



# Q4 2018 PRESENTATION

## TODAY'S PRESENTERS



**Kenneth Nilsson**  
*Chief Executive Officer*



**Sebastian Green**  
*Chief Information Officer*

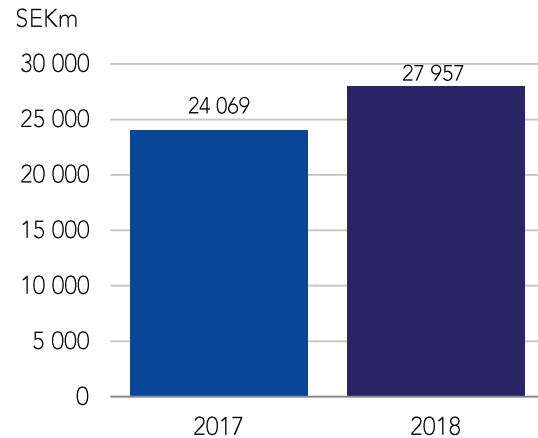


**Peter Rosén**  
*Chief Financial Officer*

## ANOTHER YEAR OF STRONG PROFITABLE GROWTH

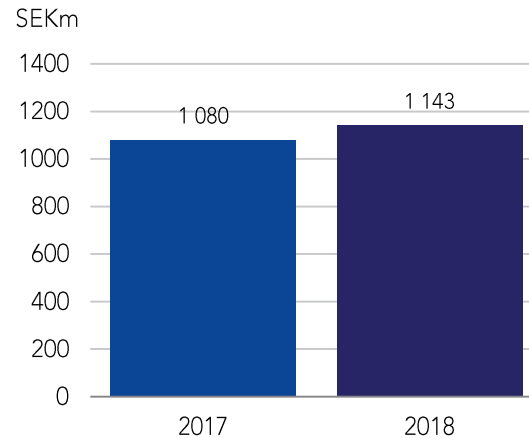
Strong lending

+16%



Increased net income

+6%



EPS  
5.72  
+6%

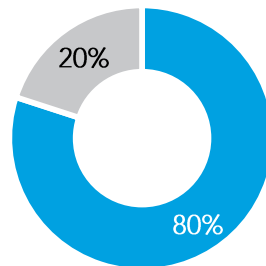
DPS  
3.60\*  
+9%

## CONTINUED FOCUS ON DEVELOPING EXISTING PARTNERSHIPS

### Highlights

- Continued focus on developing existing partnerships which is driving strong growth
- Several new partners during the quarter and strong interest in our new omni-channel solution Click & Collect
- During Q4 approx. 35 per cent of Resurs's retail finance sales came from e-commerce
- Continued strong trend in credit cards due to cross-sales on inbound calls. Approx. 50 per cent of new Supreme Cards in 2018 were sold by Business Support

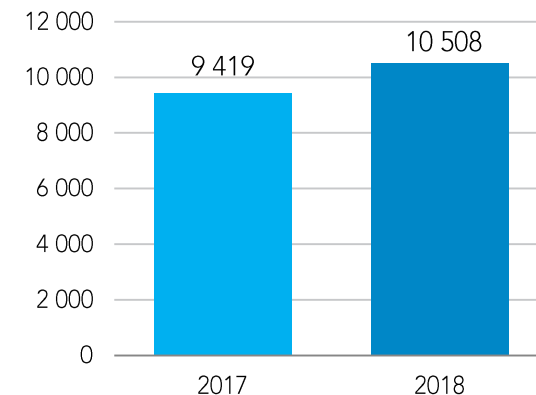
### Digital application



> 80 per cent used digital application in Sweden during Q4 2018 and we see a continuous increase in all of our markets.

### Strong lending growth

SEKm

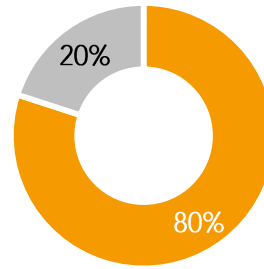


## STRONG GROWTH IN ALL MARKETS

### Highlights

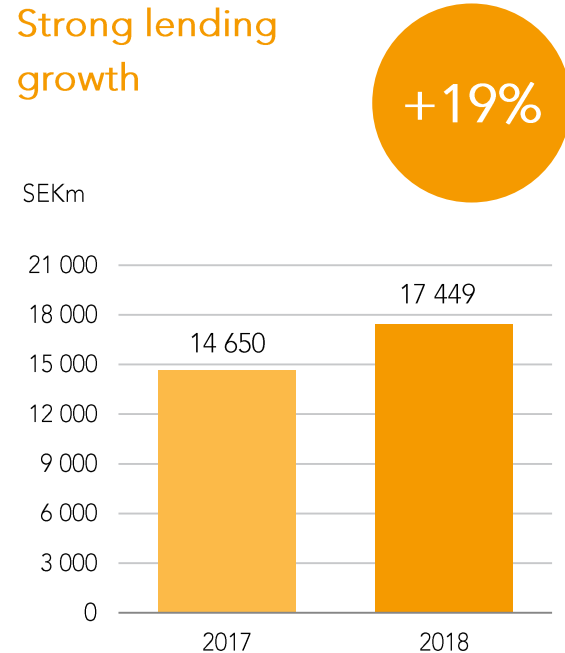
- Continued strong growth in all markets with strongest performance in absolute numbers in Sweden and strongest relative growth in Finland
- The credit engine delivered strong growth and will be launched in Denmark in beginning of 2019.
- The credit engine also enables a more automatic application process, >95% of all applications in Sweden in Q4 were automatically answered and more than 60% of all paid loans were e-signed and we see a continuous increase

### Utilising the database



>80% of sales in Q4 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



## CONTINUED STABLE PERFORMANCE

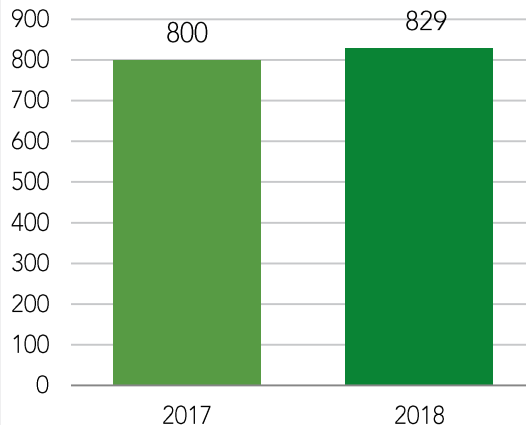
### Highlights

- Premium earned net up 4 per cent compared with last year and technical result up 20 per cent compared with last year
- Continued focus on developing existing partnerships to increase conversion rates
- Invested in a new technical platform in Norway which creates better conditions for further strengthening our position in Norway

### Premium earned, net

+4%

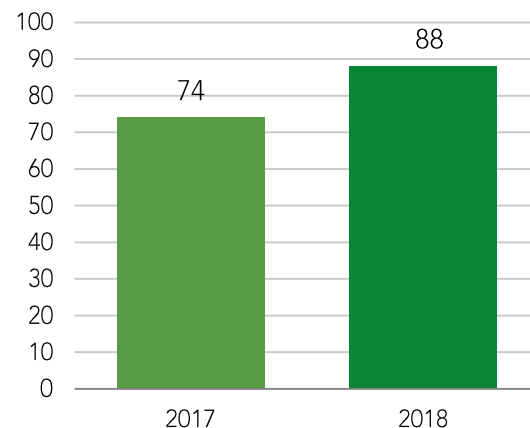
SEKm



### Technical Result

+20%

SEKm





# IT DEVELOPMENT

## SEBASTIAN GREEN

Chief Information Officer since 2018

Born: 1973

**Education and professional experience:**

MSc in Computer Engineering, Lund University

**Professional experience:**

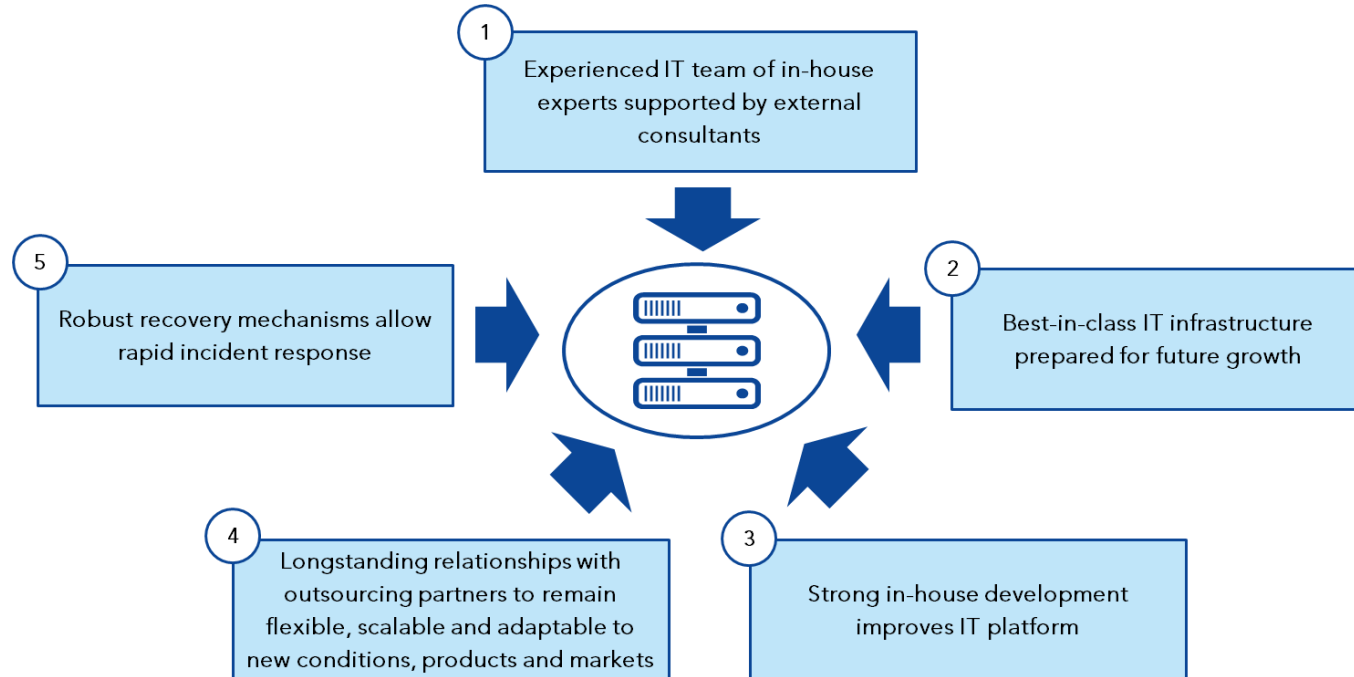
Always worked within retail – furniture, clothes, food, electronics and more. Previously CIO and Development Director at Bergendahls Food, IT Consultant at Capgemini, NCR Teradata and IKEA.

**Vision:** Strive for a close collaboration between IT and operations in order to continuously develop innovative solutions that create value for both our retail finance partners and customers





## RESURS IT PLATFORM TODAY



*Centralised IT platform – purpose-built to easily replicate and scale*

## WHERE WE STAND AND OUR STRATEGIC DIRECTION

### Launched projects in 2018

- We completed two extensive regulatory projects PSD2 and GDPR during the year
- In Q3, we launched the credit engine in Sweden and during the year we made preparations for launch in Denmark in beginning of 2019
- We focused on mobile first development and released the first version of the Resurs Bank App in Q4
- We launched our Resurs Checkout in physical stores in Q2. We also launched an updated merchant portal with developed insights and analytics to further support our retail finance partners

### Strategic direction

- Continue develop our IT platform with both proprietary systems and standard solutions that we purchase
- We will enhance the customer experience using modern technology such as AI and social media
- We will create further value for our retail finance partners through a even more well-packaged and developed payment platform regardless of channel
- Further develop our analytical tools such as the DW and CRM
- Everything above will be delivered with focus and emphasis on cost efficiency and ROI

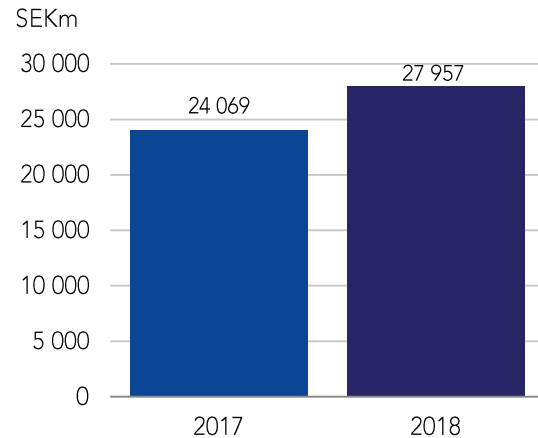


## Q4 2018 IN FIGURES

## CONTINUED STRONG PROFITABLE GROWTH

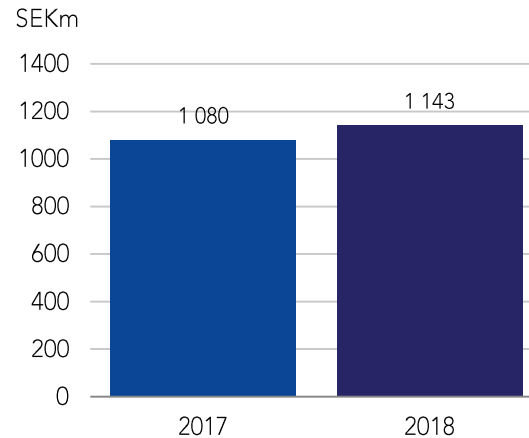
### Loan book

+16%



### Net Income

+6%



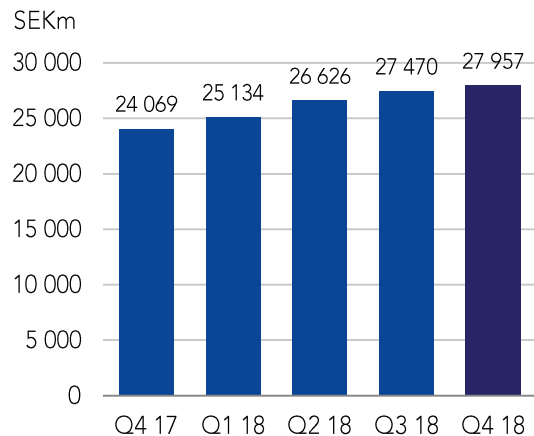
EPS  
5.72  
+6%

DPS  
3.60\*  
+9%

## STRONG GROWTH IN BOTH SEGMENTS

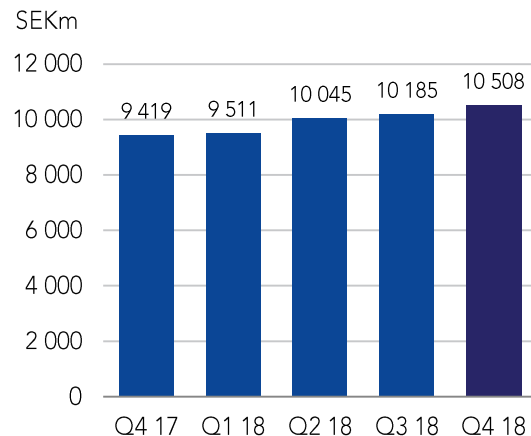
### Total

+16%



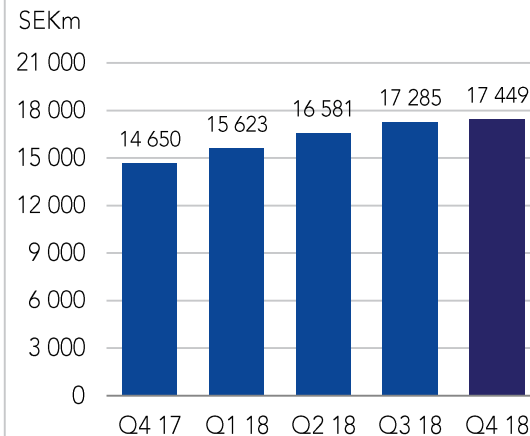
### Payment Solutions

+12%

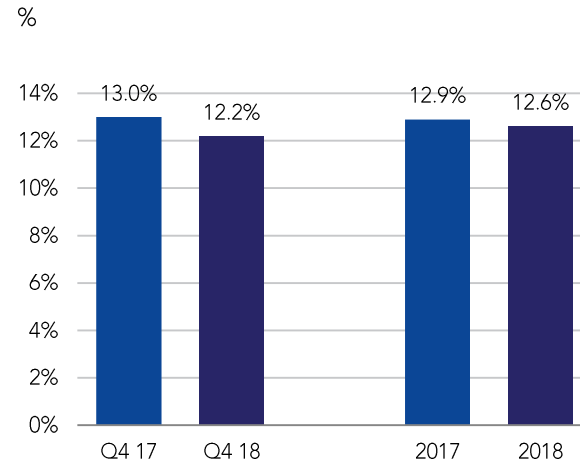
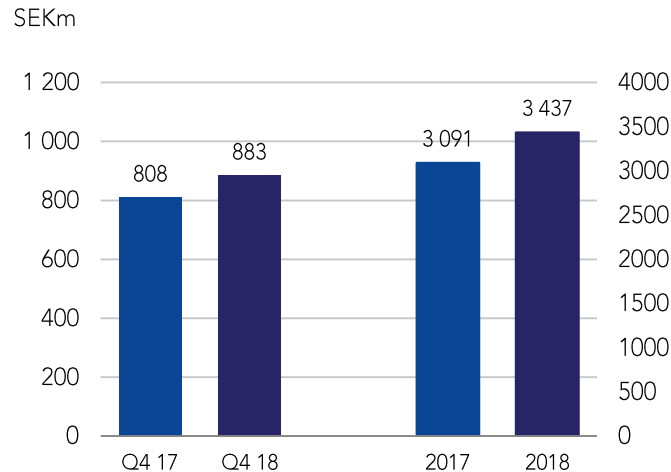


### Consumer Loans

+19%



## STRONG INCREASE IN OPERATING INCOME

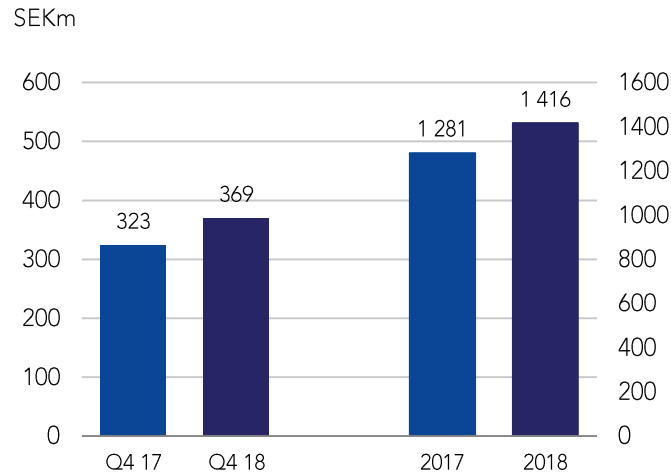
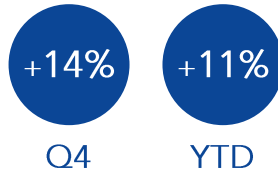


### Highlights

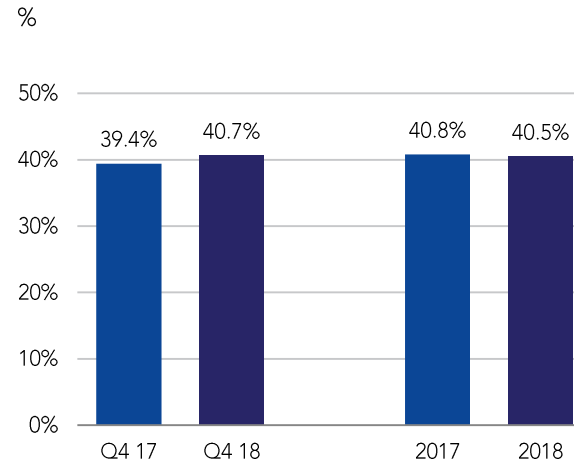
- Strong increase in operating income both in the quarter and year to date
- The NBI margin was negatively impacted by lower net financial transactions and lower margins in in Consumer Loans

## IMPROVEMENTS IN COST INCOME RATIO

### Operating Expenses



### Cost Income Ratio, bank

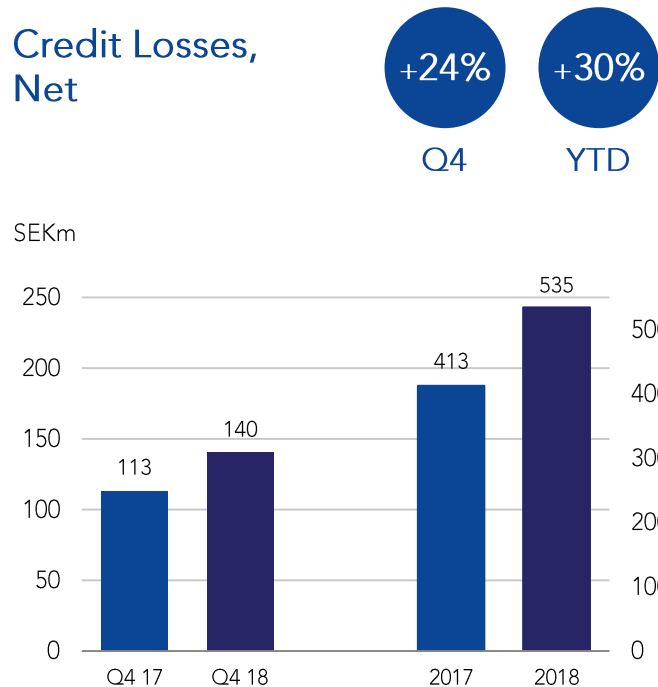


### Highlights

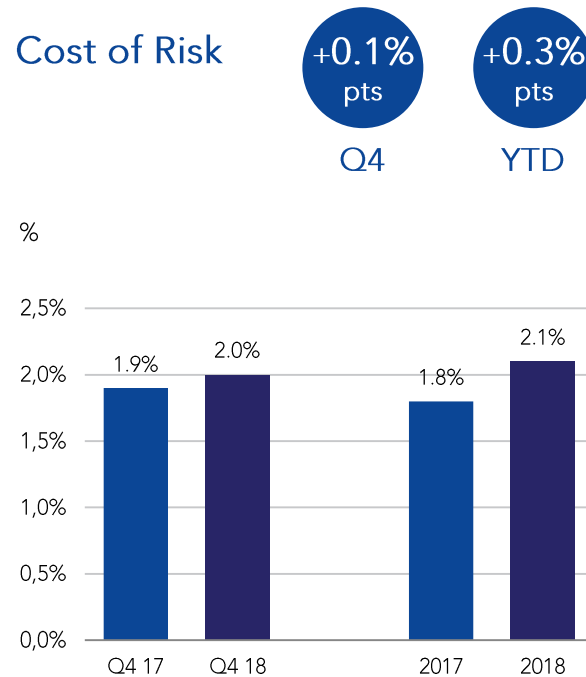
- OPEX increased both quarterly and year to date, mainly driven by marketing initiatives and IT
- The quarter was also negatively impacted by merger costs of approx. SEK 10 million
- Year to date the cost /income ratio continues to improve despite merger costs and negative effects on net financial transactions

## SLIGHTLY INCREASED COST OF RISK

### Credit Losses, Net



### Cost of Risk



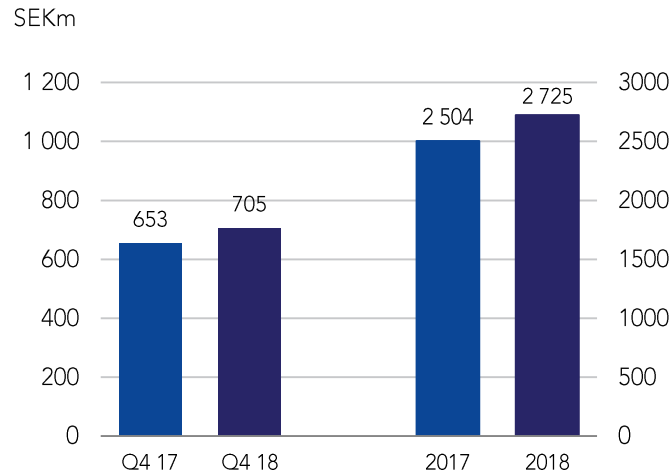
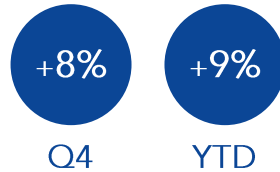
### Highlights

- Credit losses increased mainly following growth of the loan book
- Increased CoR compared with last year following implementation of IFRS 9
- Continued stable underlying credit risk

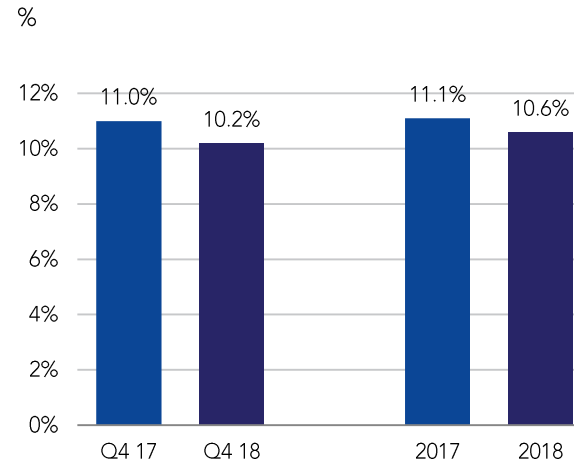
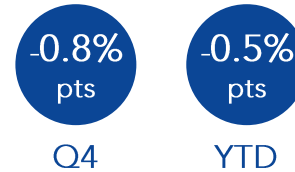


## SOLID INCREASE IN RISK ADJUSTED NBI

### Risk adjusted NBI



### Risk adjusted NBI margin\*

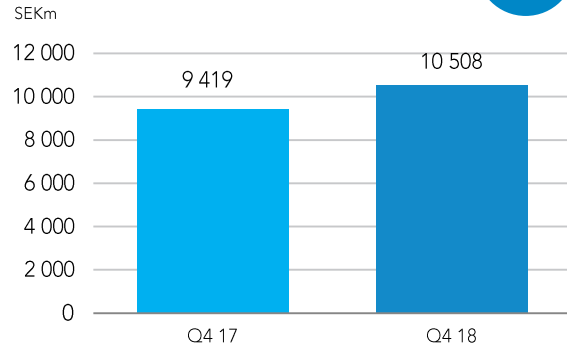


### Highlights

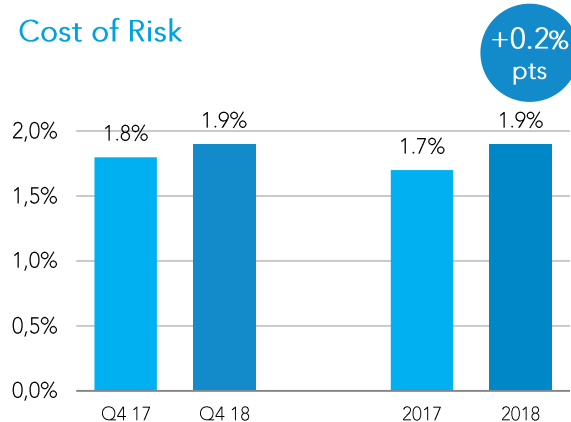
- Solid increase in risk adjusted NBI
- Risk adjusted NBI margin was negatively affected by lower NBI margin and higher CoR following implementation of IFRS 9

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

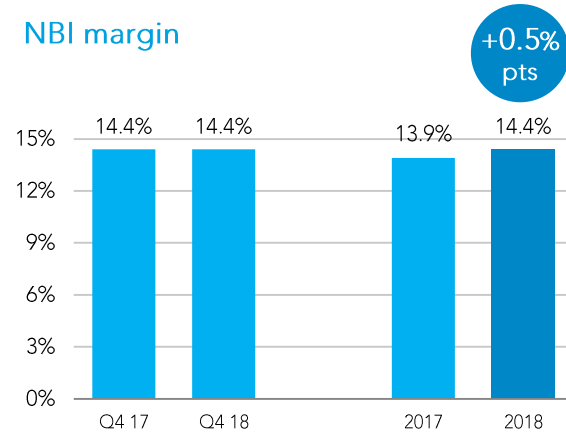
## Loan Book



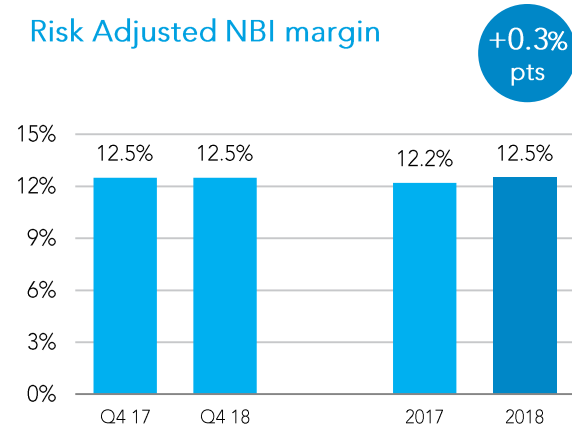
## Cost of Risk



## NBI margin



## Risk Adjusted NBI margin

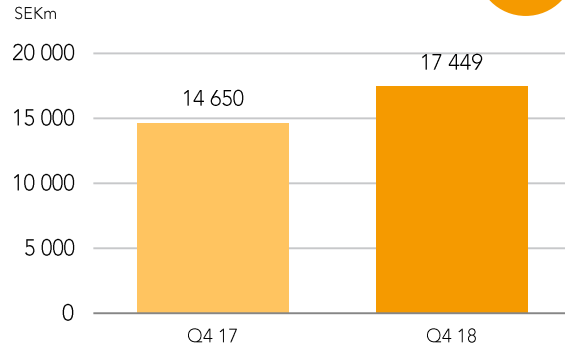


## Highlights

- Strong lending growth mainly driven by existing retail partners
- Stable NBI margin in the quarter and increased NBI margin compared with last year
- Slightly increased CoR in following the implementation of IFRS 9 which leads to higher volatility.
- Overall higher risk adjusted NBI margin

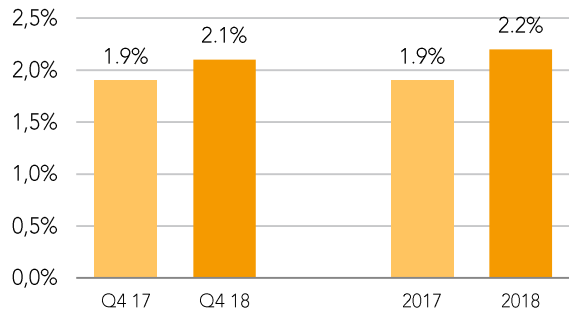
## Loan Book

+19%



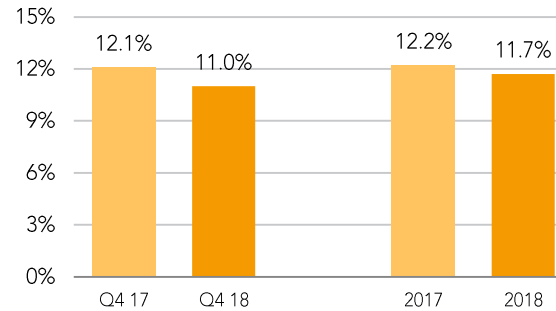
## Cost of Risk

+0.3% pts



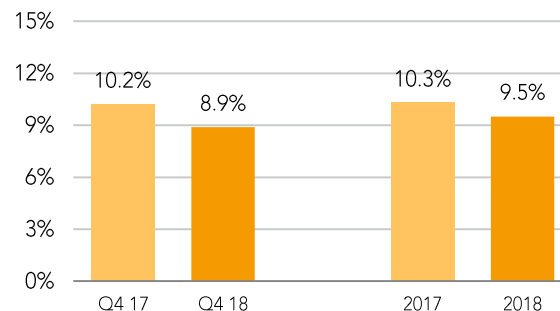
## NBI margin

-0.5% pts



## Risk Adjusted NBI margin

-0.8% pts



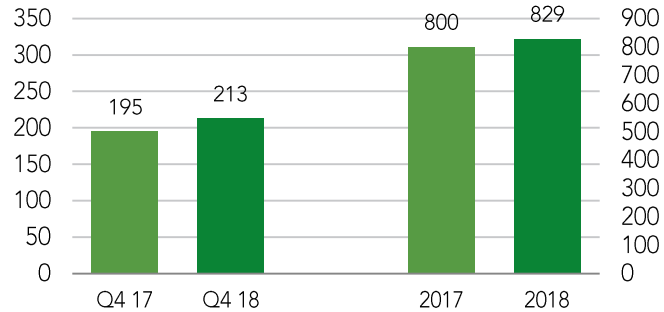
## Highlights

- Strong growth in lending with contributions from all markets
- The NBI margin in the quarter was negatively affected by mix effects
- Slightly increased CoR mainly related to the volatility following implementation of IFRS 9
- Lower risk adjusted NBI margin driven by lower NBI margin and higher CoR

## Premium Earned, net

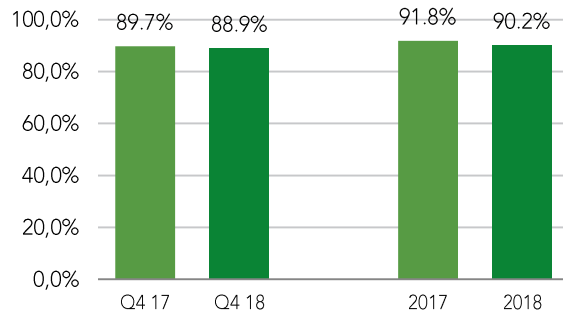
+4%

SEKm



## Combined ratio

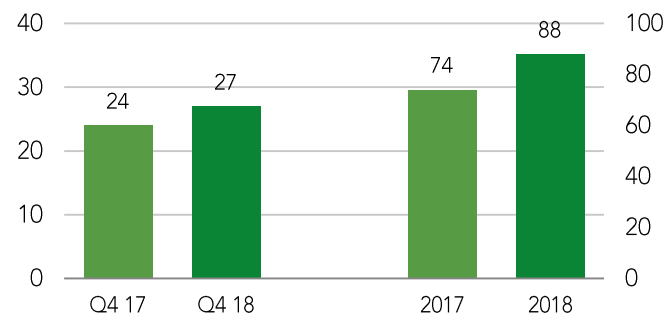
-1.6% pts



## Technical Result

+20%

SEKm



## Highlights

- Premium earned, net up 4 per cent compared with last year
- Strong increase in technical result up 20 per cent compared with last year
- Improved combined ratio

## STRONG CAPITAL POSITION

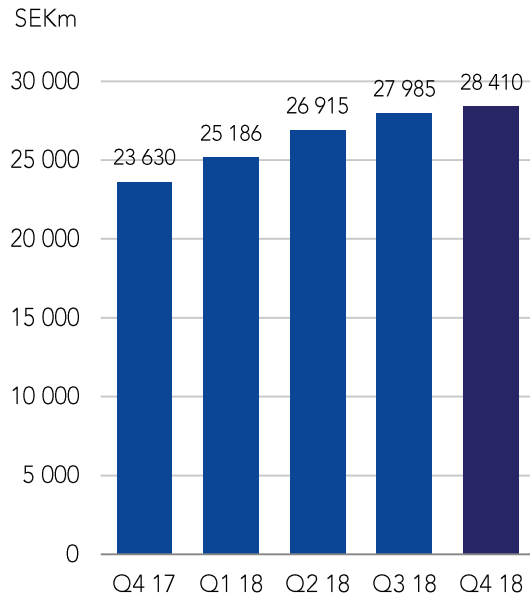


### Highlights

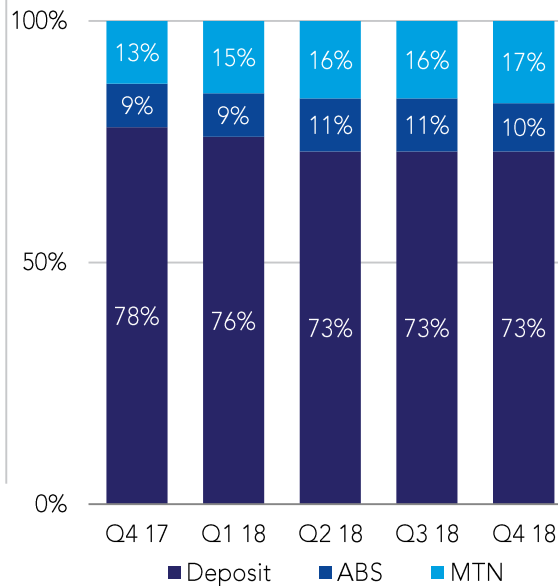
- Strong CET1 and total capital ratios well above requirement and targets
- Updated capital targets following merger of yA Bank:
  - CET1 ratio >11,5%
  - Total capital ratio >14%
- This takes into account the proposed dividend of SEK 3.60 in 2018

## CONTINUED DIVERSIFICATION

### Funding total ex. equity



### Funding mix



### Highlights

- Continued diversification of funding with SEK 1,800 million issued under the MTN programme and increase of SEK 800 million under the ABS programme in 2018
- Launched deposits for private individuals in Germany. Deposits in EUR further diversified the financing

## FINANCIAL TARGET PERFORMANCE

Metric	Target	Jan-Dec 2018
Annual lending growth	> 10% p.a.	16%
Risk adjusted NBI margin	In line with recent performance (c. 10% – 12%)	10.6%
C/I before credit losses excl. Insurance and adjusted for nonrecurring costs	< 40% in the medium term	40.5%
Return on equity (RoTE) adjusted for nonrecurring costs*	~ 30% in the medium term	33.9%
Payout ratio**	> 50%	63%
Common Equity Tier 1 ratio/ Total Capital Ratio	>11.5% CET1 14.0% Total Capital	13.4% CET1 14.7% Total Capital

\* Based on Capital Employed at the boards target CET1 Ratio

\*\* The Board proposes that the AGM adopt a dividend of SEK 1.95 per share. Including the dividend of SEK 1.65 resolved at the Extraordinary General Meeting in October 2018, the total dividend (SEK 3.60) as a percentage of earnings share amounts to 63 per cent.

THANK YOU!