

## **Resurs Bank optimizes capital structure through strategic partnership with Lowell, expected capital relief of approximately SEK 900 million**

**Resurs Bank has today entered a strategic partnership with Lowell, one of Europe's leading companies in credit management services. The collaboration, which involves a securitization of approximately SEK 1.2 billion of defaulted loans, aims to strengthen Resurs Bank's capital structure. The transaction is expected to result in a capital relief of approximately SEK 900 million, which shows the bank's proactive handling of the effects from the prudential NPL Backstop regulations.**

– We are proud to be among the first banks in the Nordic market to be capable of executing a transaction of this magnitude. This proves the quality of our assets despite the current economic challenges in today's environment, with elevated interest rates and higher expectations on shareholder return, and the robust trust we have in the market, says Stefan Noderén, Chief Credit & NPL Officer at Resurs Bank.

The prudential NPL Backstop regulations, which applies to loans issued after April 2019, are in short, a requirement for banks to minimize equity as non performing unsecured loans must be written down fully from the capital base three years after the loan defaulted. The regulations cover all European banks and have a gradual phase-in from October 2022.

As a result of the NPL Backstop regulations, the Return on Equity on the NPL portfolios impacted by the regulations, reduces significantly. The transaction Resurs and Lowell are executing today, optimizes Resurs' Return on Equity and includes Resurs Bank's defaulted loans that are covered by the regulations in Sweden and Denmark until June 30, 2023, and in Finland until December 31, 2022. Altogether, these portfolios have a gross value of approximately SEK 2.6 billion. The transaction involves total one-time effects of SEK -171 million during the fourth quarter of 2023, of which approx. SEK -80 million is due to the pricing of the portfolios being just below book value.

From a capital adequacy perspective, the transaction is expected to involve a capital relief, which as of 30 September 2023 would have been approx. SEK 24 million to gradually increase to approx. SEK 900 million as of 30 June 2026. After the transaction, the Resurs Bank NPL ratio is estimated to amount to approx. 8,9 percent (14,3 percent 30 September 2023).

#### **MORE INFORMATION**

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*You can read more about the transaction in the attached material.*

#### **ABOUT RESURS**

Resurs is a leading bank in the Nordics with a simple philosophy: we want to create balance in people's personal finances. On that foundation, we develop offers and services within loans, savings and payments for retail and e-commerce that are based on people's everyday lives, and that will create long-term value for our customers and for society. Today, we have a customer base of slightly more than 6 million customers and 662 employees in the Nordic region.

#### **Attachments**

[Resurs Bank optimizes capital structure through strategic partnership with Lowell, expected capital relief of approximately SEK 900 million](#)  
[231130 Resurs Strengthens Capital Position](#)