

Trends in global solution rates

- Various International Statistics

LIC, Budapest 17th of June, 2016
By Rune Ohlgren, Lindorff



Agenda



Introduction



Country Statistics
Solution rates + Trends



Nordea Statistics



Summary

Agenda



Introduction



Country Statistics
Solution rates + Trends



Nordea Statistics



Summary



Who we are

Lindorff Group

Headquarter Oslo, Norway, 3700 employees, 13 countries
Revenue 534 M€, Owner Nordic Capital

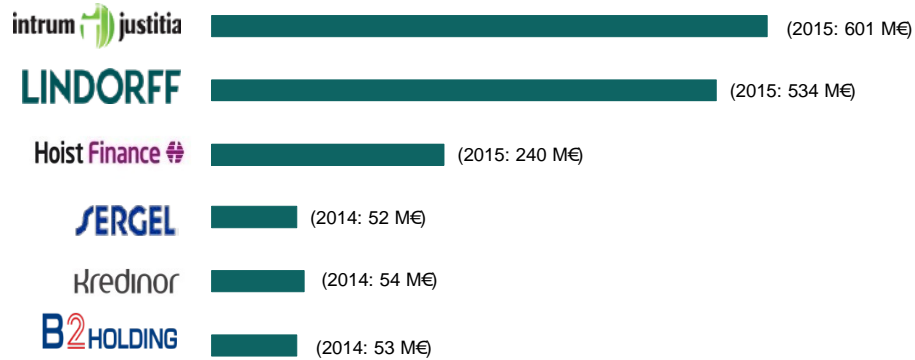
Lindorff Norway

Locations of offices in Trondheim, Røyken and Oslo,
Approx 700 employees
Market leader in value to collect (No 2 in number of files)

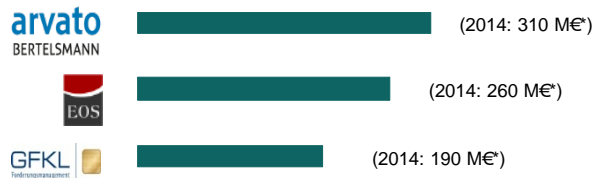
Debt Collection market

Main debt collection competitors operating in same markets

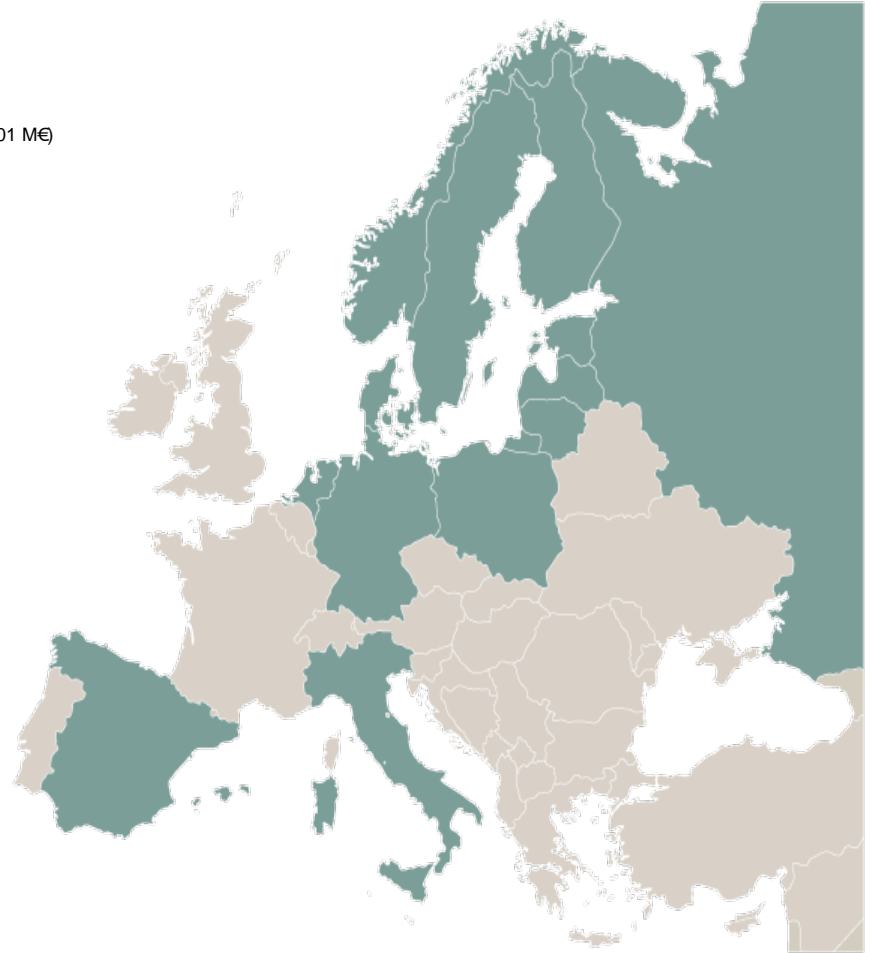
Nordic domicile



Central-European domicile



US domicile, Mainly debt buyers



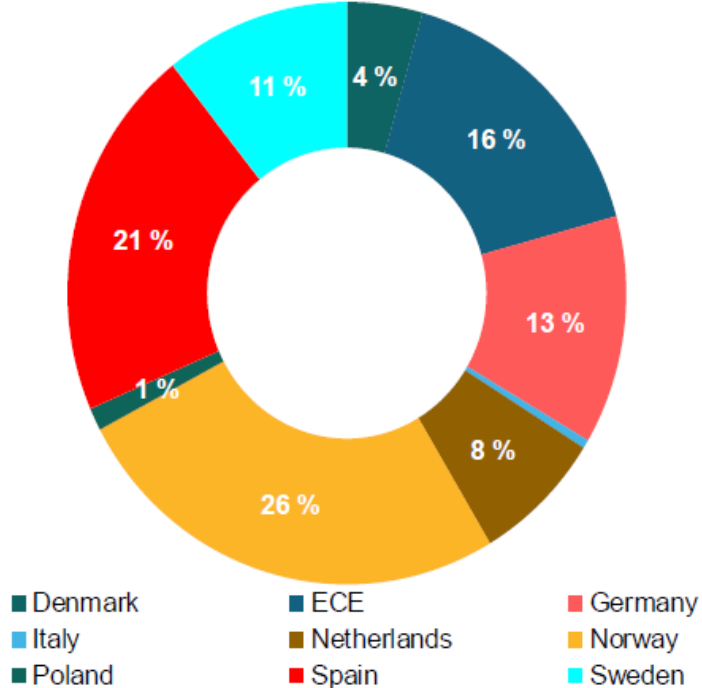
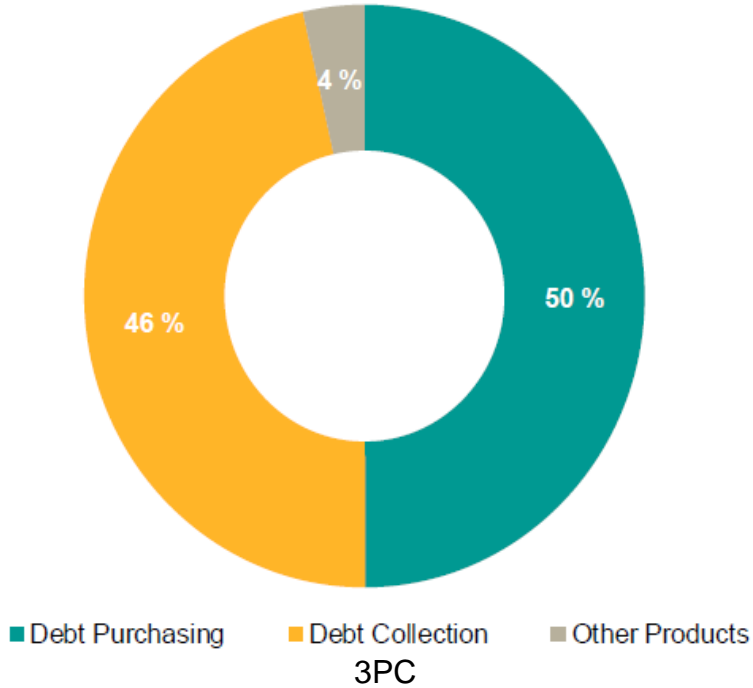
LINDORFF

*) estimated revenue on debt collection in Europe

Maintaining a well balanced Business Mix

Product split 2015

Geographical revenue split 2015



Working with creditors across industries



Financial institutions

ABN AMRO
DNB
DEUTSCHE BANK
NORDEA
SANTANDER
SABADELL
IF
TRYG



Retail

STOCKMANN
ANTTILA
CANAL DIGITAL
CTS EVENTIM
POSTNORD
A-MEDIA
VIASAT



Telco/Utility

STATOIL
TELIA EESTI
SHELL
TELENOR
MOBILCOM



We take pride in our customer service

8,1 out of 10 on customer satisfaction across the whole company in 2015, which has been stable also in 2014 (8,1 score).

94 % response rate within 20 sec in our contact centres, and can be reached through various channels (phone, e-mail, SMS)

We focus on utilize scale and skill advantages across countries, consolidate functions, further develop knowledge sharing though Lindorff Business Services

Agenda



Introduction



Country Statistics
Solution rates + Trends



Nordea Statistics














Summary

One year ago in Amsterdam, Lindorff Credit Outlook: Pessimism in France and Finland, better in Spain, Denmark and the UK



- Weak faith in macro in most European countries
 - France and Finland are the most pessimistic regarding developments in 2015
 - Germany and Norway think the macro gets worse
 - Spain, Denmark and the UK have the most positive expectations
- Strong faith in their own business in most countries
 - Many seem to be too positive on their own behalf

How did it go? Important parameters / Background figures:

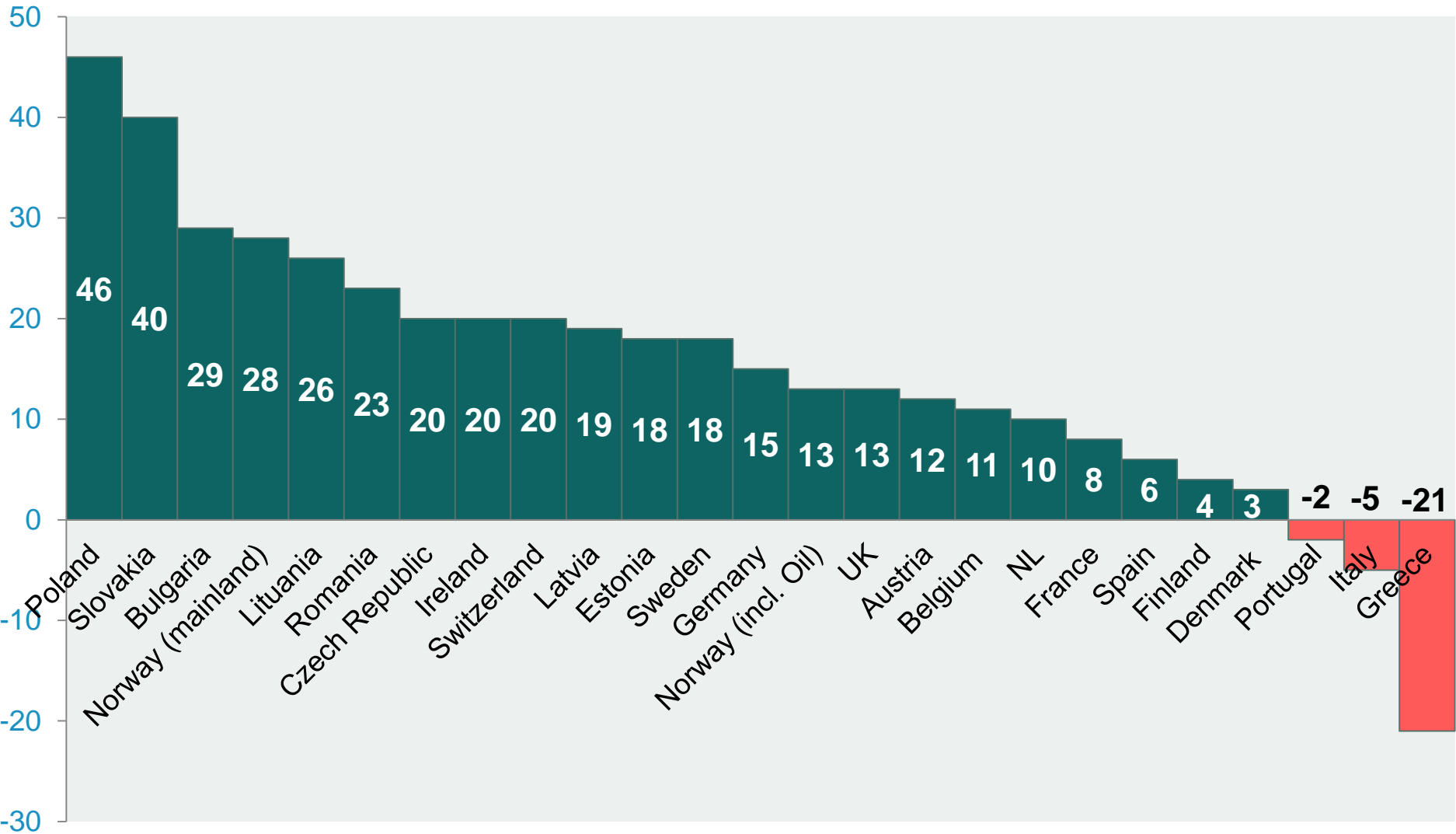
Country		Population (Spring 2016)	GDP Annual Growth Rate	GDP PR Capita (End 2014)	Unemployment rate, spring 16. (change last year)	Central Bank Rates (Euro Area =0)	Inflation rate (April 2016)
	Germany	80.684.244	1,3 %	47 773 USD	4,3 % (-0,6 %)	0 % (Euro)	-0,1 %
	Denmark	5.650.600	0,6 %	60 718 USD	5,8 % (+1,8 %)	0,05 % (DKK)	0,0 %
	NL	17.000.000	1,4 %	52 139 USD	6,5 % (-1,5 %)	0 % (Euro)	0,0 %
	France	64.584.623	1,3 %	42 726 USD	10,2 % (-0,2%)	0 % (Euro)	-0,2 %
	Italy	59.780.000	1,0 %	35 222 USD	11,7 % (-1,5%)	0 % (Euro)	-0,5 %
	Norway	5.253.240	0,7 %	97 300 USD	4,4 % (+0,7 %)	0,5 % (NOK)	3,2 %
	UK	64.990.045	2,0 %	46 297 USD	5,0 % (-1,0 %)	0,5 % (GBP)	0,3 %
	Sweden	9.829.657	4,2 %	58 899 USD	7,0 % (-0,4 %)	-0,5 % (SEK)	0,8 %
	Finland	5.517.646	1,0 %	49 843 USD	9,2 % (+0,9 %)	0 % (Euro)	0,3 %
	Spain	46.082.048	3,4 %	29 722 USD	20,4 % (-3,3%)	0 % (Euro)	-1,1 %
	USA	323.918.250	2,0 %	54.630 USD	4,8 % (-0,7%)	0,25-0,50 % (USD)	0,85 %

LINDORFF

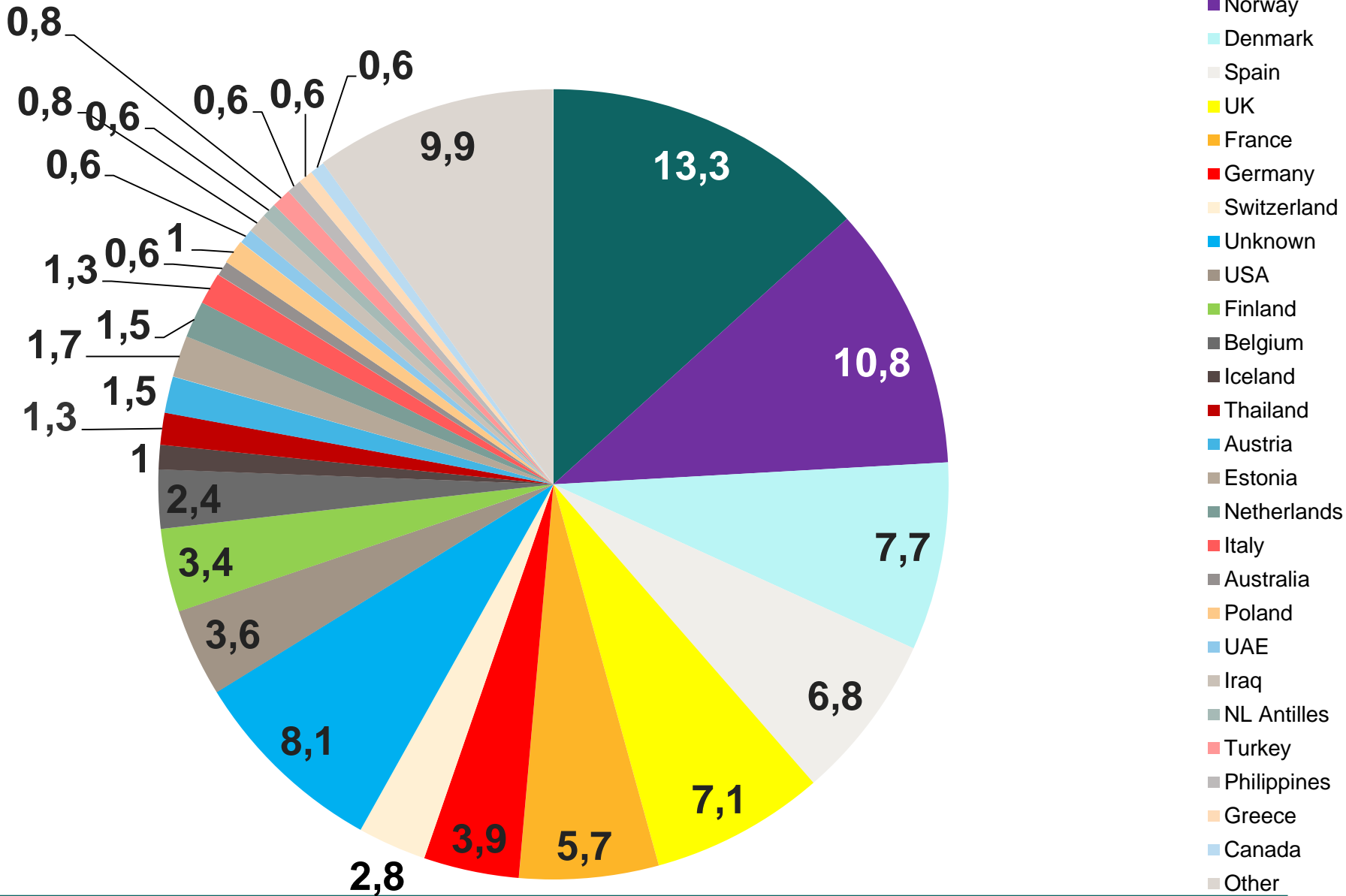
Hungary: GDP per Capita in 14 027 USD / GDP Annual Growth Rate: + 0,9 %.
Euro Area: GDP Annual Growth Rate: 1,5%.

Source: The World bank,
The Statistics Portal and
Global-rates.com

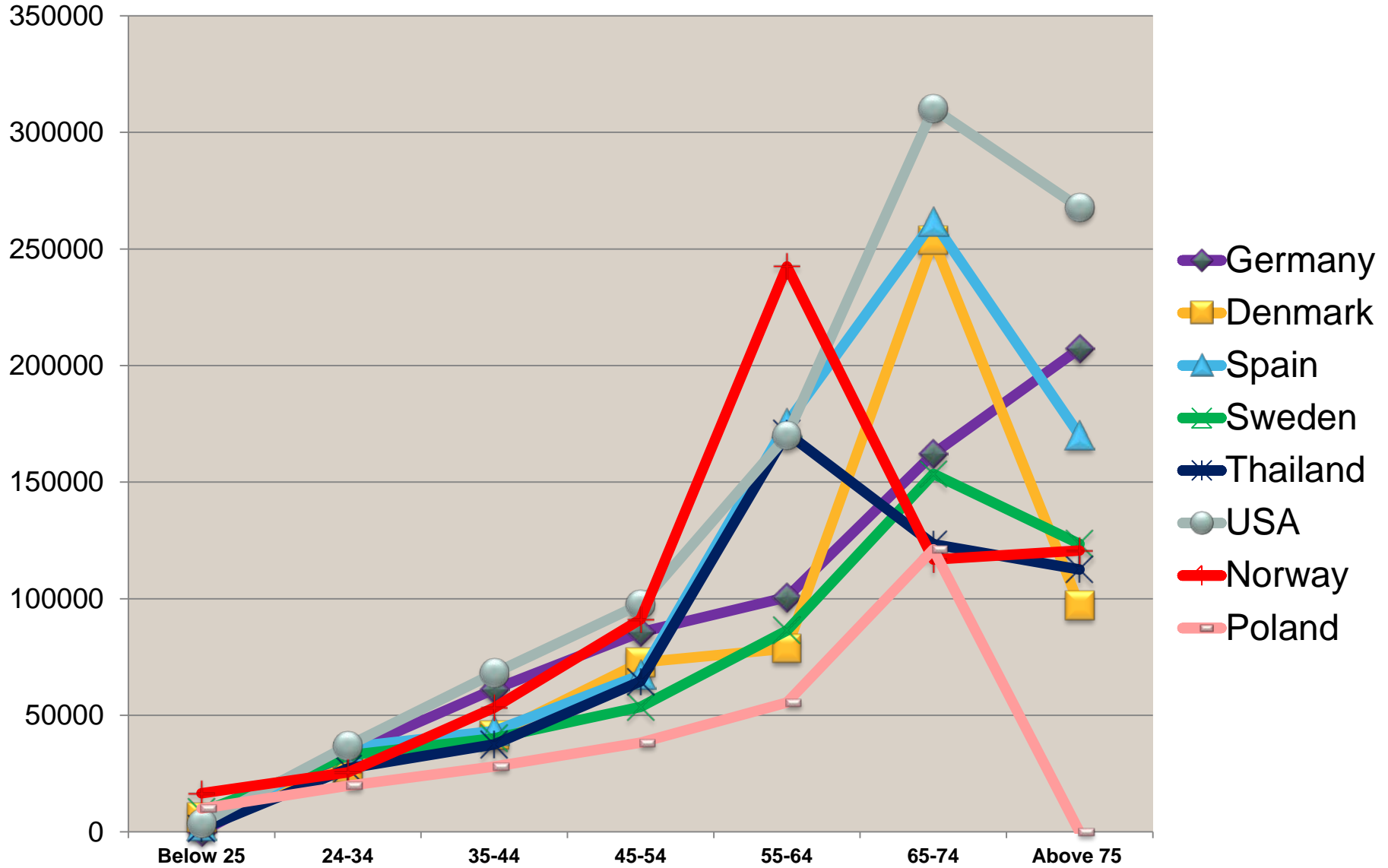
Overall percentage change in GDP last 10 years (adjusted for inflation)



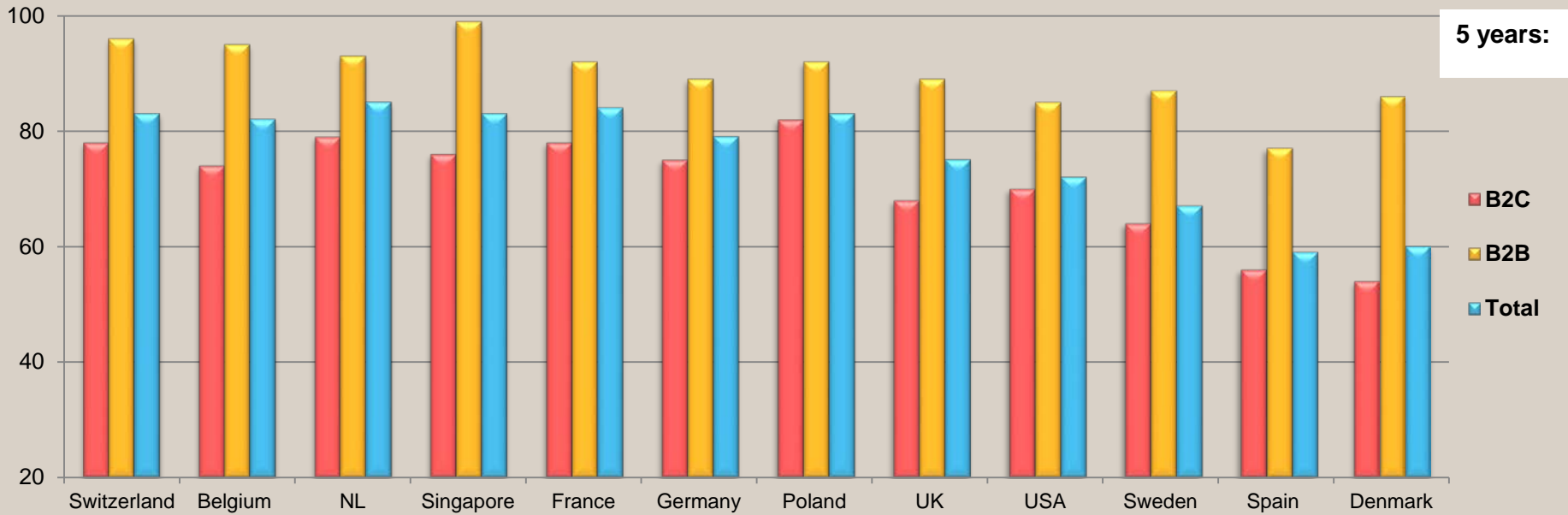
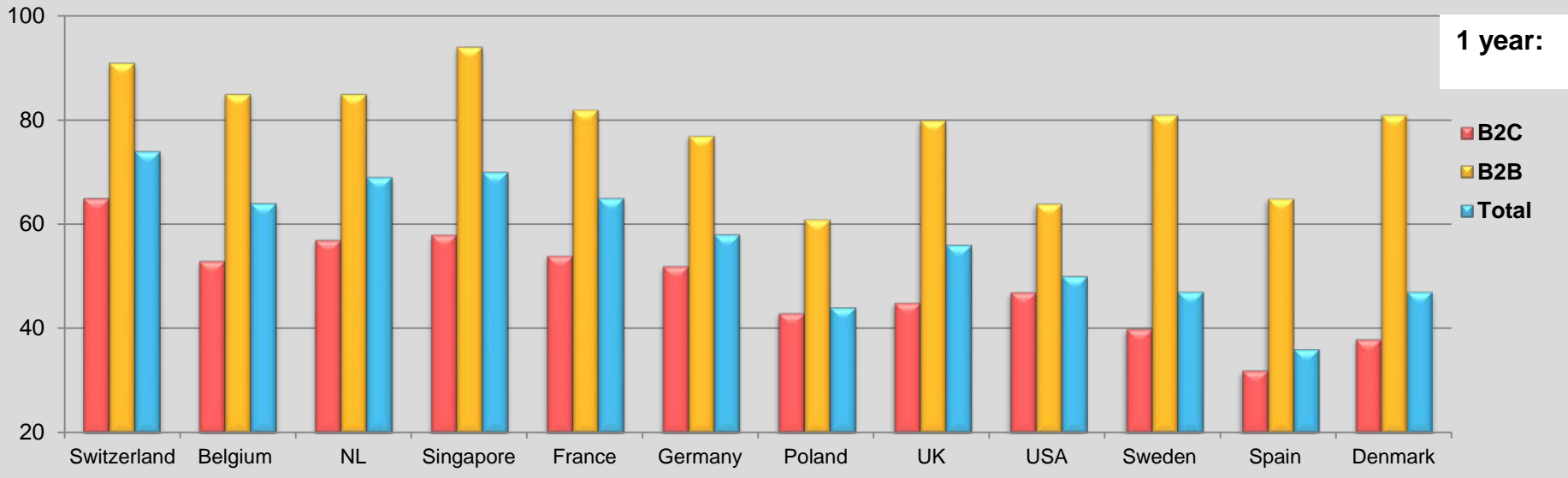
Allocation of the balance per country, 2015 figures:



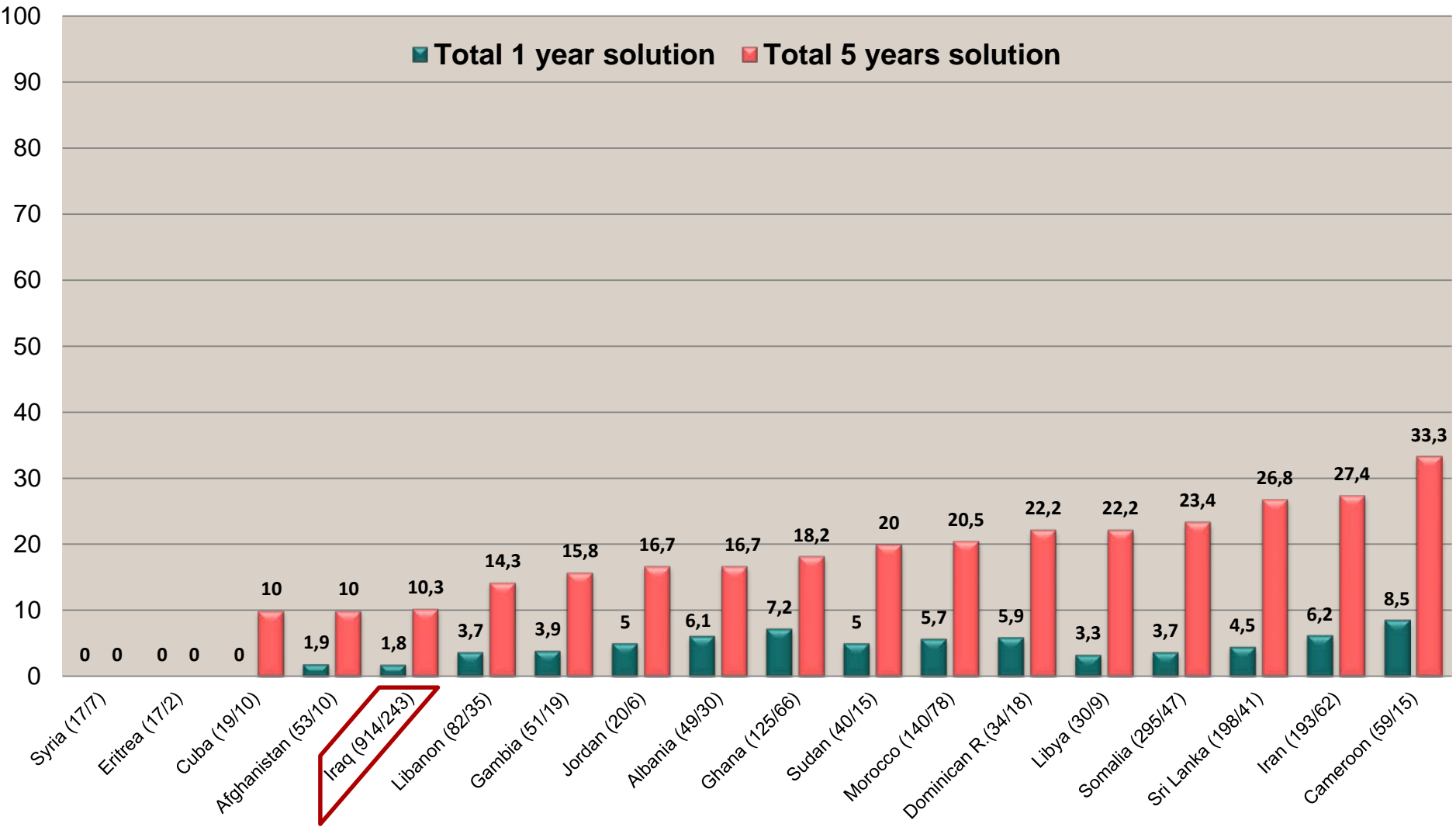
Average balance per age in selected countries:



Internasjonal Oslo, Solution rates, Per 01.01.2016:



Countries with low solution rates, per 01.01.16: (Number of files in parentes)



World in default-Trends. Countries with the largest change last 2/4 years. (Per.01.01.2016)

Country / Solution	Solution / Lösning 07/2011	Solution / Lösning 01/2012	Solution / Lösning 07/2012	Solution / Lösning 01/2013	Solution / Lösning 07/2013	Solution / Lösning 01/2014	Solution / Lösning 07/2014	Solution / Lösning 01/2015	Solution / Lösning 07/2015	Solution / Lösning 01/2016	Change last 2 years 1/14-1/16	Change last 4 years 1/12-1/16.	Trends
Czech Rep	64,0	62,1	58,7	71,4	74,7	71,6	71,9	77,9	81,3	78,4	6,8	16,3	↑
Lithuania	69,6	72,9	74,4	78,6	82,1	82,4	84,9	85,5	86,3	84,7	2,3	11,8	↑
Russia	50,6	53,7	60,2	63,3	66,4	71,0	70,9	68,8	64,5	64,1	- 6,9	10,4	↓↑
Bulgaria	62,2	63,4	66,7	66,7	68,5	75,0	73,4	75,4	70,9	70,6	- 4,4	7,2	↓↑
Iceland	56,3	57,0	58,1	58,4	59,7	60,9	61,2	62,5	62,3	63,3	2,4	6,3	↑
Finland	58,6	57,2	57,3	57,9	59,7	61,5	62,5	62,1	62,5	62,6	1,1	5,4	↑
Estonia	65,8	67,4	66,9	69,4	71,7	72,1	73,8	74,3	73,7	71,9	- 0,2	4,5	↑
Greece	71,1	66,7	69,2	69,1	70,6	69,4	65,9	66,9	67,3	70,1	0,7	3,4	↑
Italy	77,5	76,7	75,1	76,1	77,4	76,5	79,6	79,1	79,5	79,8	3,3	3,1	↑
Ireland	69,0	71,4	68,1	71,6	71,8	71,4	74,4	77,4	75,3	74,3	2,9	2,9	↑
Malta	80	75,9	59,2	60,3	60,9	59,0	55,6	54,7	57,6	58,5	- 0,5	-17,4	↓
Brazil	69,7	73,1	69,9	64,1	64,2	64,5	59,6	57,4	55,3	56,2	- 8,3	-16,9	↓
Romania	88,0	82,5	83,9	82,5	85,9	85,4	84,8	74,8	65,1	67,4	-18,0	-15,1	↓
Morocco	50,0	33,3	29,6	30,8	30,0	28,1	31,6	21,7	21,1	20,5	- 7,6	-12,8	↓
Singapore	86,6	91,3	88,1	88,3	86,4	87,0	87,7	82,8	86,7	83,0	- 4,0	- 8,3	↓
Poland	87,5	88,7	89,6	90,4	89,9	90,3	88,3	86,1	84,2	82,6	- 7,7	- 6,1	↓
Austria	89,3	86,7	83,2	81,7	81,5	81,1	80,5	81,6	81,9	82,2	1,1	- 4,5	↓
Belgium	85,8	86,4	85,0	84,1	83,6	83,1	83,5	82,8	83,7	82,3	- 0,8	- 4,1	↓
USA	75,1	75,1	72,3	71,7	72,3	72,2	72,5	72,6	71,9	72,4	0,2	- 2,7	↓

Example of where Ola moves:



Of 600 active files in Thailand, 9 of 10 is against men. Average age 56 years and average balance 12.000 Euro

Agenda



Introduction



Country Statistics
Solution rates + Trends



Nordea Statistics



Summary

Nordea



Our experience with Lindorff's International is that they manage to combine a good solution rate with competitive prices. Presence in many countries is also of great importance for a business as Nordea, with customers in most countries.

Vår erfaring med Lindorff's International er at de greier å kombinere en god løsningsgrad med konkurransedyktige priser. Tilstedeværelse i mange land er også av stor betydning for en bedrift som Nordea, med kunder i de fleste land.

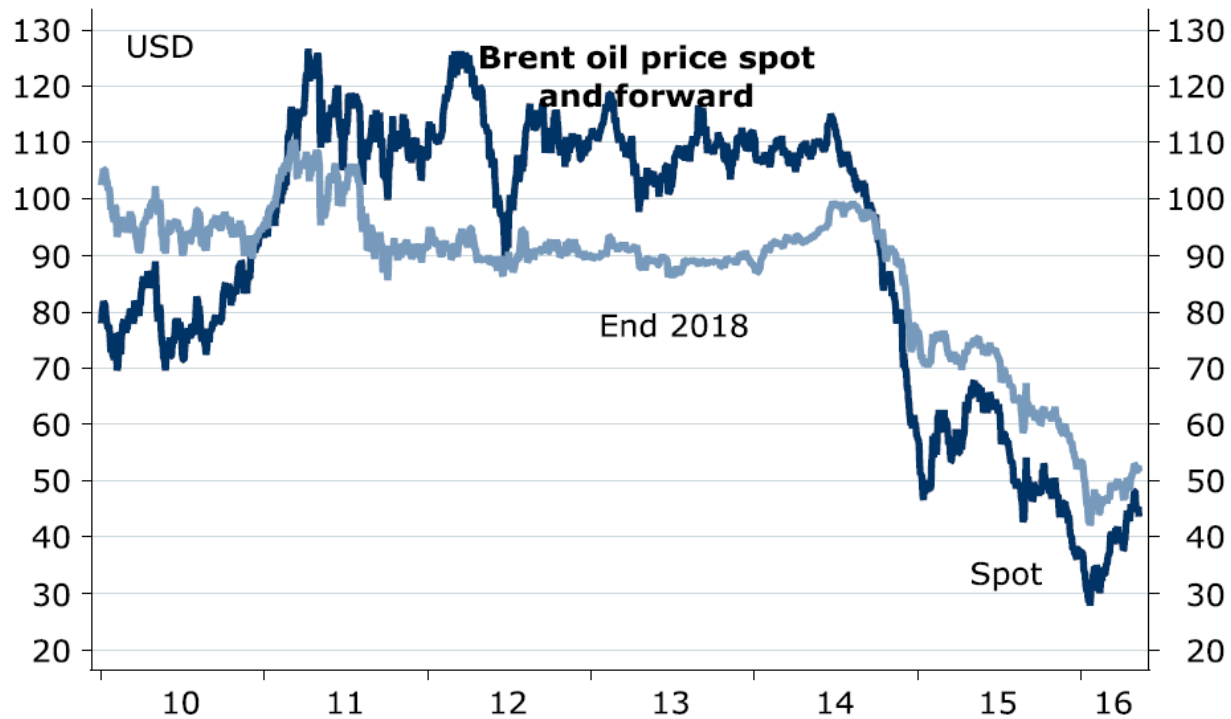
Merete Gaarder, Spesialengasjement PM, Nordea. (November 2015)



From oil crisis to national crisis?

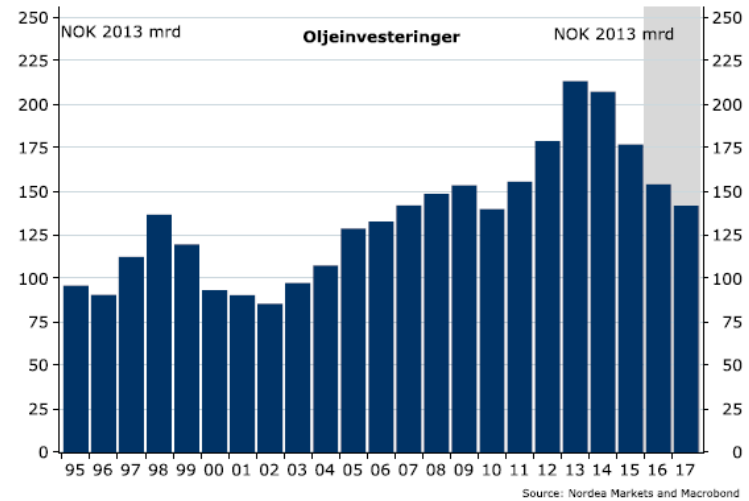
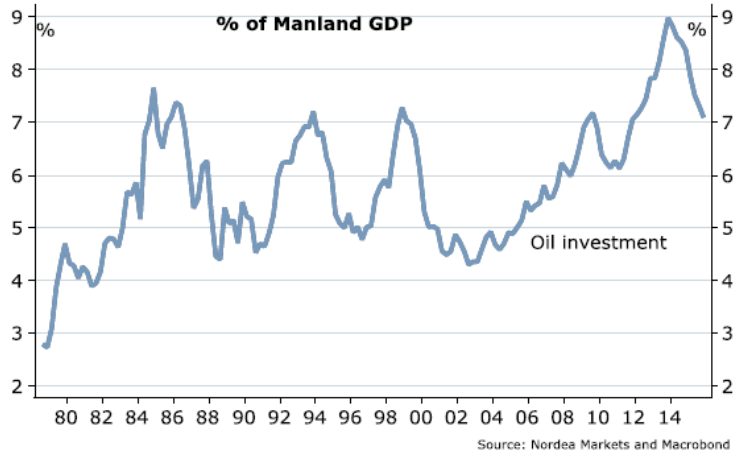
Kjetil Olsen
May 2016

A massive drop in oil prices



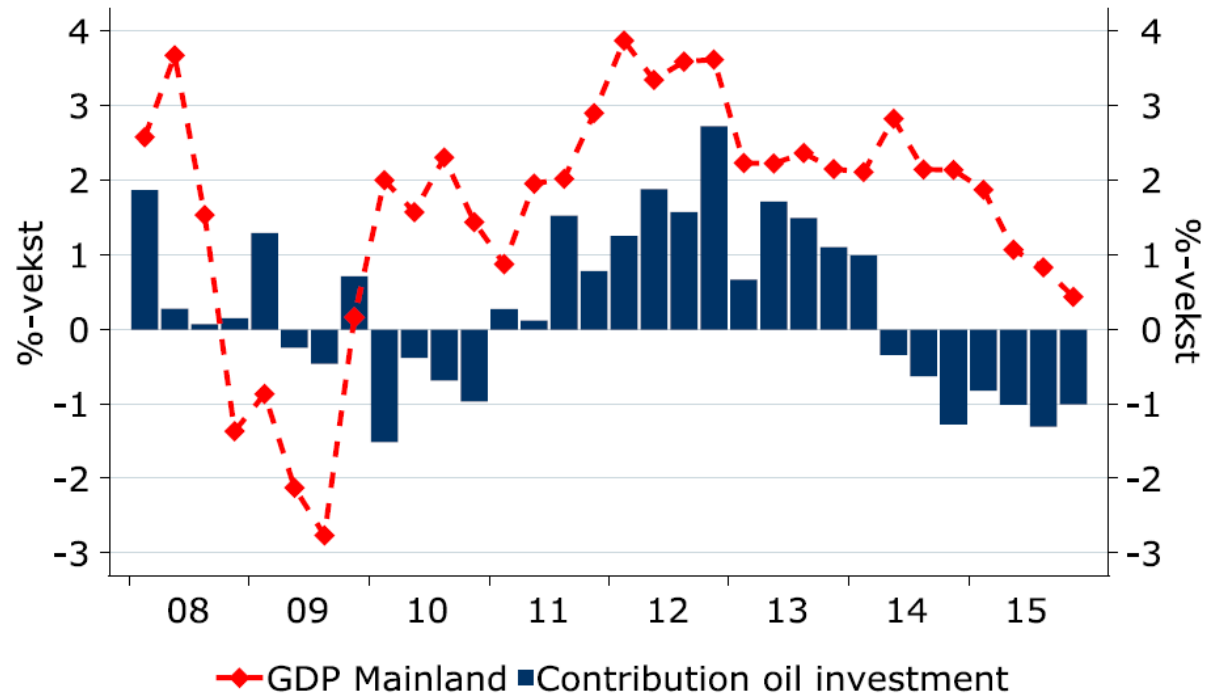
Kilde: Nordea Markets and Macrobond

Norway: Growth engine becomes growth brake



Oil investments will continue to go down

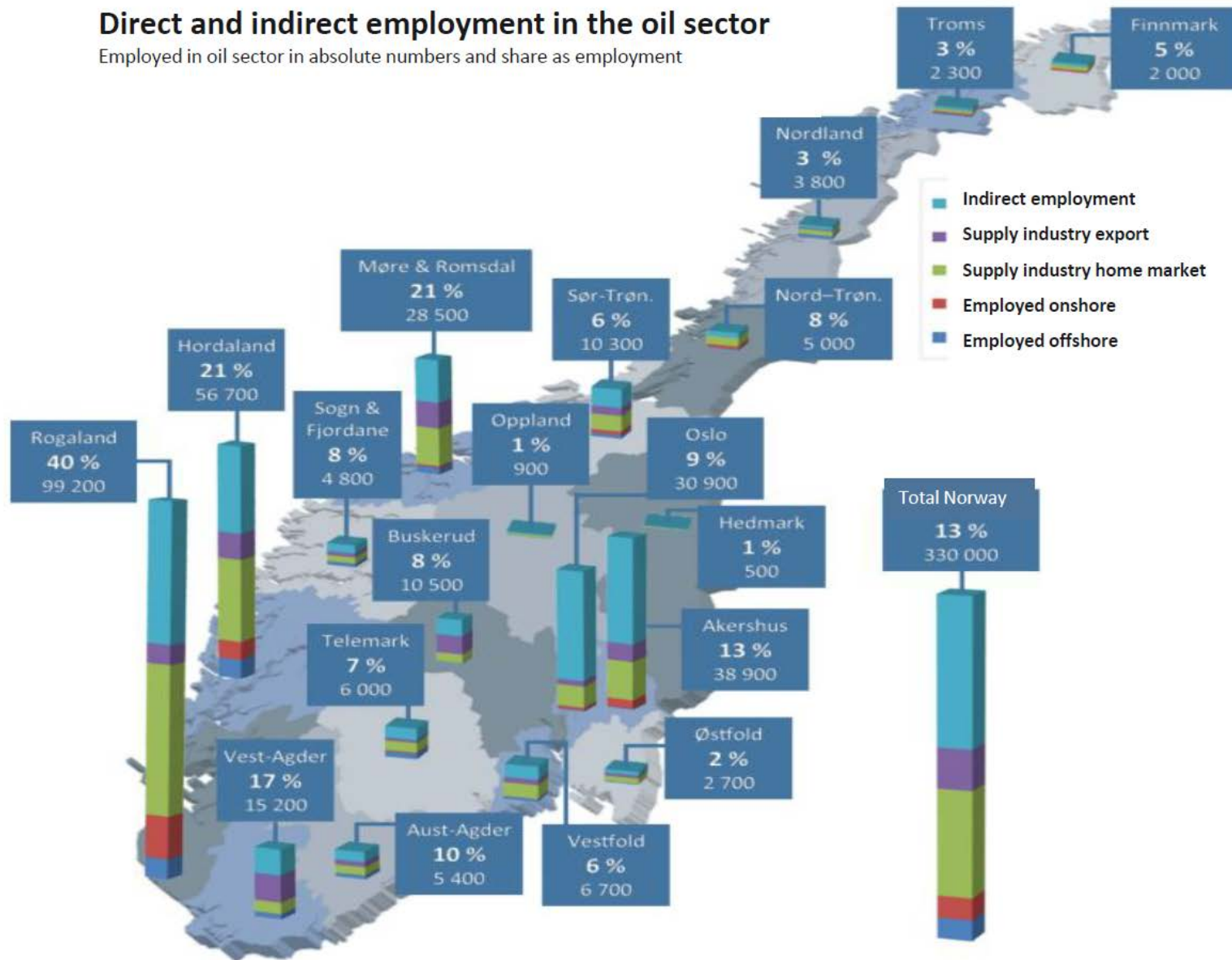
Growth has edged down



Source: Nordea and Macrobond

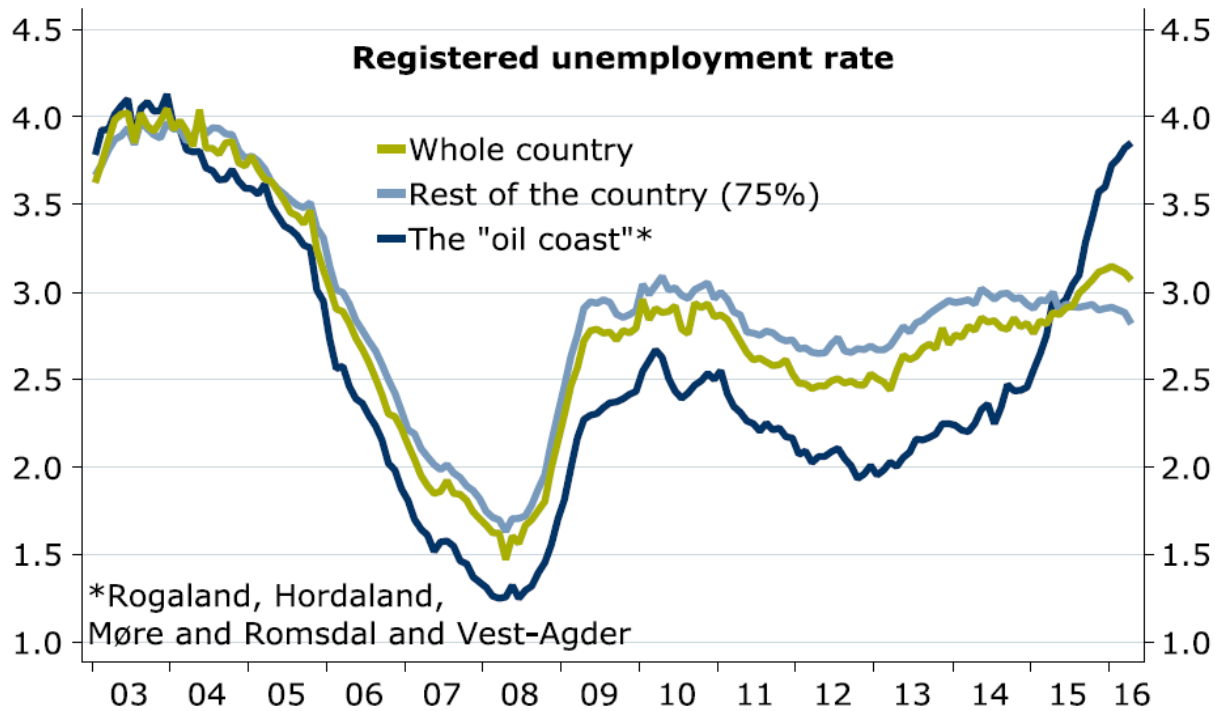
Direct and indirect employment in the oil sector

Employed in oil sector in absolute numbers and share as employment



Source: IRIS

A two speed economy

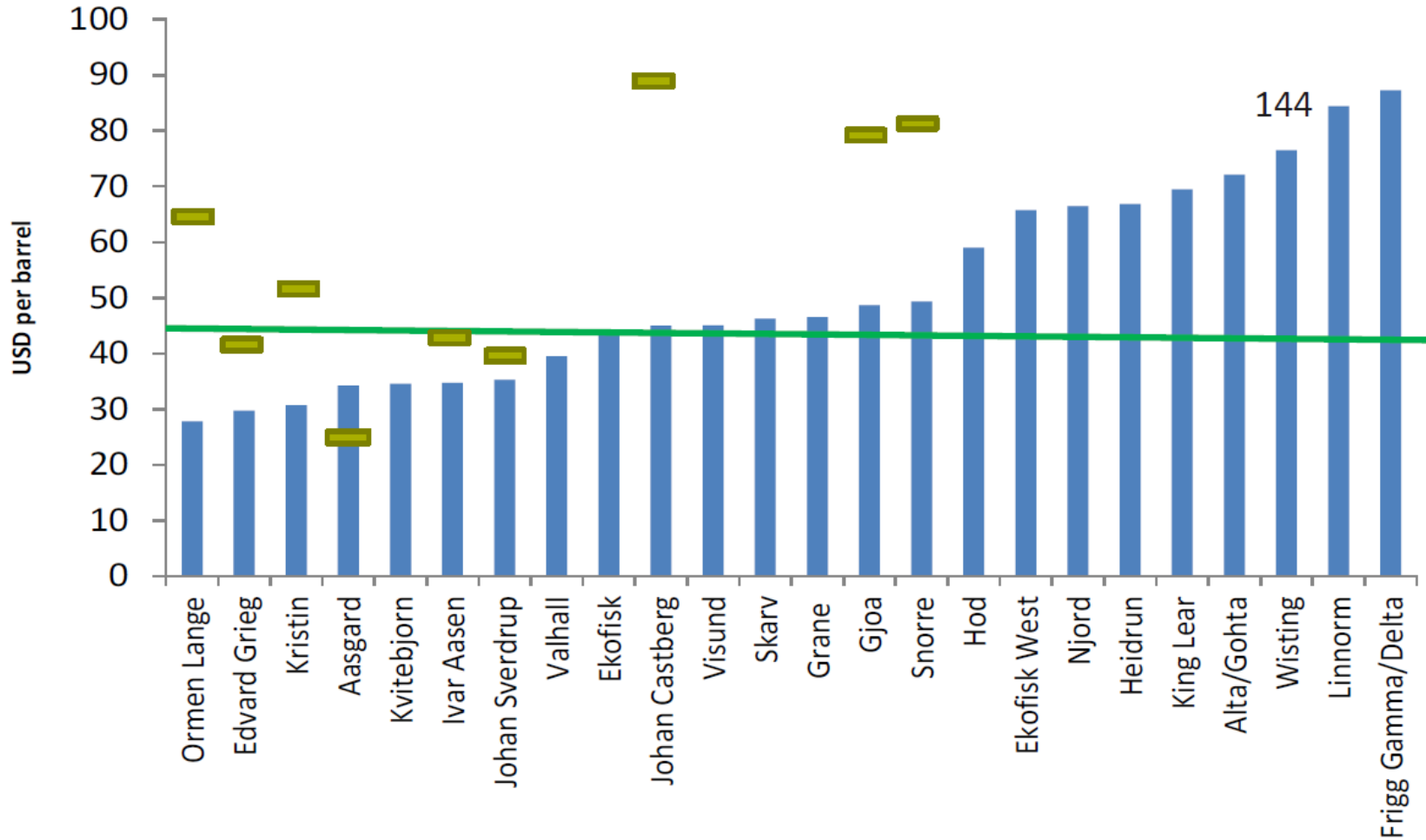


Source: Nordea Markets and Macrobond

Norwegian Continental Shelf needs oil prices at around USD 60/b to significantly ramp up activity



B/E price for planned projects on the Norwegian Continental Shelf

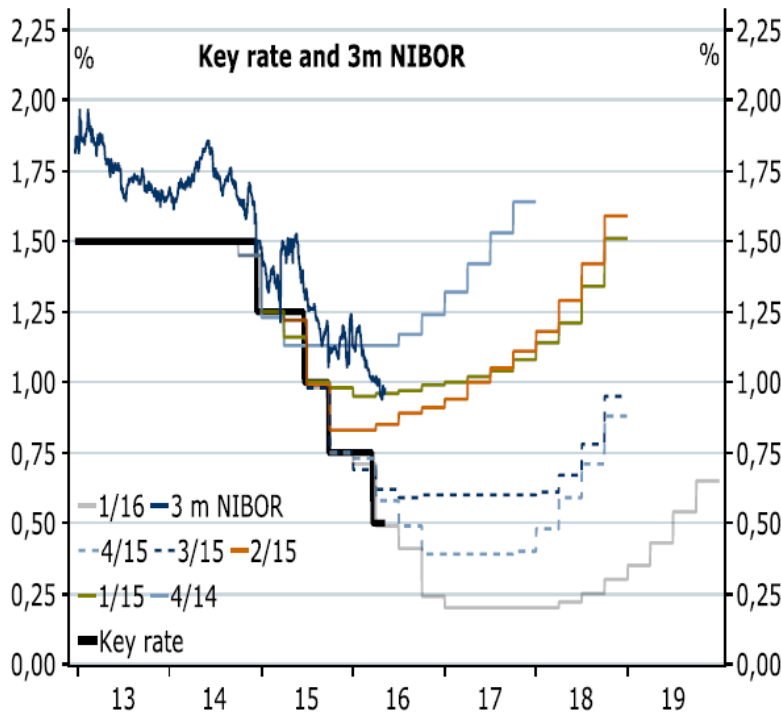


Source: Rystad Energi, Statoil Markets-

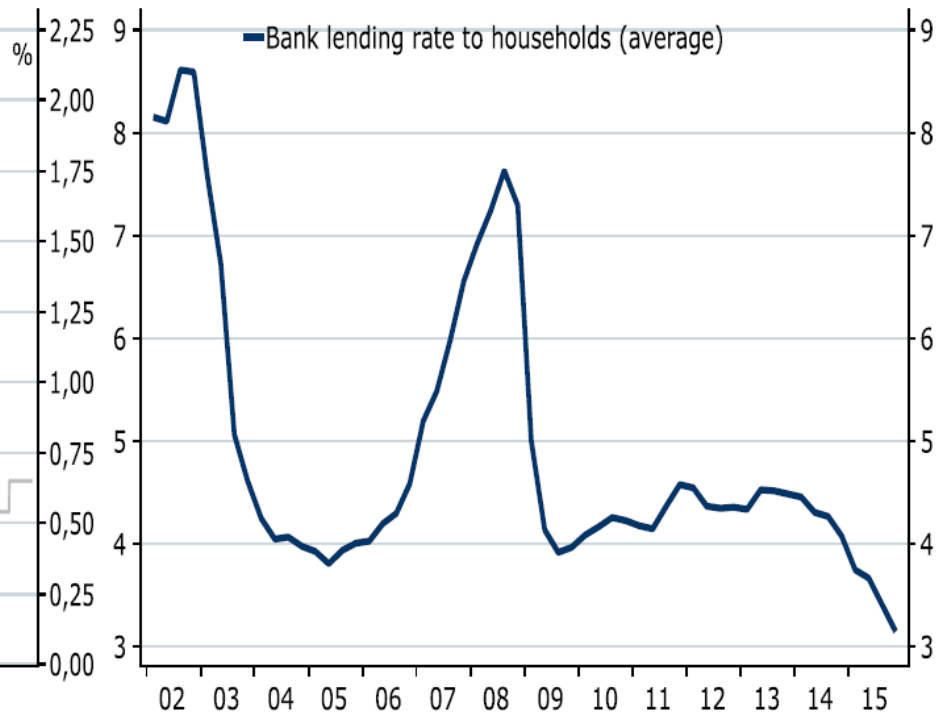
3 oil shock-absorbers



Shock absorber I: Interest rate cuts

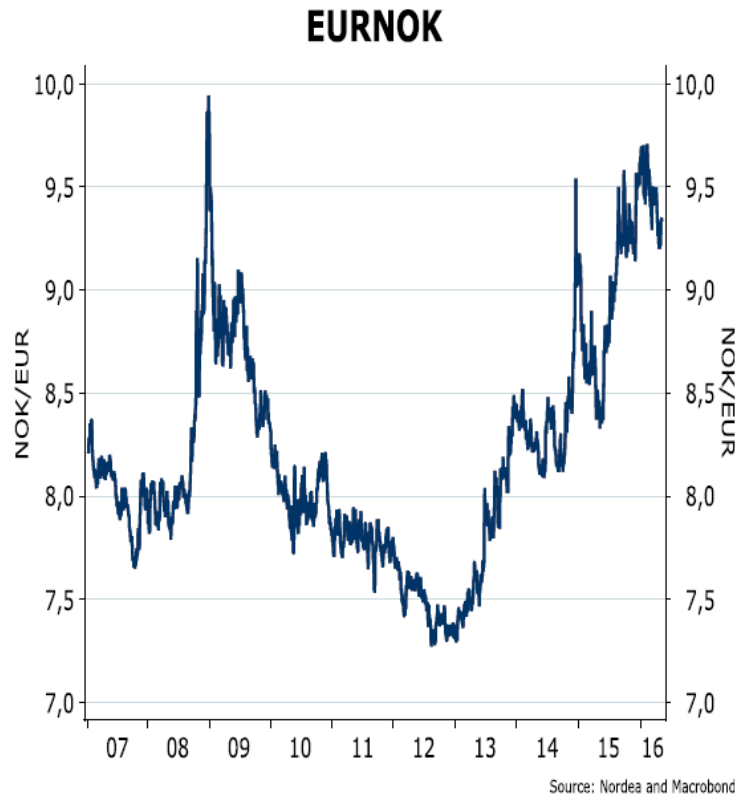


Source: Nordea Markets and Macrobond



Source: Nordea Markets and Macrobond

Shock absorber II: A weaker NOK



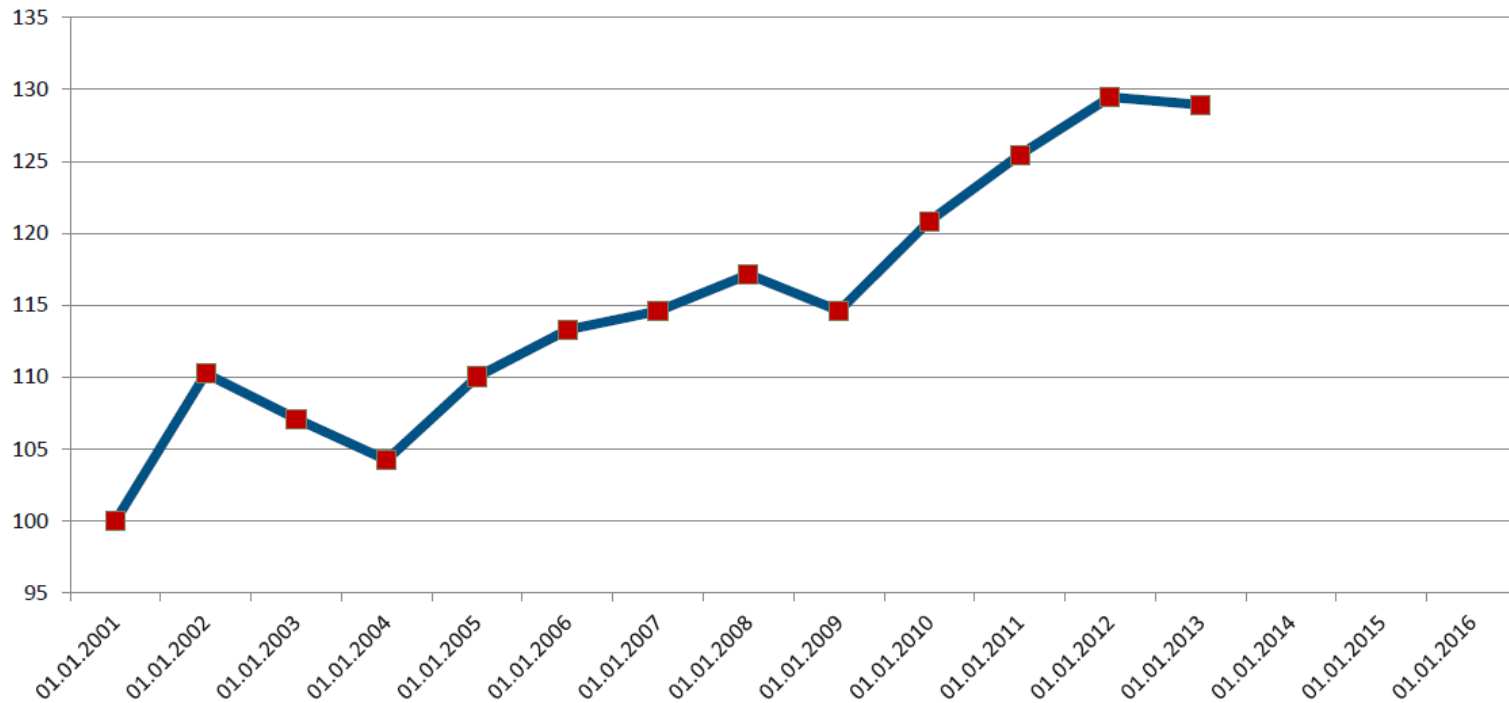
**Euro from 7,50 to 9,35
= 25% weaker NOK**



**USD from 5,50 to 8,00
= 45 % weaker NOK**

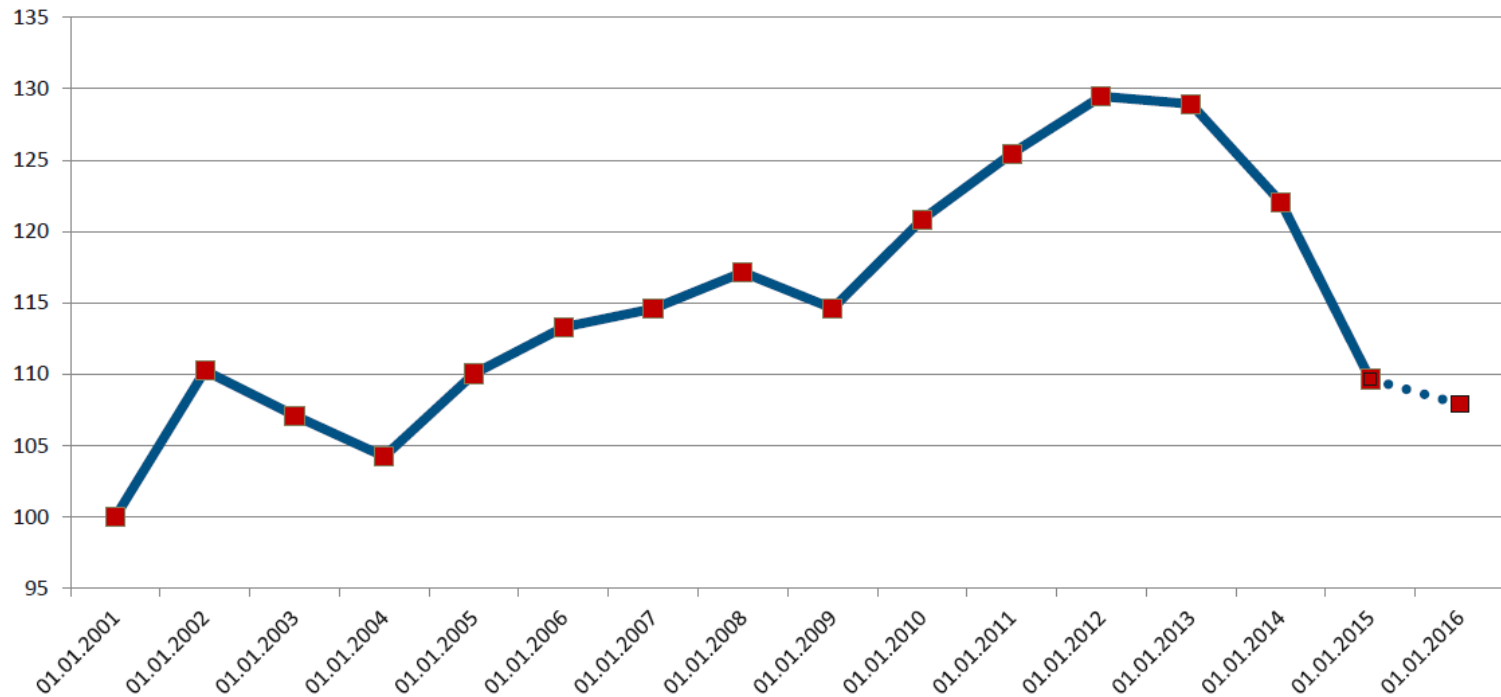
High oil price increased costs in Norway

Relative wage cost in common currency
Index 2001=100

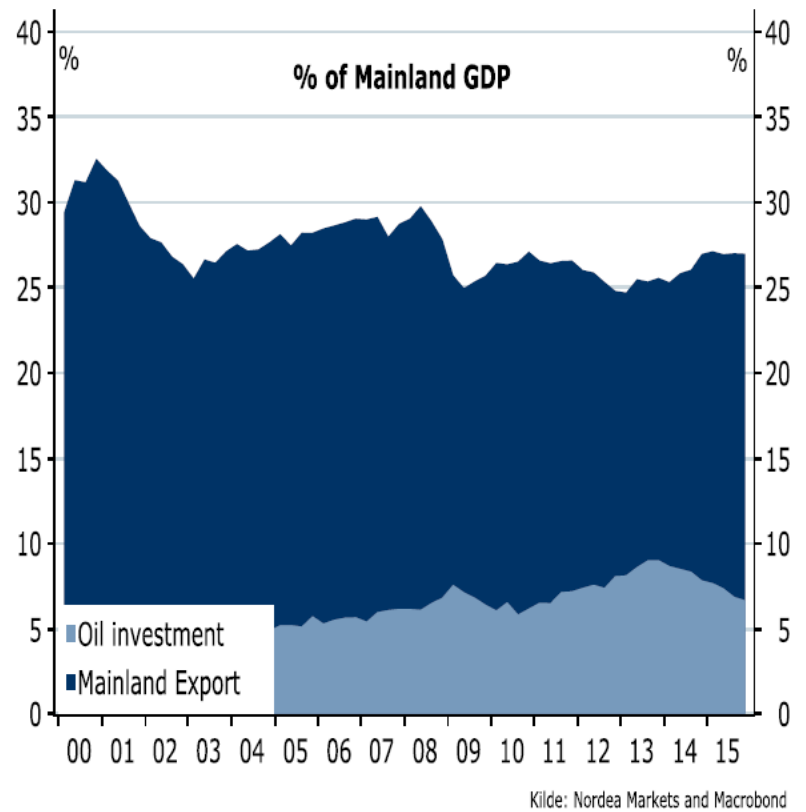
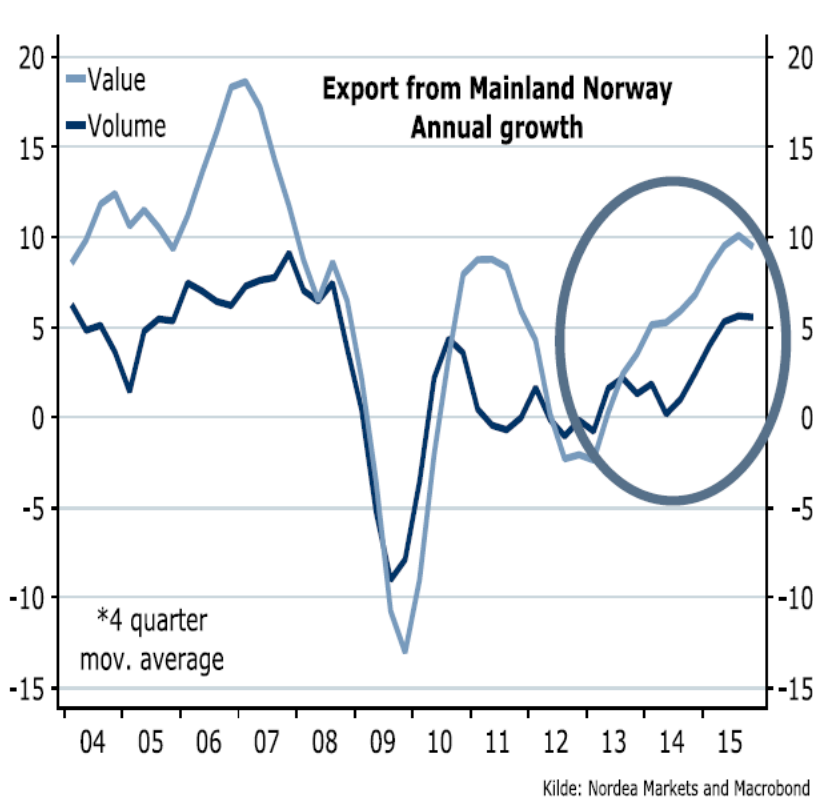


Thank you for a flexible exchange rate

Relative wage cost in common currency
Index 2001=100

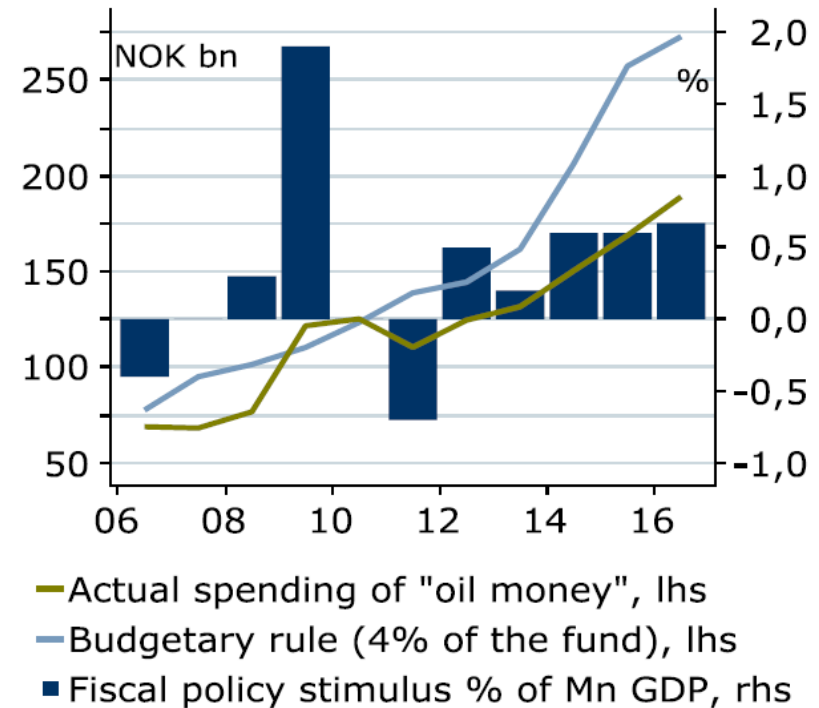


Norwegian exporters are happy



Shock absorber III: Fiscal policy

- The Government Pension Fund currently amounts to NOK 7,000bn (EUR 737bn) which is more than twice the size of the Mainland GDP and equals five annual national budgets.
- The budgetary rule: 4% of the fund (expected real return of the fund) can be spent over the national budget.
- The rule is to ensure that the fund itself would not be tapped.
- Thus the fiscal break even oil price is zero.
- In response to lower oil price public spending has increased. The fiscal policy stimulus is estimated to be 0.7% of the Mainland GDP in 2016.



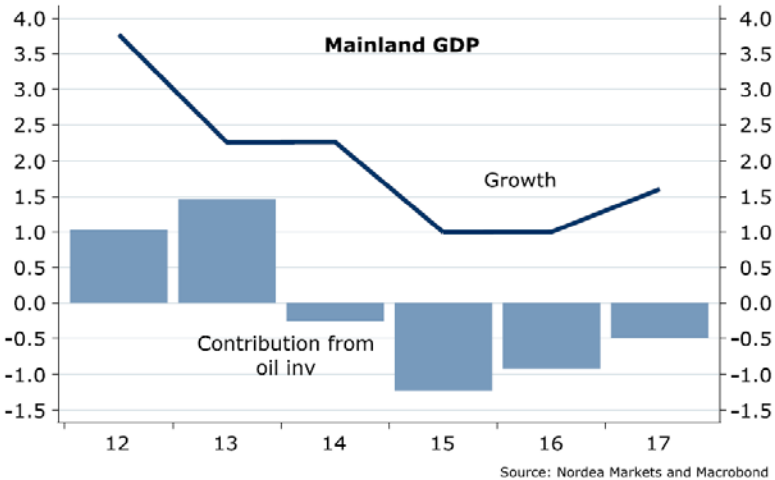
Source: Nordea and Macrobond

Strong growth in public spending

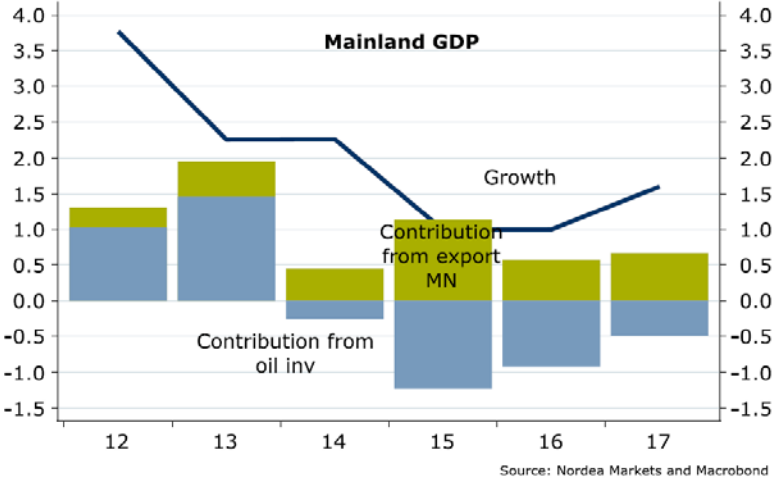


Source: Nordea Markets and Macrobond

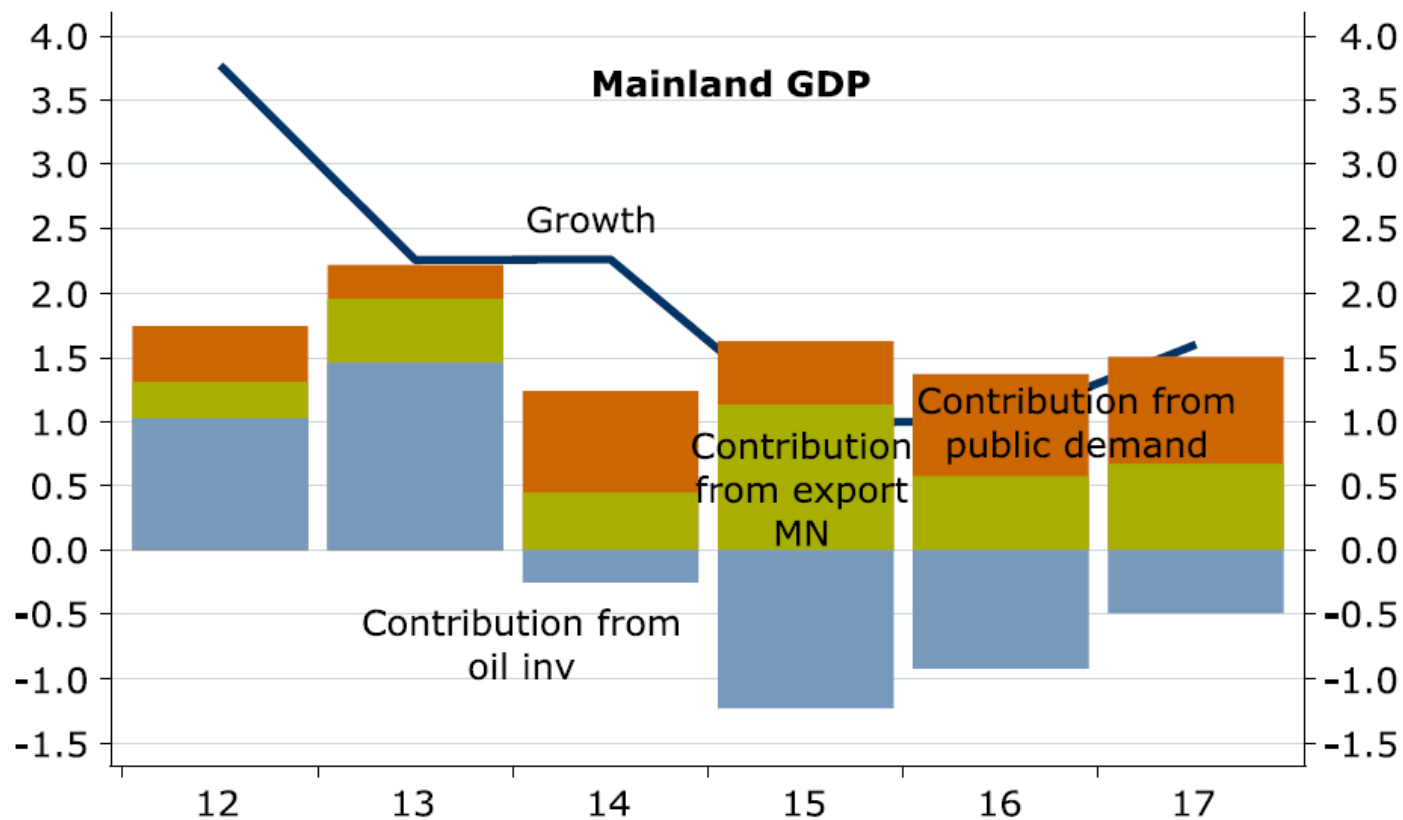
Gradually less drag from oil investments



Export dampens shock



As do public demand



Source: Nordea Markets and Macrobond

Summing up – Norwegian economy:

- Oil sector scales down and unemployment increases in parts of Norway
 - Two speed economy
- 3 oil shock-absorbers:
 - Historic low interest rate
 - Historic weak NOK
 - Public spending
- **Outlook:**
 - Bank of Norway key rate will reach 0
 - Unemployment will increase by another $\frac{1}{4}$ - $\frac{1}{2}$ percentage point
 - Still deduction in oil investment
 - NO NATIONAL CRISIS!

Agenda



Introduction



Country Statistics
Solution rates + Trends



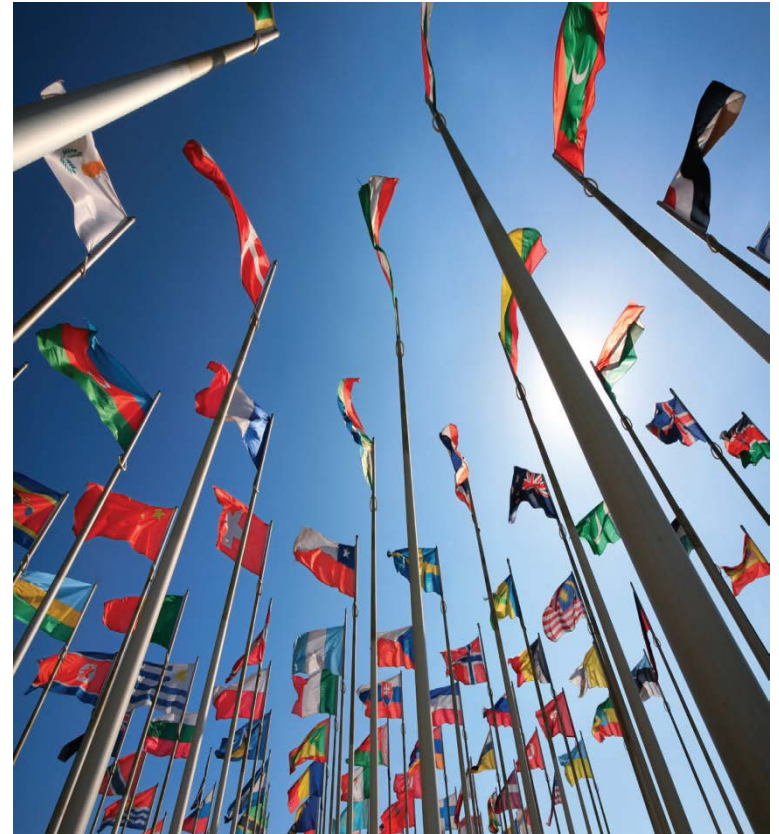
Nordea Statistics



Summary

Summary of entire presentation:

- Still increasing solution rates in total
- Worst trend in Malta, Brazil, Romania
- Trend change in Russia and Bulgaria
- Best trend in Czech Rep + Lithuania
- No crisis in Norway



And last but not least:

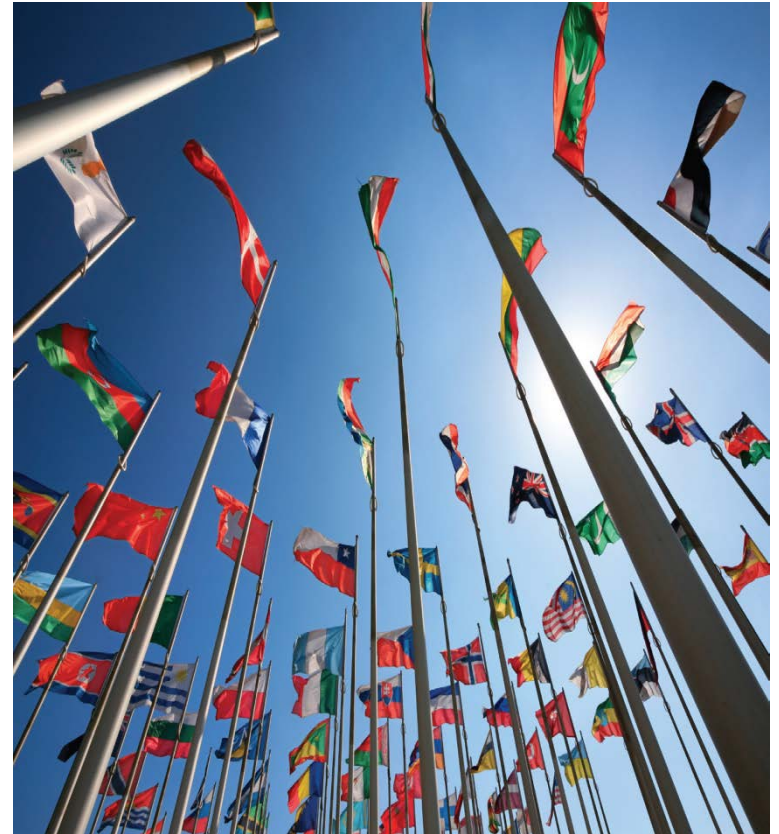
I have some really good news for LIC members only:

Lindorff Norway offer improved conditions:

5 % commission and no flat rate !

No cure – No pay for pre legal collection.
(for all claims above NOK 2300 / Euro 250)

Please send me a notice and we will register your new improved conditions.



Lindorff International – Norway:

LINDORFF



Our knowledge – your profit

Questions?

END 😊😊😊

