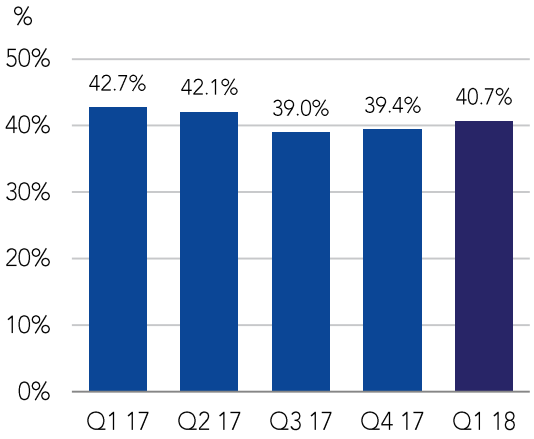
IMPROVEMENTS IN COST INCOME RATIO

Operating Expenses

+3%



Cost Income Ratio, bank



Highlights

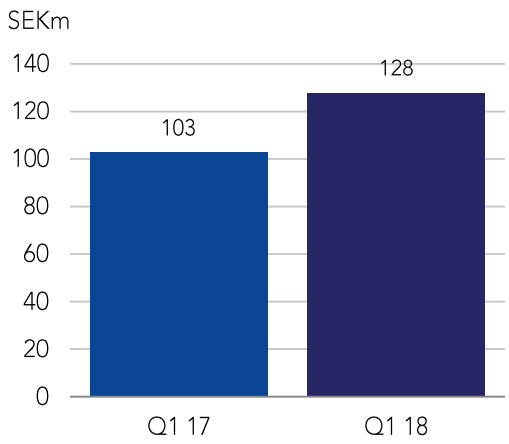
- OPEX increased compared with last year driven by IT investments to facilitate product innovation and efficiency
- Cost income ratio continues to improve year on year based on scalable business model

Resurs Holding

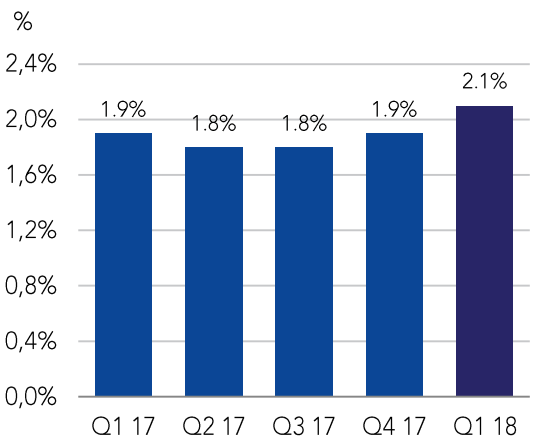
SLIGHTLY INCREASED COST OF RISK

Credit Losses, Net

+25%



Cost of Risk



Highlights

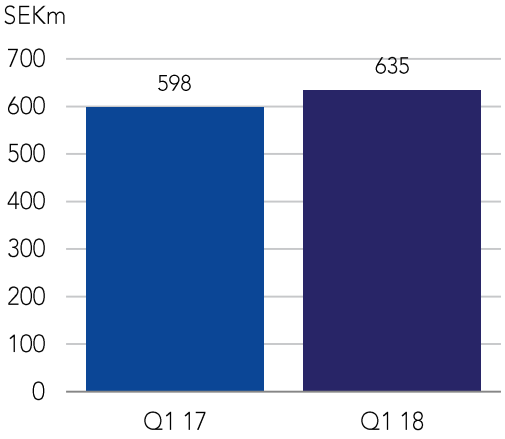
- Credit losses increased mainly following growth of the loan book
- Slightly increased cost of risk following implementation of IFRS 9 which gives higher volatility
- No changes in underlying credit risk

Resurs Holding

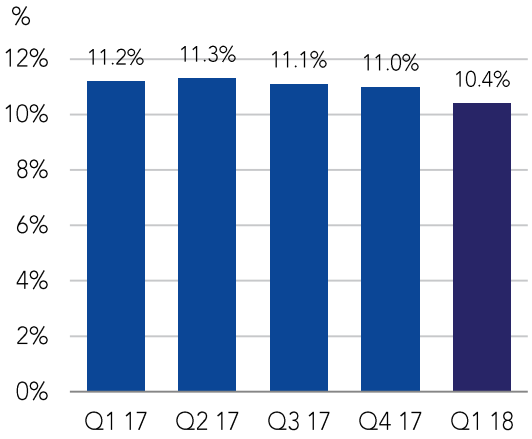
SOLID INCREASE IN RISK ADJUSTED NBI

Risk adjusted NBI*

+6%



Risk adjusted NBI margin*



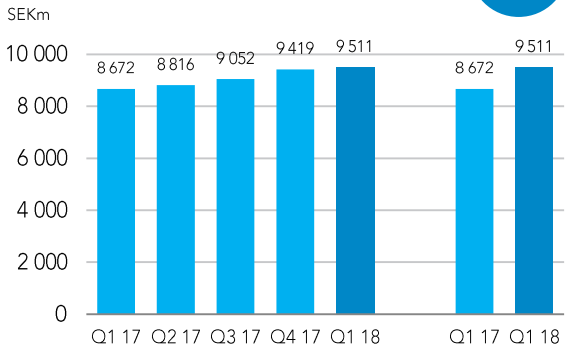
Highlights

- Solid increase in risk adjusted NBI
- The margin was negatively impacted by financial net, currency effects and the lending growth in Norway with lower margins and the slightly increased cost of risk

** Risk adjusted NBI for bank calculated as Group operating income less reported insurance segment operating income and less credit losses, net*

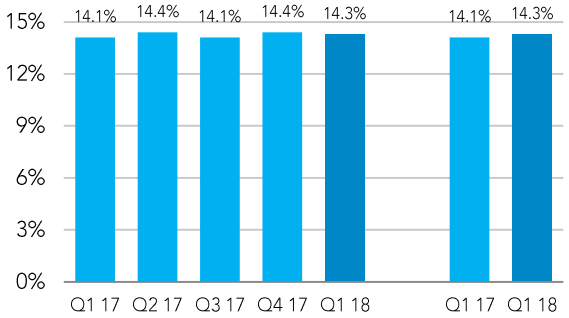
Loan Book

+10%



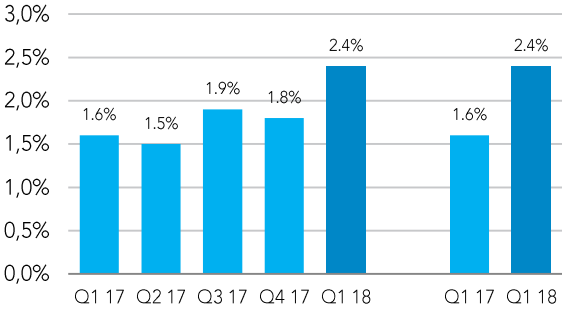
NBI margin

+0.2% pts



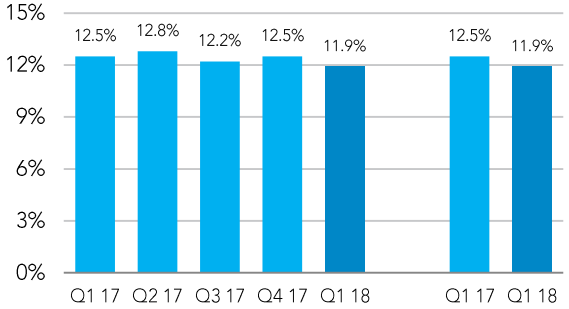
Cost of Risk

+0.8% pts



Risk Adjusted NBI margin

-0.6% pts



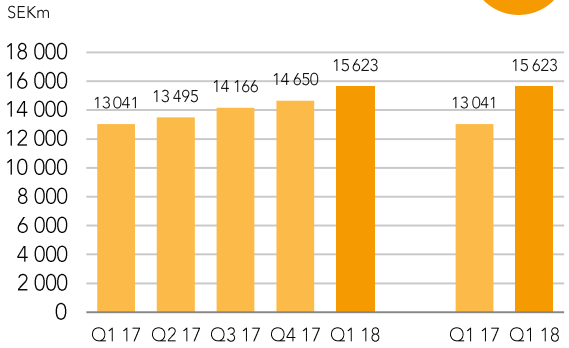
Highlights

- Strong lending growth mainly driven by existing retail partners
- Stable NBI margin over time
- Increased cost of risk following implementation of IFRS 9 which gives higher volatility
- Lower risk adjusted NBI margin following higher CoR

Resurs Holding

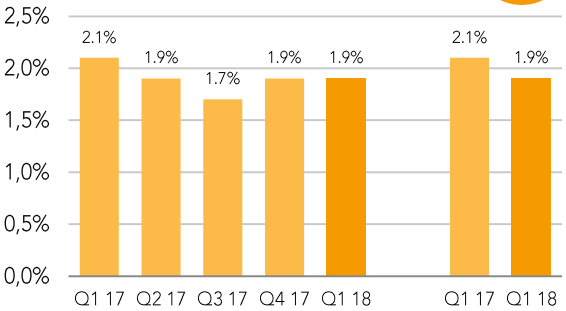
Loan Book

+20%



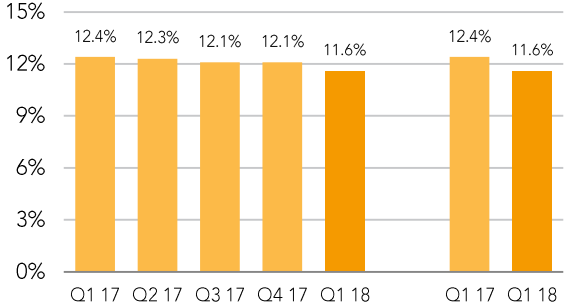
Cost of Risk

-0.2% pts



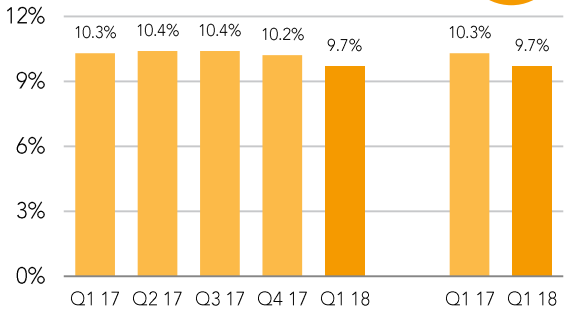
NBI margin

-0.8% pts



Risk Adjusted NBI margin

-0.6% pts



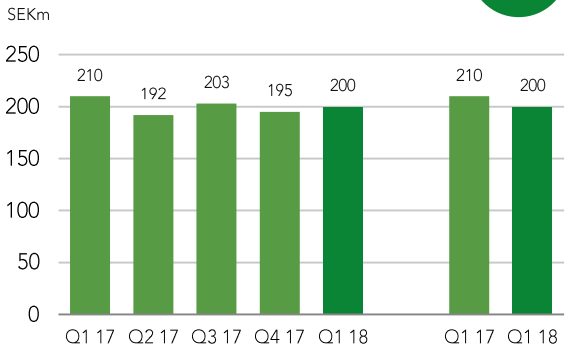
Highlights

- Strong growth in lending with contributions from all markets
- Lower NBI margin mainly driven by negative currency and financial net effects and the lending growth in Norway
- Cost of risk improving due to better quality of credit portfolio
- Lower risk adjusted NBI margin mainly driven by negative currency and financial net effects and the new lending growth in Norway

Resurs Holding

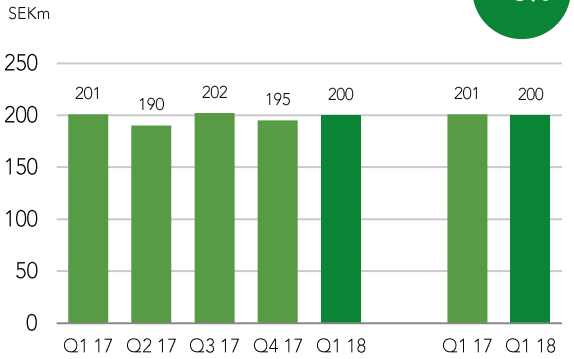
Premium Earned, net

-5%



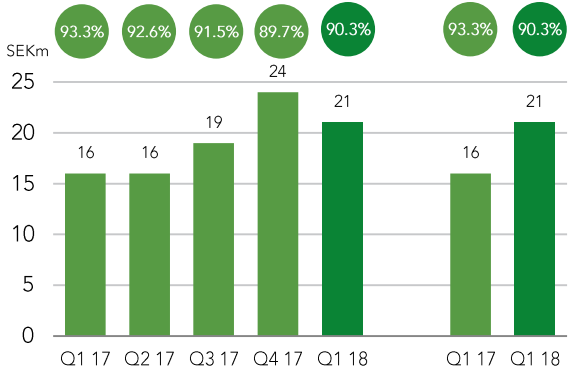
Premium Earned, net*

+0%



*Excluding UK travel insurance business

Technical Result & Combined Ratio

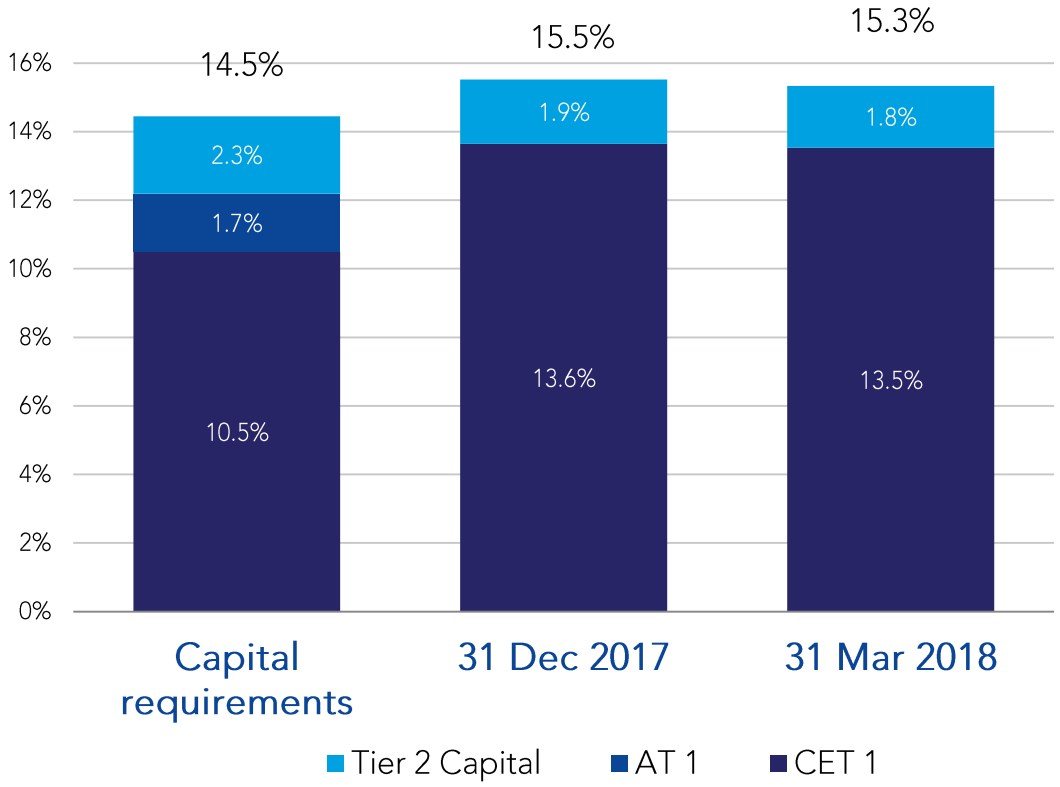


Highlights

- Excluding the discontinued UK travel insurance business, premiums are in line with last year
- Strong increase in technical result and improved combined ratio

Resurs Holding

STRONG CAPITAL POSITION



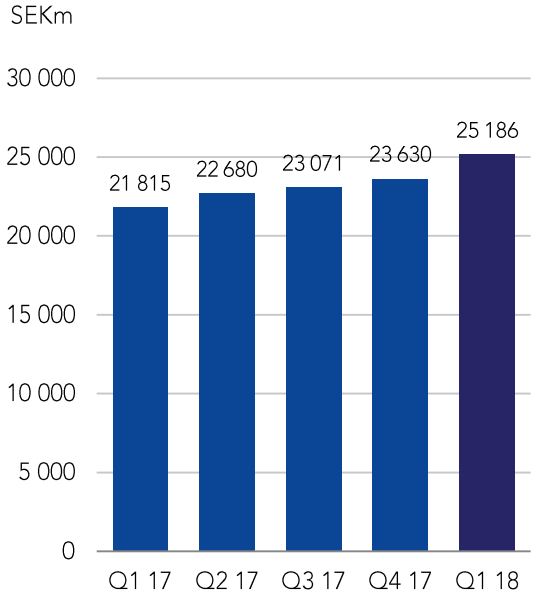
Highlights

- Strong CET1 and total capital ratios well above requirement and targets

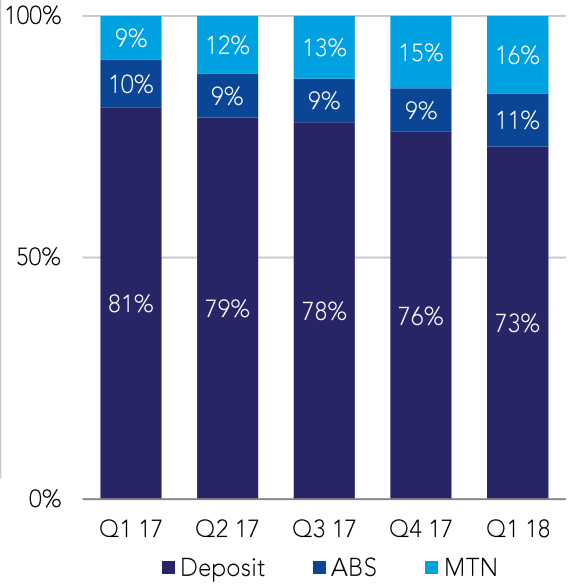
Resurs Holding

CONTINUED DIVERSIFICATION

Funding total ex. equity



Funding mix



Highlights

- Continued diversification of funding with SEK 600m issued under the MTN programme and increase of SEK 800m under the ABS programme

Resurs Holding

FINANCIAL TARGET PERFORMANCE

Metric	Target	Jan-Mar 18
Annual lending growth	> 10% p.a.	16%
Risk adjusted NBI margin	In line with recent performance (c. 10% – 12%)	10.4%
C/I before credit losses excl. Insurance and adjusted for nonrecurring costs	< 40% in the medium term	40.7%
Return on equity (RoTE) adjusted for nonrecurring costs*	~ 30% in the medium term	31.3%
Payout ratio**	> 50%	n/a
Common Equity Tier 1 ratio/ Total Capital Ratio	>12.5% CET1 15.0% Total Capital	13.5% CET1 15.3% Total Capital

** Based on Capital Employed at 12.5% CET1 Ratio*
*** SEK165m provisioned as dividend in CET1 calculation*

THANK YOU!

Resurs Holding