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AGM

MAY 2018

JANUARY – DECEMBER 2017 IN SUMMARY

- **Continued organic loan book growth**
- **Strong operating profit growth**
- **Cost efficiency**
- **Strong capital base**

LOAN BOOK GROWTH	+27 % (3,16)
OPERATING PROFIT [1] GROWTH	+21 % (193 MSEK)
C/I RATIO	37 %
TOTAL CAPITAL RATIO	16.2 % *31 Dec 2017*

[1] Excluding items affecting comparability.

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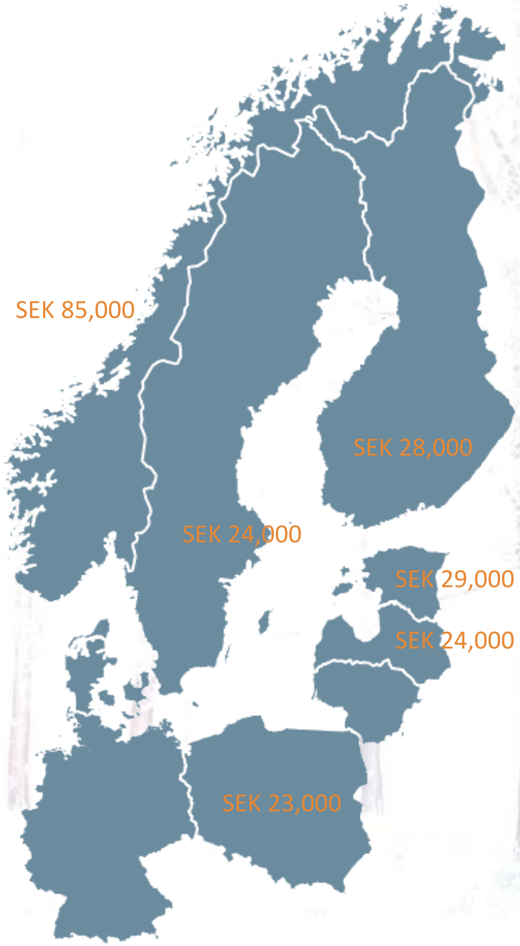
DIRECT TO CONSUMER
DIVERSIFIED GRANULATED PORTFOLIO

Product overview and use of proceeds

- 81 % of the loan portfolio
- Unsecured consumer loans
- Marketed trough internal channels and external partners
- Tenor of loans are typically between 12 and 60 months
- Estimated average maturity of ~23 months
- Average loan size on book of SEK ~33,000
- Used for e.g., travel, home improvement, home appliances and car repair

Loan sizes (average) and customer profile



Low-to-middle income

Employed

Credit worthy

Middle aged

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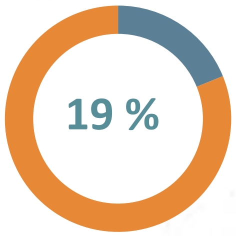
SALES FINANCE
DRIVES NEW LENDING AND BUILDS DATABASE

Product overview

- Full check-out solution offered as one-stop-shop with several payment methods such as; invoice, instalment payment, credit/debit card and direct bank payments.
- High focus on bringing value to merchants with a wide range of products and services that facilitates up-sell and brand building.
- Norwegian credit cards (from Q1 2017)

Key financials

Share of the
Group's loan portfolio



Amount outstanding

SEK 595 million

(31 Dec 2017)

Loan portfolio growth

+44 %

(Q4'17 vs Q4'16)

- Growth through three different brands, TF Bank, Avarda and BB Bank
- Geographical expansion in Europe
- Long-term merchant relationships in the Nordics
- Strategy to become one of the leading companies in the Nordic region
- Solid development in the credit card business

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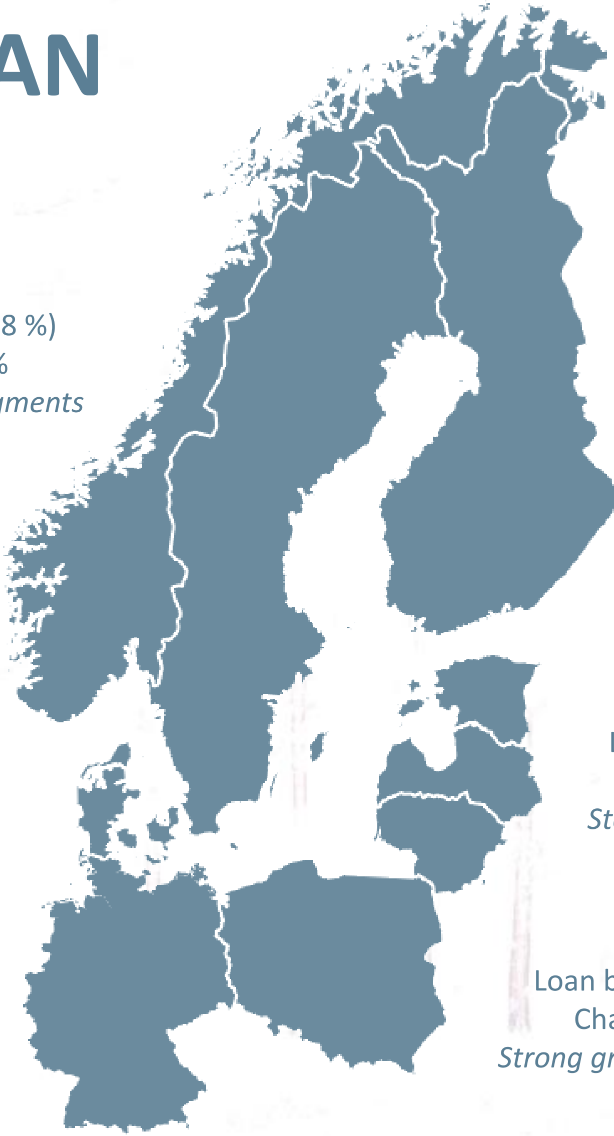
GROWTH AND DIVERSIFICATION ACCORDING TO PLAN

Norway
Loan book SEK 900m (28 %)
Change 2017: +70 %
Strong growth in both segments

Sweden
Loan book SEK 626m (20 %)
Change 2017: -6 %
Focus on profitability



Finland
Loan book SEK 911m (29 %)
Change 2017: +7 %
Profitability and steady growth

Baltics
Loan book SEK 400m (13 %)
Change 2017: +61 %
Steady growth and profitability

Poland
Loan book SEK 281m (9 %)
Change 2017: +71 %
Strong growth in both segments

WORTH NOTING JANUARY – DECEMBER 2017

- Continued loan book growth in both segments
- Acquisition of Intrum Justitia's shares in Avarda
- Full e-commerce check-out solution launched
- BB Finans received a banking license and became BB Bank
- Deposits launched in Norway and Germany
- Branch established in Estonia

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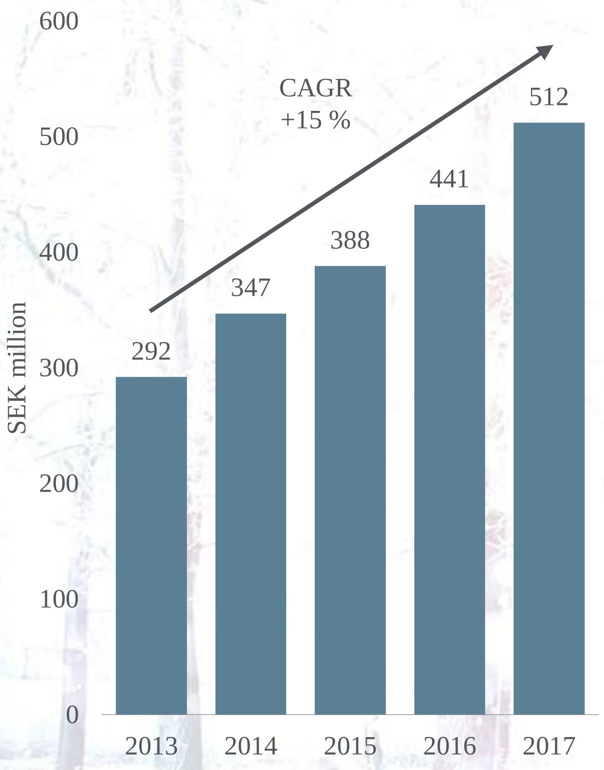
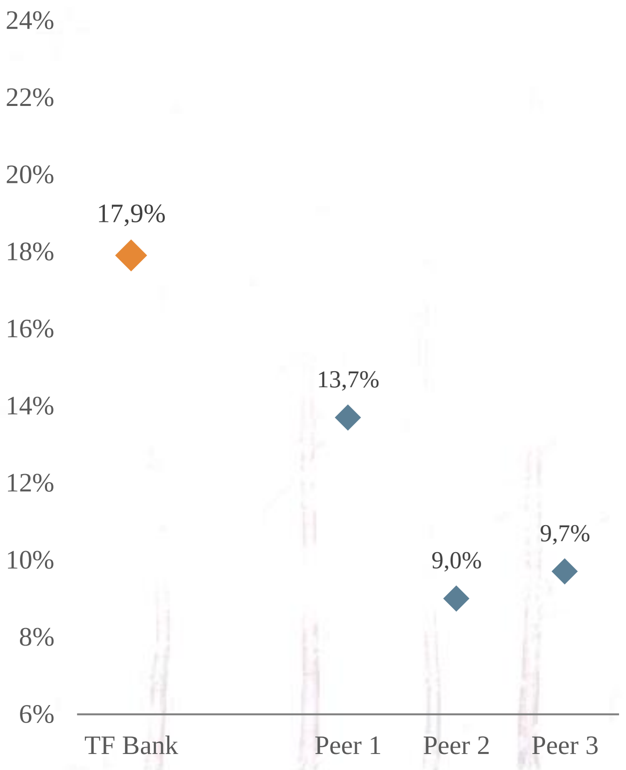
INCREASED OPERATING INCOME AND HIGH MARGINS

Operating income



Operating income margin



- **Operating income 2013-2017: CAGR 15 %**
  - Strong organic growth
  - 2014: Introduction of Sales Finance (loan book SEK 375 million)
  - 2015: Acquisition of BB Bank in Norway (loan book SEK 150 million)
- **Operating income margin: 17.9 %**
  - Strong compared to peers

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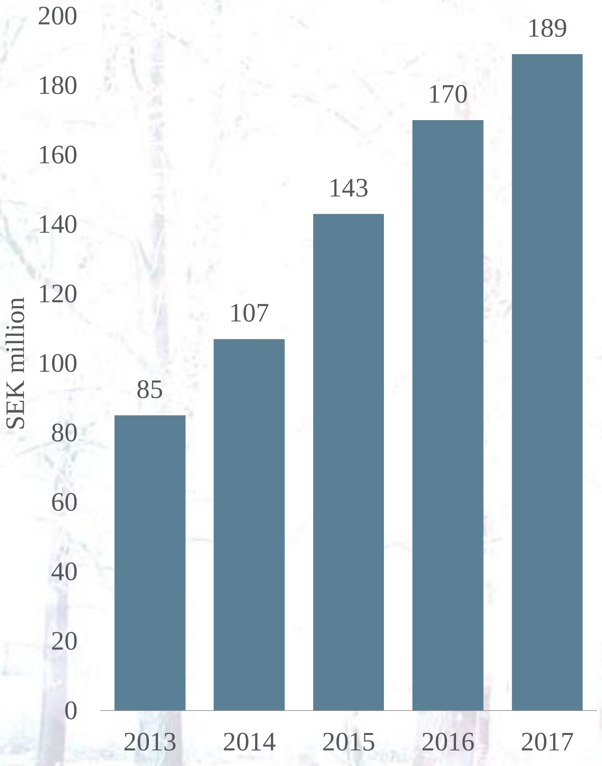
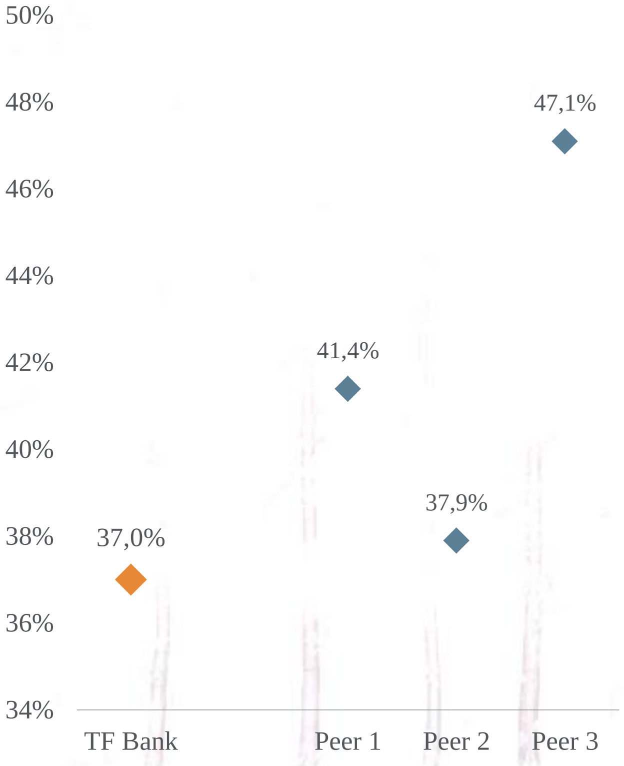
COST/INCOME RATIO – LEAN AND COST EFFICIENT ORGANIZATION

Operating expenses



Cost/income ratio



- **Operating expenses 2013 vs 2017: 85 vs 189 (SEK million)**
  - Increased personnel, IT and sales costs
  - 2015-2017: Investments in Avarda
- **Cost/income ratio 2017: 37 %**
  - Excluding Avarda 34 %
  - Best in class compared to peers

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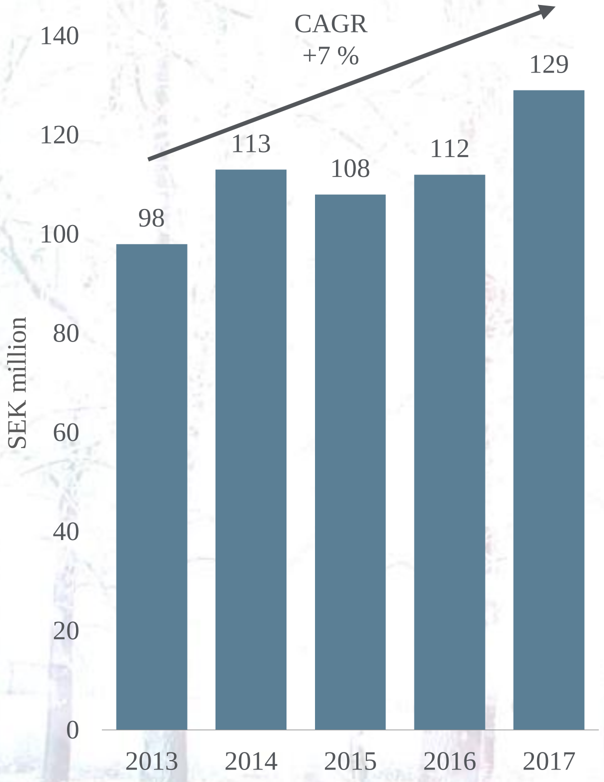
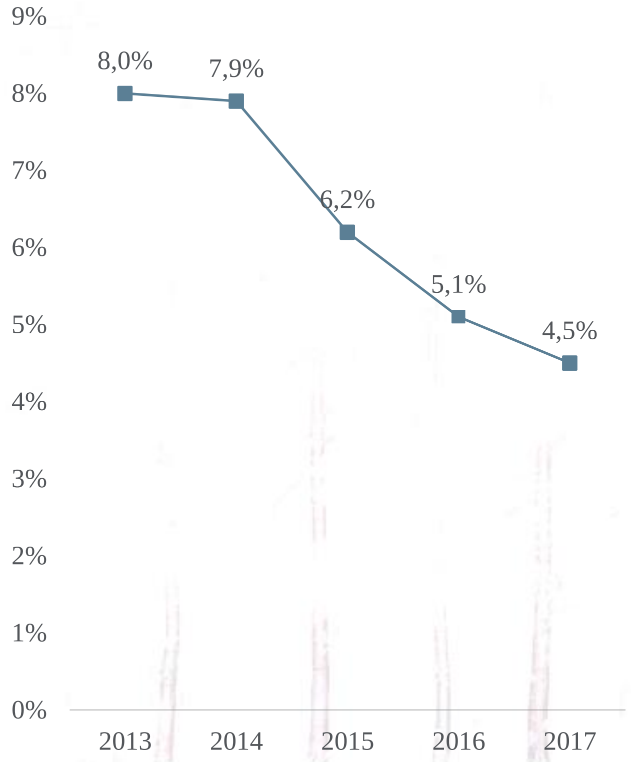
NET LOAN LOSS RATIO CONTINUES TO DECREASE

Net loan losses



Net loan loss ratio



- **Clean balance sheet policy**
  - Non Performing Loans are generally sold on forward flow basis after approx. 72 days
- **Net loan losses 2013-2017: CAGR 7 %**
  - Growing loan portfolio drives loan losses
  - Net loan loss ratio is decreasing
  - Lower loss ratios in growth markets; Norway and the Baltics

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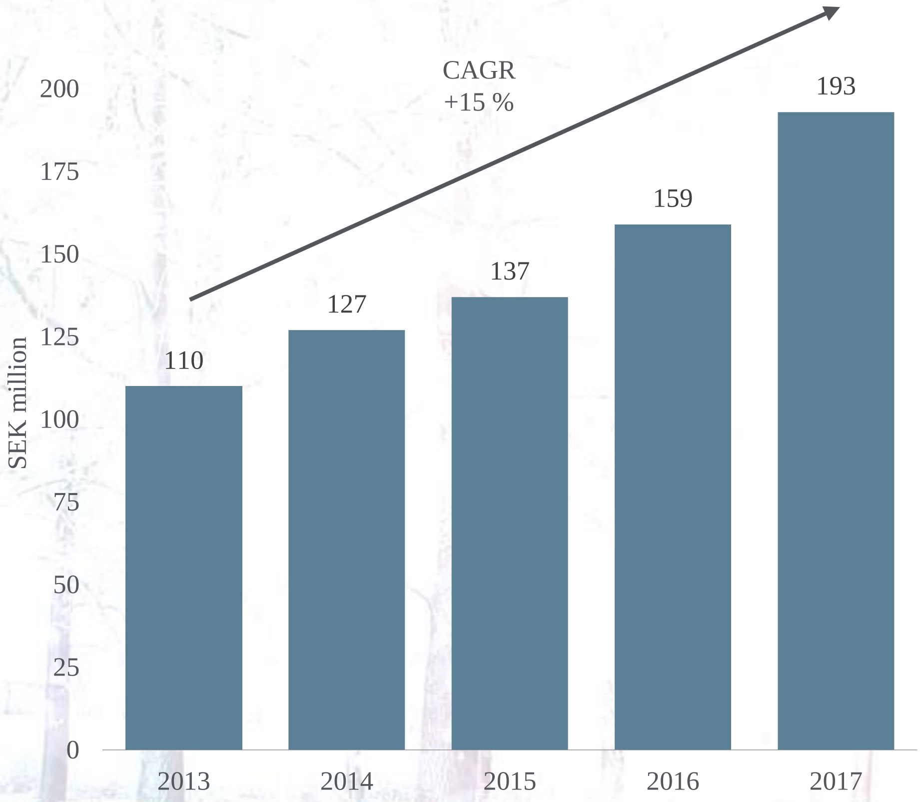
STABLE GROWTH FOR OPERATING PROFIT [1)]

Operating profit [1)]



[1)] Excluding items affecting comparability.

- **Operating profit [1)] 2013-2017: CAGR 15 %**
  - Strong loan book growth
  - Cost efficient organization
  - Decreasing net loan loss ratio
- **Operating profit [1)] 2017: +21 %**
  - Strong loan book growth
  - Improving cost/income ratio

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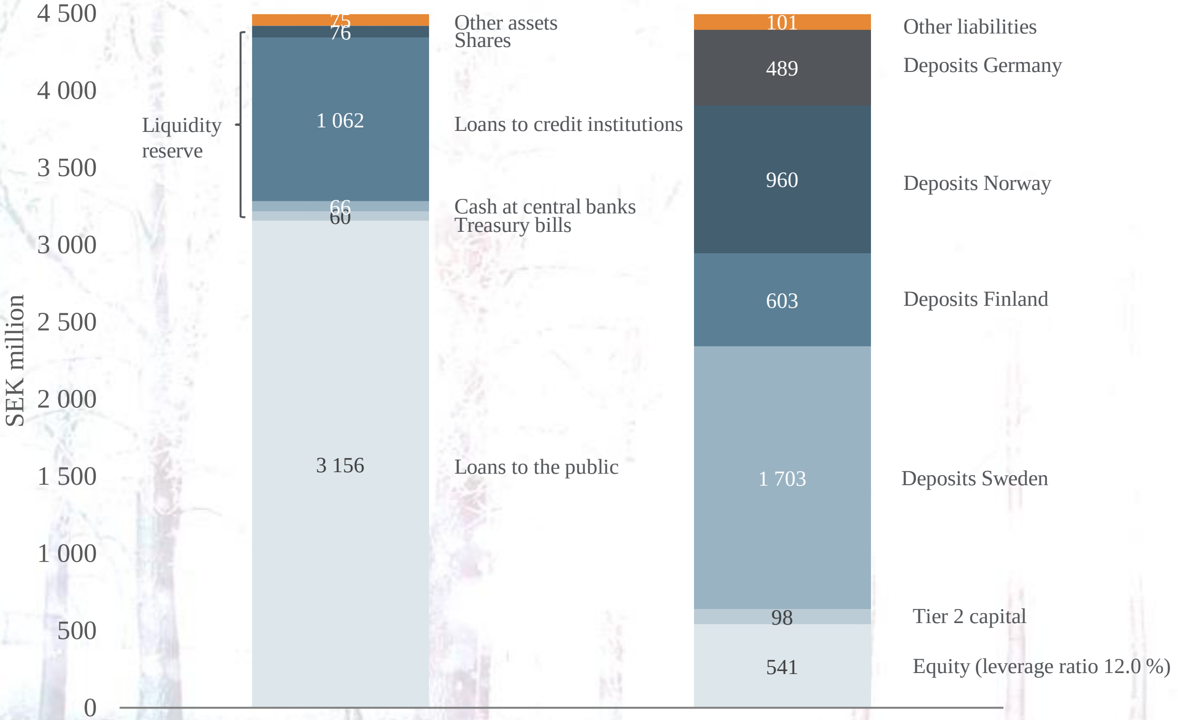
DIVERSIFICATION OF DEPOSITS AND STRONG LIQUIDITY POSITION

Strong balance sheet and capital position



- **Cost-efficient funding from diversified retail deposits**
  - Sweden (SEK 1.7 billion)
  - Finland (SEK 0.6 billion)
  - Norway (SEK 1.0 billion)
  - Germany (SEK 0.5 billion)
- **Tier 2 bond SEK 100 million**
- **Strong liquidity position 31 Dec 2017**
  - Liquidity reserve 34 % of deposits [1)]
  - Supports further loan book growth

[1)] The liquidity reserve includes undrawn credit facilities of SEK 30 million.

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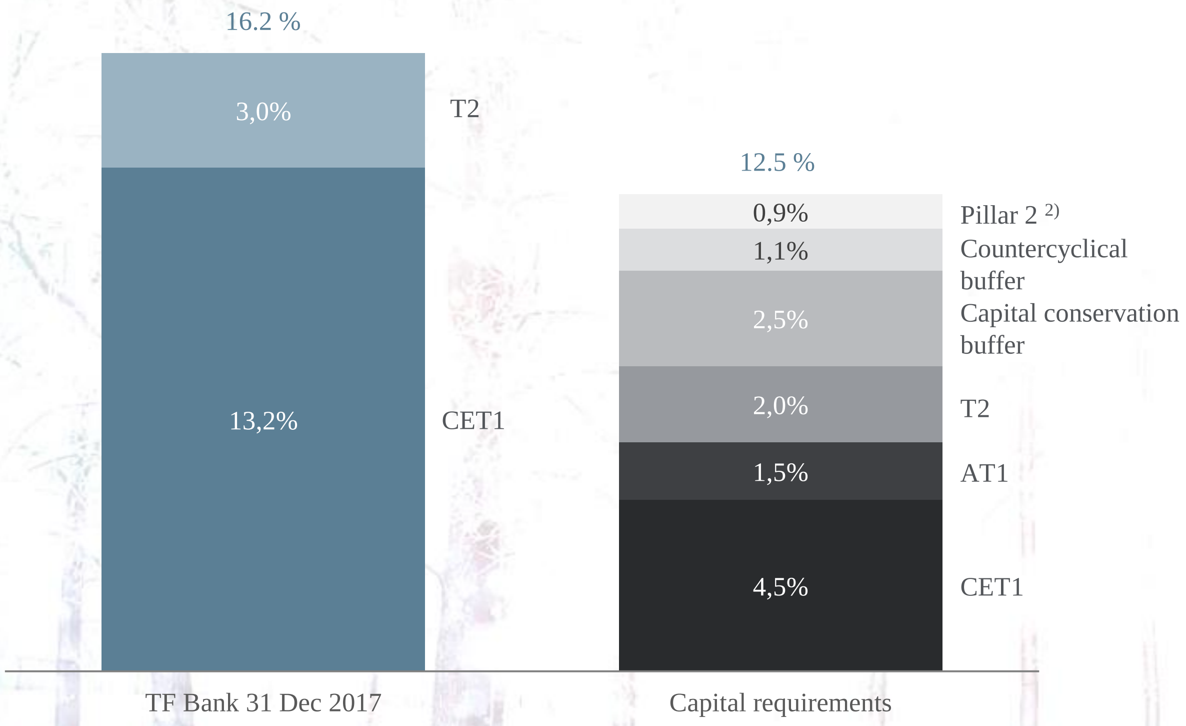
CAPITAL RATIO vs. CAPITAL REQUIREMENT



- **CET1 ratio of 13.2 % and total capital ratio 16.2 % [1)]**
- **Significant headroom to legal requirements**
  - CET1 capital requirement: 8.7 %
  - T1 capital requirement: 10.4 %
  - Total capital requirement: 12.5 %
- **Objective is to maintain a total capital ratio of at least 14.5 %**
- **The Board proposes to the AGM a dividend of SEK 2.25 per share for 2017**

1) In the calculation of the capital adequacy ratio for Q4 2017, own funds include the interim profit after the proposed dividend of SEK 2.25 per share. In contrast, in the calculation of the capital adequacy ratio for Q3 2017, own funds include the foreseeable dividend of 50 % in line with the dividend policy.
2) The Pillar 2 requirement should be covered by capital split similarly as for the Pillar 1 requirement, i.e. the Pillar 2 requirement of 0.9 % is split as follows: CET1 capital 0.6 %, T1 capital 0.8 % and total capital 0.9 %.

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LOOKING AHEAD INTO 2018

- Avarda scale-up
- Continued growth in consumer lending
- Expansion into new pockets of the European consumer finance market where good risk adjusted return levels can be sustained over time
- Continued fierce competition especially in the Nordics
- Increased regulatory burden

Wrap up