Q1 2020 PRESENTATION

Resurs Holding

TODAY'S PRESENTERS

Kenneth Nilsson
Chief Executive Officer

Christina Kassberg
Interim Chief Financial Officer

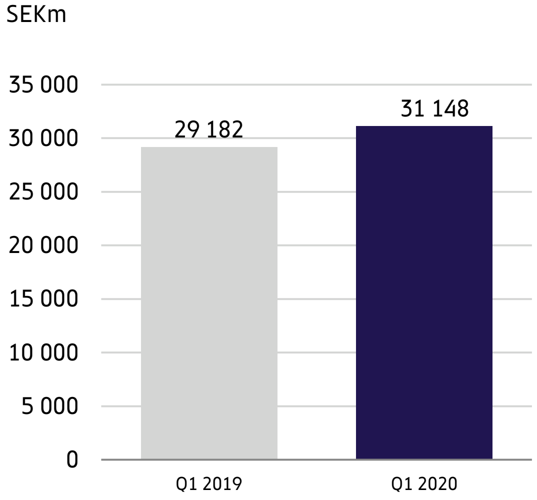
Stefan Noderen
Head of Credit & NPL

Resurs Holding

PERFORMANCE FOR THE QUARTER

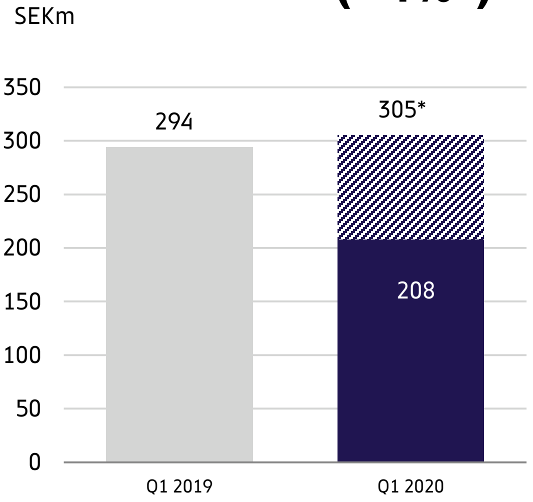
Total lending

+7%



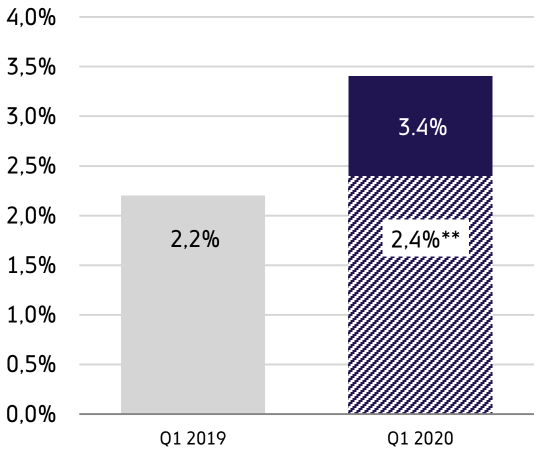
Net profit

-29%
(+4%*)



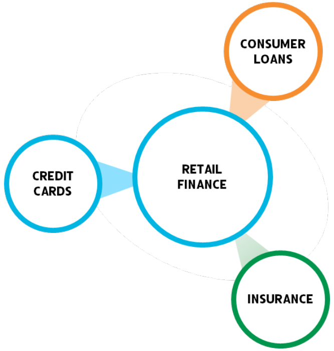
* Excluding the financial transactions of SEKm -51 and the extra credit provision of SEKm -75

Cost of risk, %



** Excluding the extra credit provision of SEKm -75

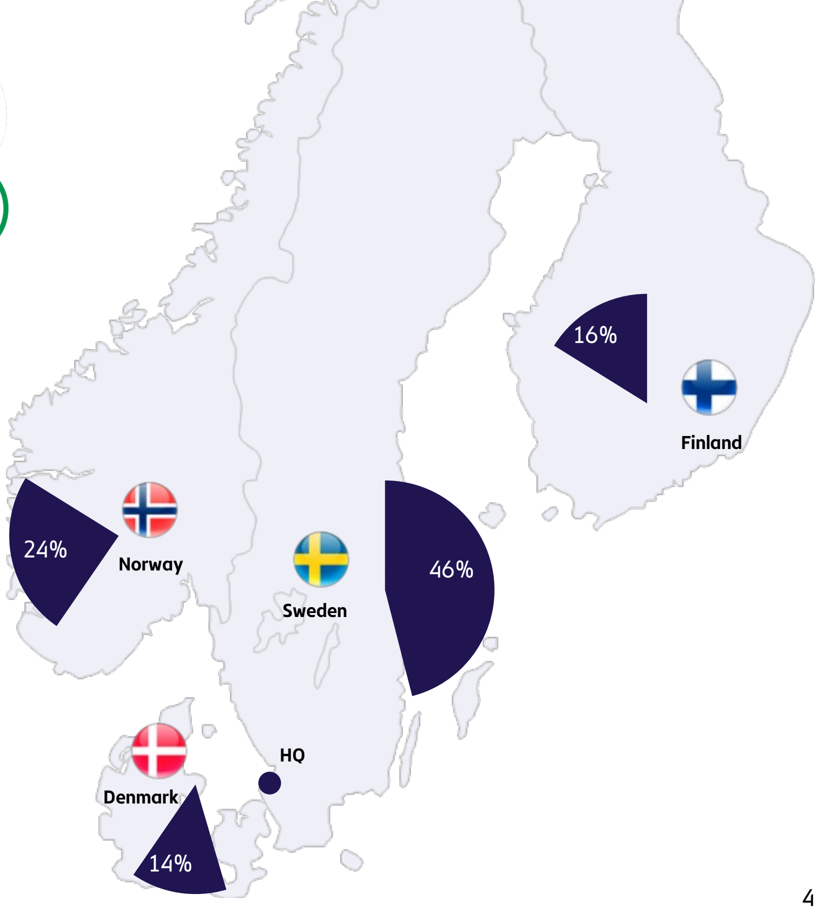
THE STRENGTH OF OUR BUSINESS MODEL



Three segments – four markets

- Payment Solutions and Supreme Cards initially affected by declining sales in the travel and tourism segments. Our diversified partner base has mitigated effects by increasing sales in home electronics, DIY, bikes, and spare parts for cars
- Moderate impact on Consumer Loans to date, however continued challenges in Norway. As always, our customary conservative risk approach is prioritised ahead of volume and increased lending
- We capitalize from the four Nordic countries differing in terms of dynamics and competition, and all markets except Norway see a recovery in the latter part of April
- 98 per cent of our customers are private consumers in the Nordic countries, where social security systems have been further enhanced

Lending to the public Q1–20

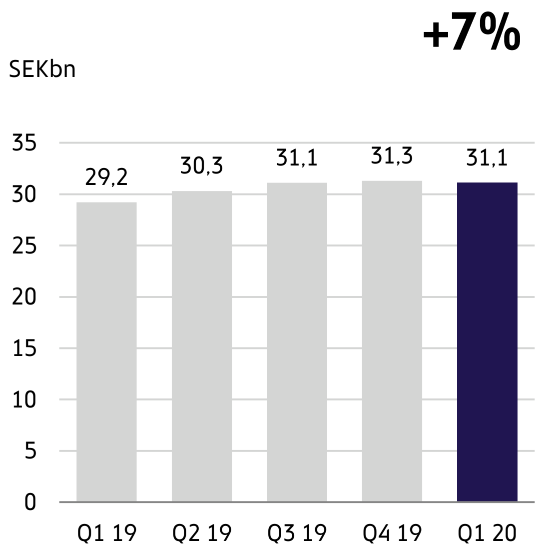


Q1 IN FIGURES

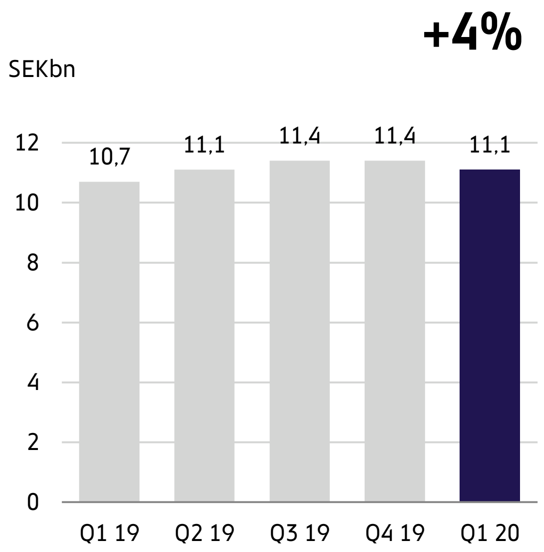
Resurs Holding

PERFORMANCE IN THE SEGMENTS

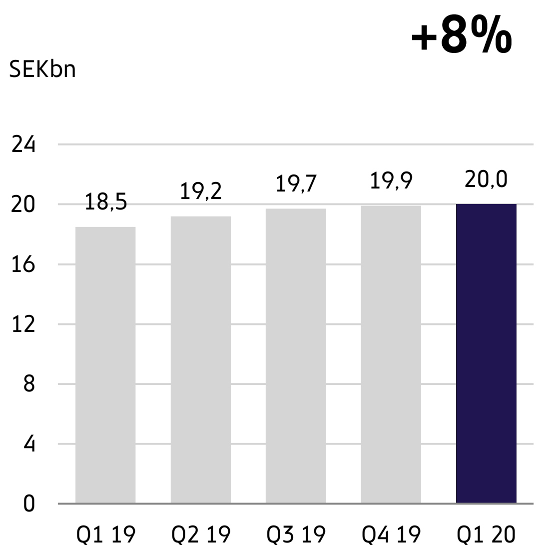
Total Lending



Payment Solutions



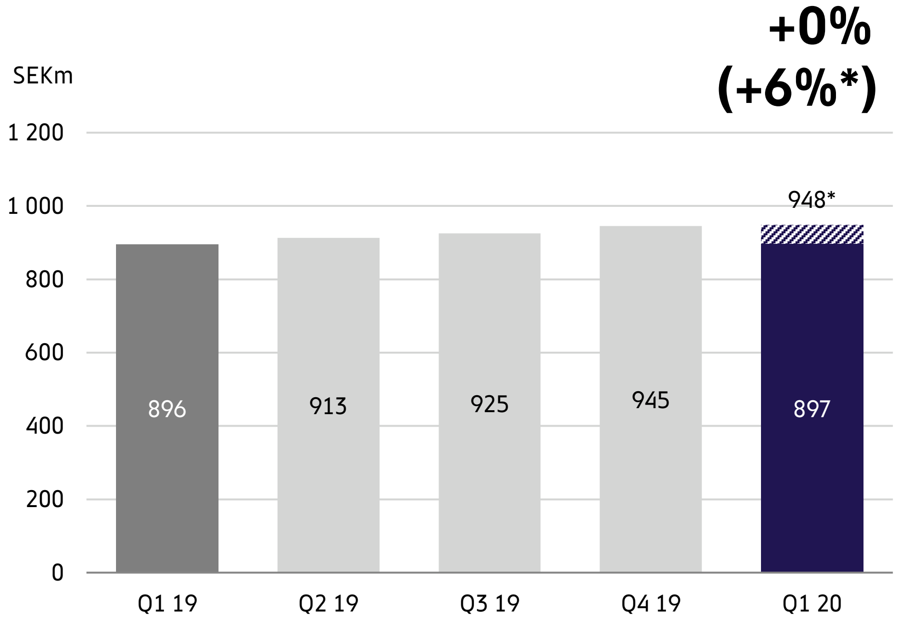
Consumer Loans



Resurs Holding

OPERATING INCOME

Operating income



* Excluding net financial transactions of SEKm -51

Highlights

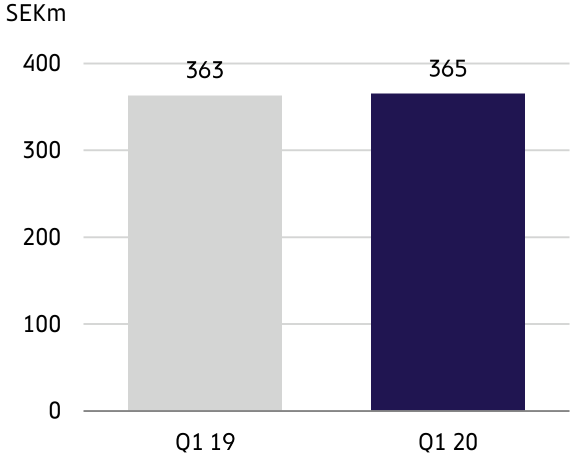
- Operating income up to SEK 897 million.
- The volatility in the market negatively impacted the investment portfolio through revaluations on the closing date, which affected the item net expense from financial transactions of SEK -51 million. Adjusted for this, operating income increased 6 per cent to SEK 948 million (896).

Resurs Holding

COST INCOME RATIO

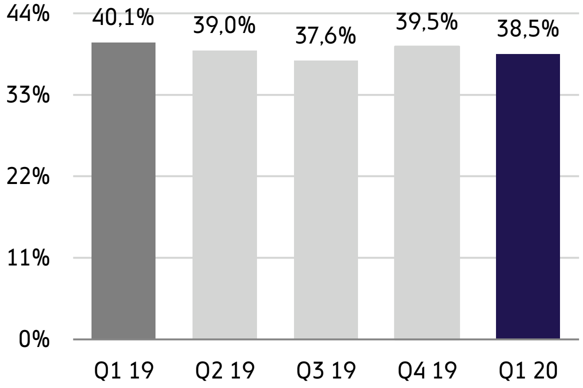
Operating Expenses

0.4%



Cost Income Ratio, bank

1.6% pts



Highlights

- OPEX increased slightly but with strict cost control.
- Cost control compensate for the lower NBI margin,
- The cost/income ratio continued to improve based on scalable business model.

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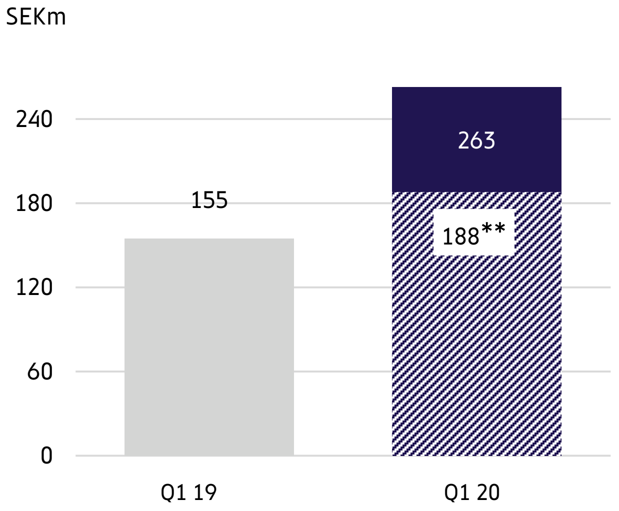
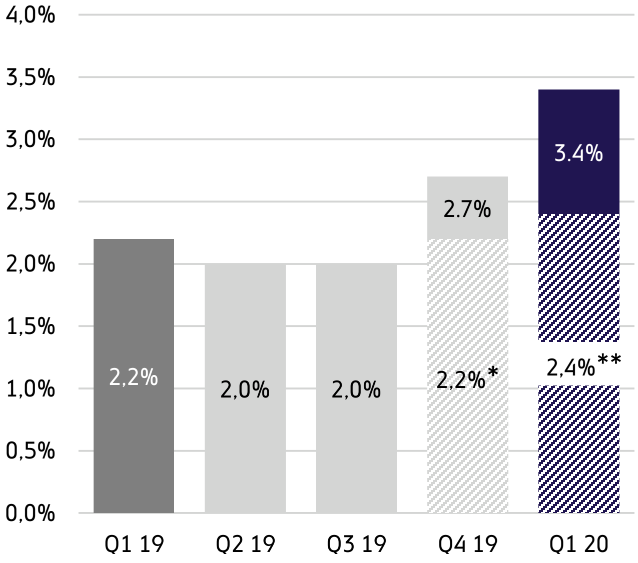
COST OF RISK

Credit Losses, Net



Cost of Risk



Excluding extra credit provision of SEKm 35* in Q4 2019 and SEKm 75** in Q1 2020

Highlights

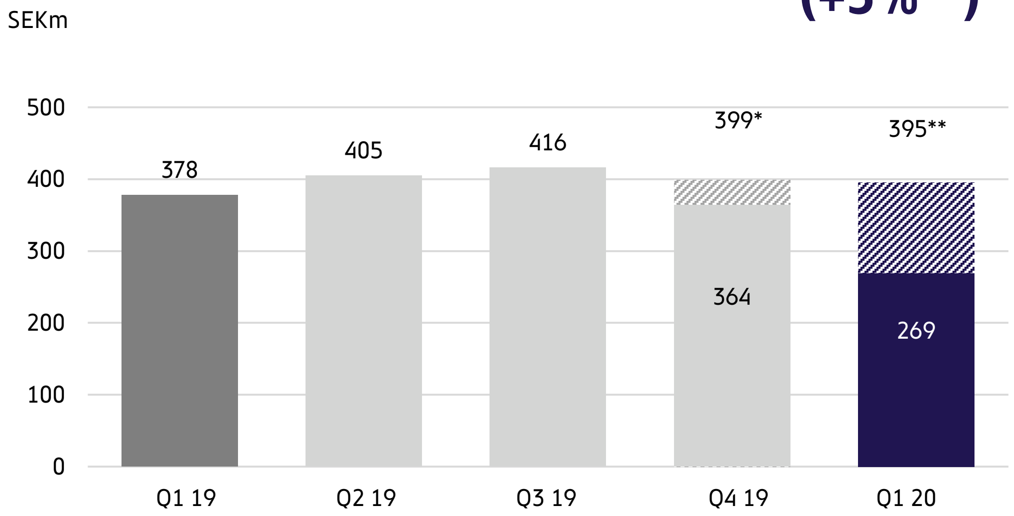
- Credit losses totalled SEK -263 million (-155) and the credit loss ratio was 3.4 per cent (2.2 per cent).
- Underlying credit losses totalled SEK -188 million. 1 per cent point of the credit loss ratio refers to the extra credit provision.
- Excluding the extra credit provision in Q1, CoR ratio was 2.4 per cent.

Resurs Holding

OPERATING PROFIT

Operating profit

-29%
(+5%)**



Highlights

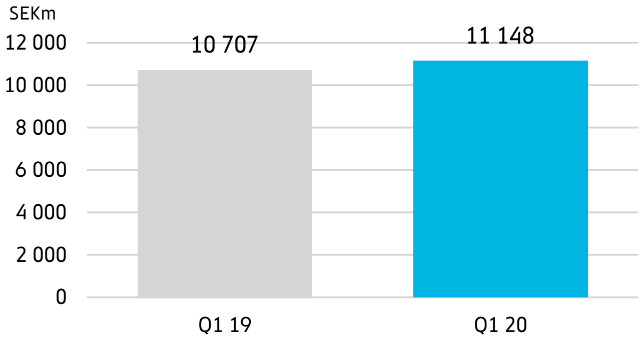
- Operating profit decreased 29 per cent to SEK 269 million (378).
- Operating profit, adjusted for the extra credit provision of SEK -75 million and net expense from financial transactions of SEK -51 million, amounted to SEK 395 million, an increase of 5%.

*Q4 19 excluding extra credit provision SEKm 35
**Q1 20 excluding extra credit provision SEKm 75 and net financial transactions of SEKm 51

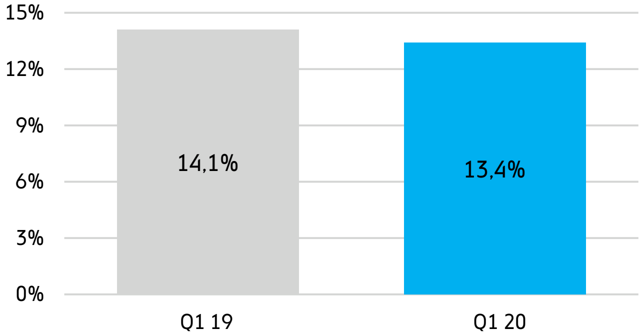
Resurs Holding

Loan Book

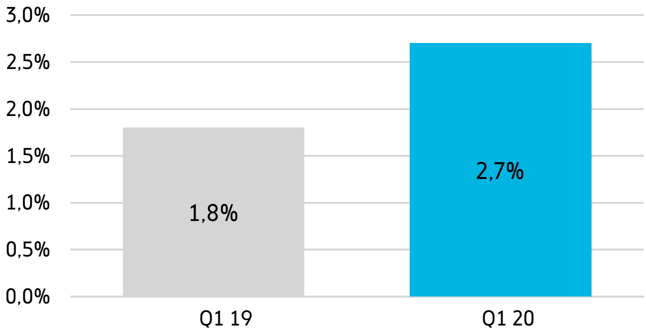
+4%



NBI margin



Cost of Risk

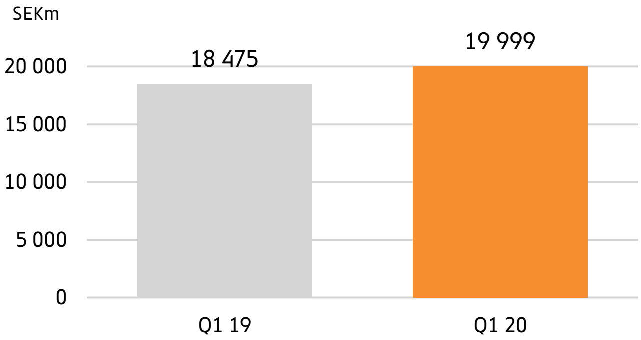


Highlights

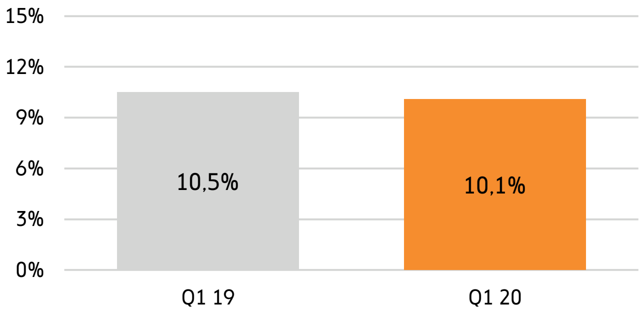
- Payment Solutions' performance for the first two months of the year was characterised by healthy growth in all markets except Norway, and was then impacted by the effects of the outbreak of COVID-19 in March
- Lower NBI margin following growth by retailers with lower margins.
- Credit losses for the quarter increased in absolute terms as a percentage of lending, which was mainly an effect of the extra credit provision made as a result of the expected future effects of the COVID-19 pandemic.

Loan Book

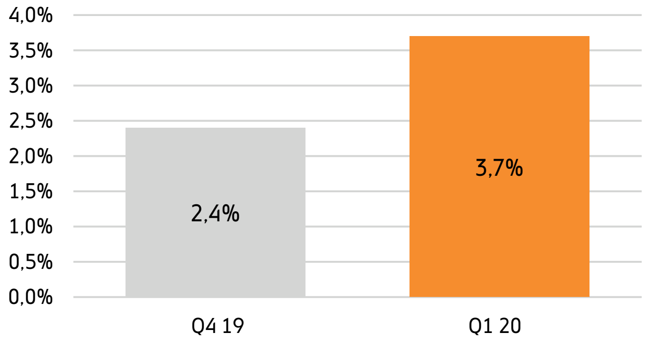
+8%



NBI margin



Cost of Risk

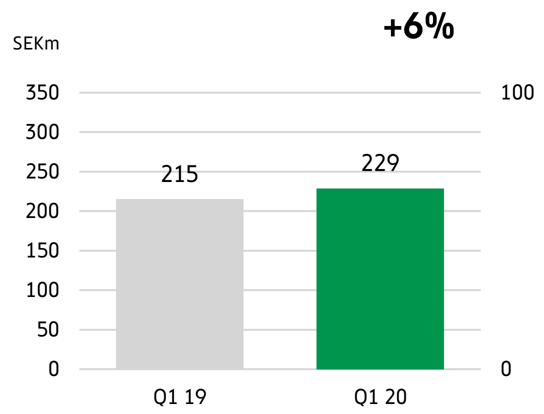


Highlights

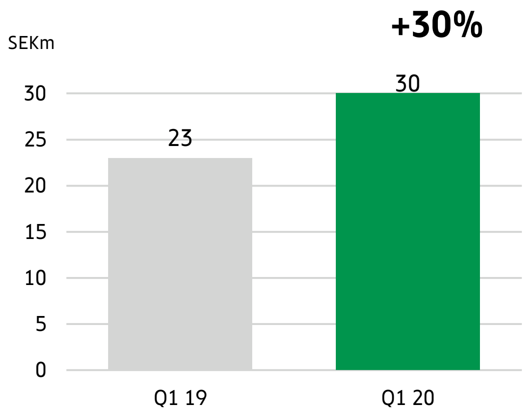
- Performance was largely stable, despite challenges in the Norwegian market.
- The NBI margin decreased and was mainly negatively impacted by the conditions in the Norwegian Consumer Loans market but also increased ticket size and some margin pressure.
- Introducing austerity measures to the credit models during the quarter to counteract higher credit losses.

Resurs Holding

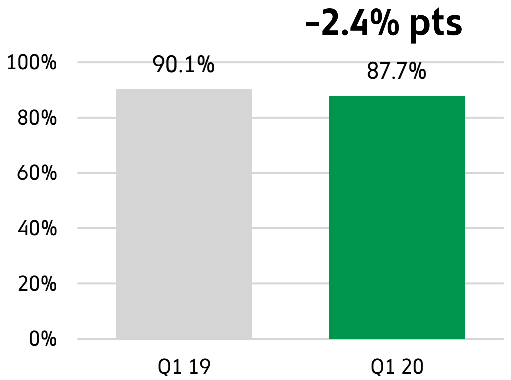
Premium Earned, net



Technical Result

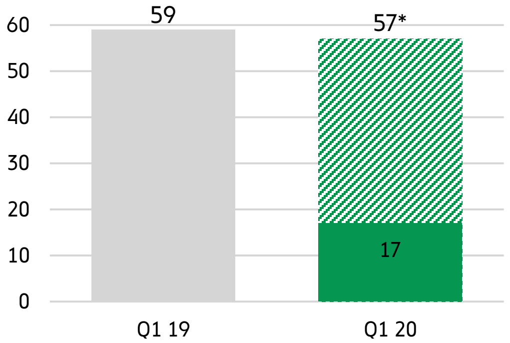


Combined ratio



Operating income

-71%
(-0,3%*)



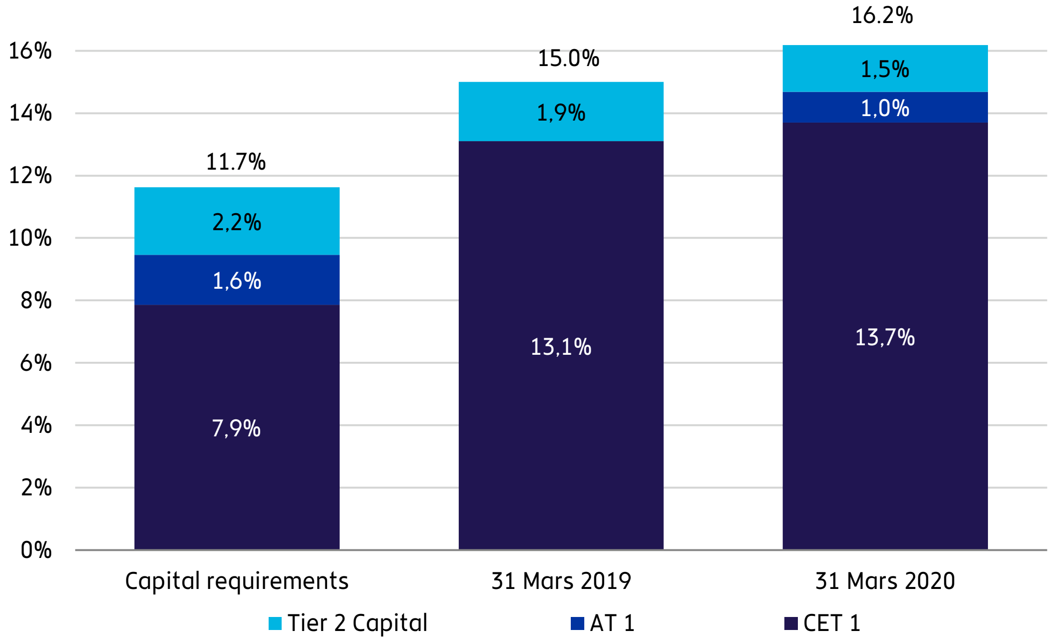
*Excluding financial transactions of SEKm -40

Highlights

- Premium earned, net up 6 per cent compared with last year.
- Strong increase in technical result up 30 per cent compared with last year.
- Improved combined ratio.
- Negative outcome for net expense from financial transactions of SEK -40 million.

Resurs Holding

STRONG CAPITAL POSITION



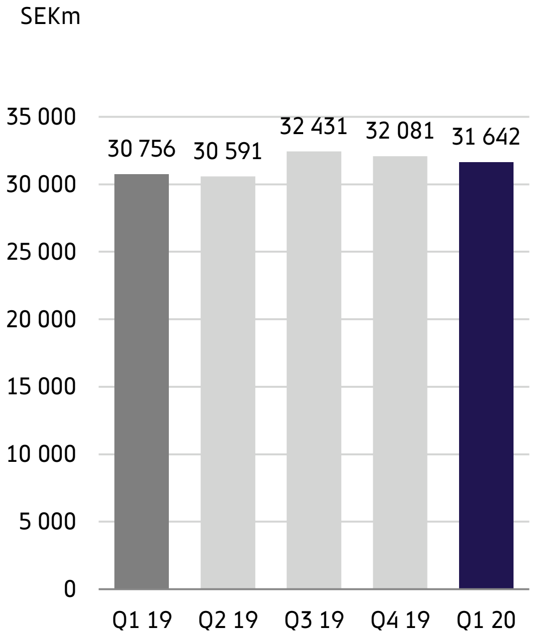
Highlights

- Strong CET1 and total capital ratios well above requirement and targets.
- Reducing the regulatory minimum capital requirement in the countercyclical capital buffer. This entailed a total reduction of about 1.7 percentage points to 0.3 per cent for Resurs.

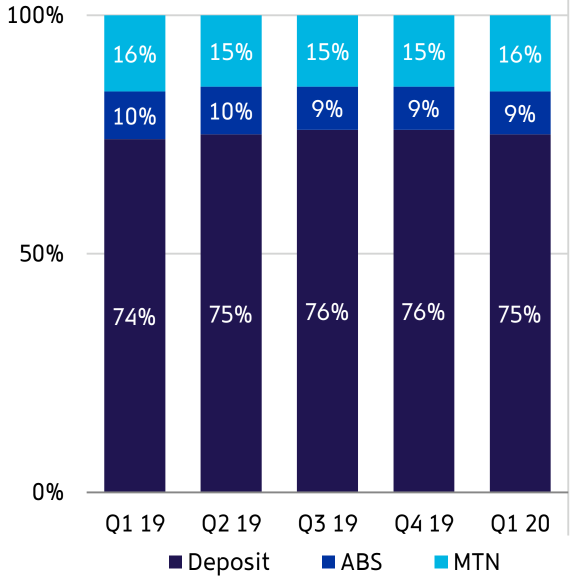
Resurs Holding

CONTINUED DIVERSIFICATION

Funding total ex. equity



Funding mix



Highlights

- The strategy is to actively work with various sources of financing in order to use the most suitable source of financing at any given time and to create diversified financing in the long term
- During Q1 SEK 700 million was issued under the MTN program and NCR confirmed Resurs Bank's credit rating of BBB-
- Repurchase of bond shares for a total amount of 300 MSEK in Q1, *mainly to support investors, also given some positive P&L effect.*
- Liquidity remained healthy and the liquidity coverage ratio (LCR) was 263 per cent (264 per cent) in the consolidated situation.

Resurs Holding

FINANCIAL TARGET PERFORMANCE

Metric	Target	Jan-Mar 2020
Annual lending growth	> 10% p.a.	7%
Risk adjusted NBI margin	In line with recent performance (c. 10% – 12%)	7.9%
C/I before credit losses excl. Insurance and adjusted for nonrecurring costs	< 40% in the medium term	38.5%
Return on equity (RoTE) adjusted for nonrecurring costs*	~ 30% in the medium term	20.8%
Payout ratio	> 50%	n/a
Common Equity Tier 1 ratio/ Total Capital Ratio	>11.5% CET1 >15.0% Total Capital	13.7% CET1 16.2 Total Capital

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

Q1 CREDIT

Resurs Holding

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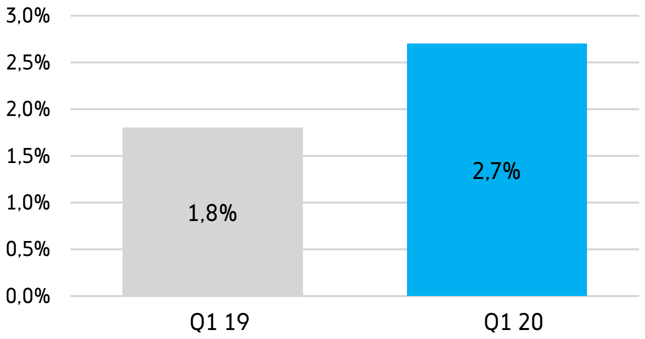
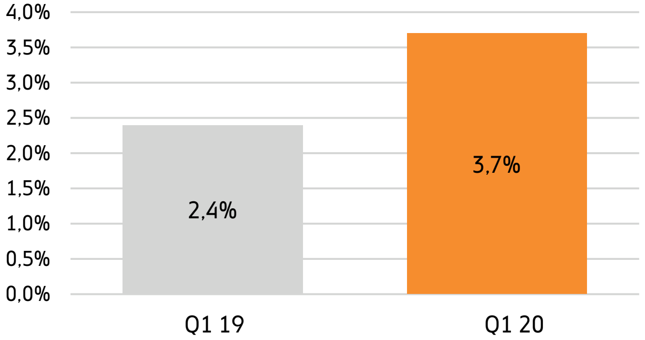
Payment Solutions



Consumer Loans



Comments PS

- The CoR ratio in Q1 2020 increased by 0,9 of a percentage point vs. Q1 2019, to 2,7 % vs. 1,8 %
- Mainly driven by the extra credit provision, due to estimated future effects of COVID-19, but also mechanically from the slightly lower increase in loanbook.
- Stable payment pattern from our customers during Q1, which we continue to see throughout April.

Comments CL

- The CoR ratio in Q1 2020 increased by 1,3 percentage point vs. Q1 2019, to 3,7 % vs. 2,2 %
- The increase is entirely explained by the extra credit provision, due to estimated future effects of COVID-19
- Stable payment pattern from our customers during Q1, which we continue to see throughout April.
- Forecasted impact from Gjeldsregistret in Norway evolves better than forecasted, our conservative approach remains

Resurs Holding

SEK 75 MILLION EXTRA CREDIT PROVISION DUE TO ESTIMATED FUTURE IMPACT FROM COVID-19

- COVID-19 Pandemic has created uncertainty not only for us as a Bank but for the entire world
- As of today no signs of deterioration in the credit quality of our assets
- The foreseen increased unemployment will however lead to increased credit losses to some extent
- IFRS9 requires that we provision for estimated future increase in credit losses
- The extra credit provision is based on conservative forecasts to ensure a sustainable level of COVID-19 provision

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EVOLUTION OF LENDING STAGES & PROVISION

Gross Loan Book

	31 Mar 2019	30 Jun 2019	30 Sep 2019	31 Dec 2019	31 Mar 2020
Part of lending to the public stage 1, gross	73%	73%	72%	69%	69%
Part of lending to the public stage 2, gross	12%	12%	13%	15%	15%
Part of lending to the public stage 3, gross	15%	15%	15%	15%	16%

Provisioning

	31 Mar 2019	30 Jun 2019	30 Sep 2019	31 Dec 2019	31 Mar 2020
Provision stage 1	0,8%	0,7%	0,7%	0,7%	0,9%
Provision stage 2	9,7%	9,5%	9,5%	8,0%	9,1%
Provision stage 3	44,5%	44,1%	43,4%	43,3%	43,2%

Comments

- Stable stage 2 in ratio but as expected we see a decrease in value following normalization after the Finnish postal strike
- Slight increase of stage 3 share (NPL), impacted by lower growth in loan book
- Increase of stage 1 & 2 provision in Q1, driven by the extra credit provision of SEK 75 million
- Stage 3 provision stable vs Q3,

COVID-19 GOING FORWARD

- Composition of our loan book with 98 % consumer credits, only 2 % corporate/factoring, a good position to meet the upcoming challenges
- Tightening of our credit models to reduce risk levels on our new lending
- Assisting customers affected by the COVID-19 impact
- Strengthen our credit provision to meet the future increase in credit losses
- Ongoing daily follow up and analysis to capture effects early, on the credit quality of our loan book

THANK YOU!

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