



2nd QUARTER 2016

RESULT PRESENTATION

BROADWAY

NASDAQ STOCKHOLM
WELCOMES
TF BANK

TFBank

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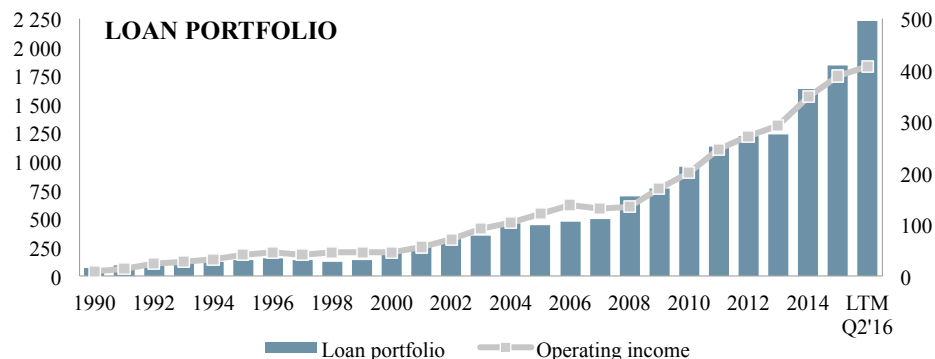
TF BANK IN SUMMARY

Overview

- >25 years experience from consumer finance industry
- Business model combining growth with best-in-class returns
- Highly profitable core markets with proven model for geographical expansion into new high-growth markets
- Two complementary business segments
 - *Direct to Consumer* (consumer loans & credit cards)
 - *Sales Finance* (payment solutions to merchants)

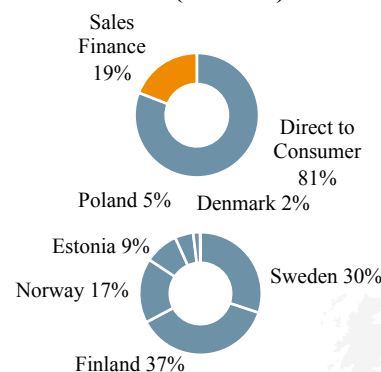
Strong track record on growth and profitability

SEK million

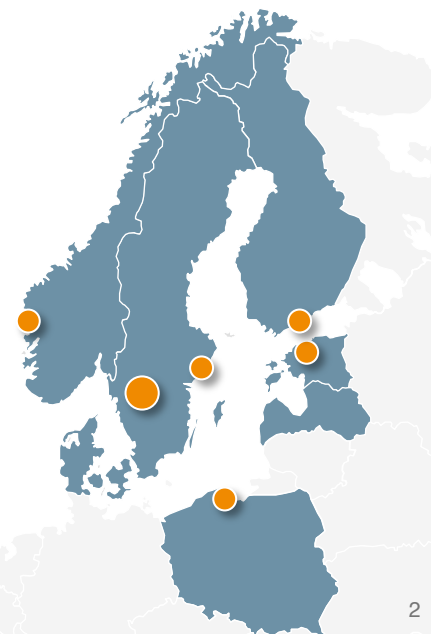


Geographical footprint

SHARE OF LOAN PORTFOLIO (H1 2016)



98 employees



TF BANK KEY COMPETITIVE ADVANTAGES



CLEAN BALANCE SHEET SALE OF NPL

DIVERSIFIED GRANULATED PORTFOLIO

STRONG GROWTH OUTSIDE SWEDEN

FLEXIBLE IT PLATFORM

**LEAN AND COST FOCUSED
ORGANIZATION**

**NEW OPPORTUNITIES IN SALES FINANCE
WITH AVARDA JV**

IMPORTANT EVENTS

- Listing at Nasdaq Stockholm in June
 - Strong interest
 - 800+ new shareholders
- BB Finans applied for bank licence
 - Diversify funding source
 - Expected approval during 2016
- Significant activity level in Avarða
 - Strong long book growth
 - Significant new businesses in pipeline



ON TRACK TO DELIVER ON LONG TERM TARGETS

- Continued loan book growth
- Continued Net Profit growth
- Maintained cost efficiency (C/I ratio)
- Strong capital base

H1 2016 ON TRACK

LOAN BOOK
GROWTH

+19% (41%¹)
(30 Jun vs. 31 Dec)

NET PROFIT
GROWTH

+6.5%²)
(H1 '16 vs H1 '15)

C/I RATIO

38.5%
(H1 '16)

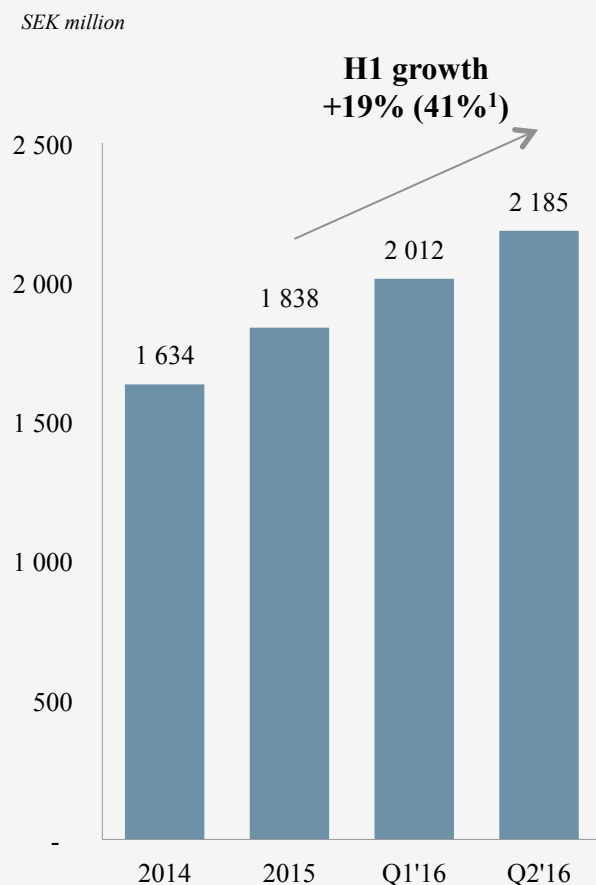
TOTAL CAPITAL
RATIO

18.5%
(30 Jun '16)

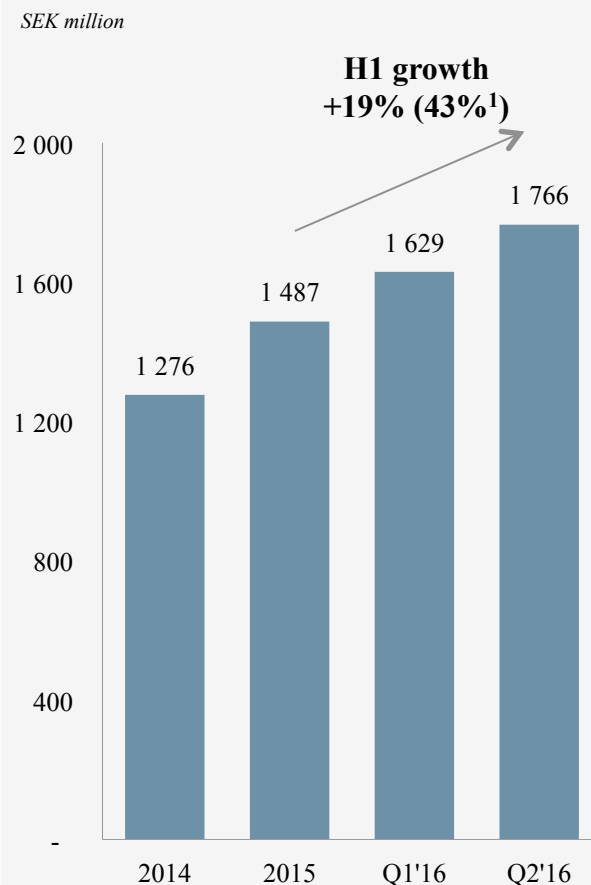
1) Annualised (compounding half-year figures)
2) Attributable to shareholders of the parent company

STRONG LOAN BOOK GROWTH IN BOTH SEGMENTS

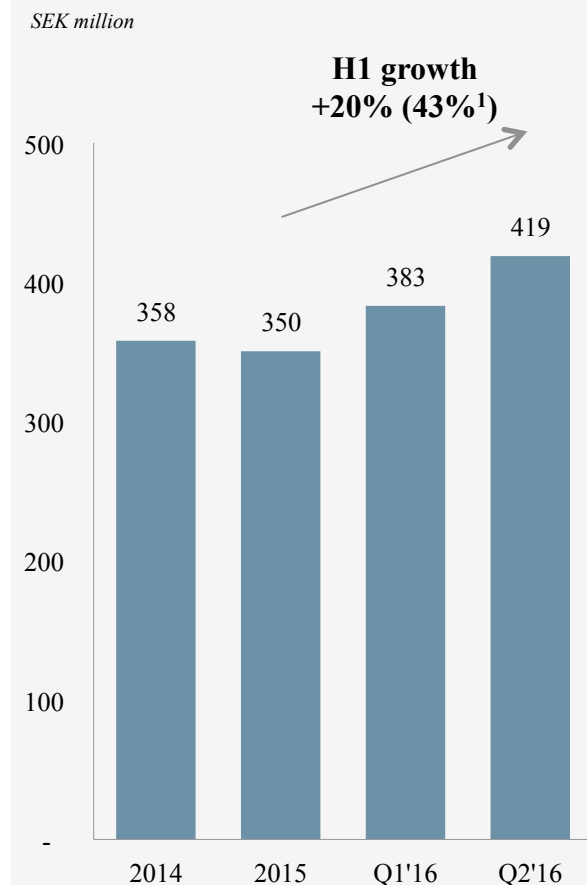
TF Bank Group



Direct to Consumer segment








Sales Finance segment



¹) Annualised (compounding half-year figures)

GROWTH DRIVEN BY NORWAY, FINLAND AND POLAND

Country	Loan book growth			Comments
	Q4'15 660	Q2'16 811	Growth during H1 +23%	<ul style="list-style-type: none"> Continued strong growth in both segments
	Q4'15 655	Q2'16 646	Growth during H1 -1.1%	<ul style="list-style-type: none"> Goal to maintain loan book growth on track
	Q4'15 228	Q2'16 377	Growth during H1 +65%	<ul style="list-style-type: none"> Strong growth in BB Finans Application for bank licence in process.
	Q4'15 174	Q2'16 198	Growth during H1 +14%	<ul style="list-style-type: none"> Stable development
	Q4'15 85	Q2'16 115	Growth during H1 +35%	<ul style="list-style-type: none"> Careful growth with strong credit quality

NORWAY IS GAINING MOMENTUM

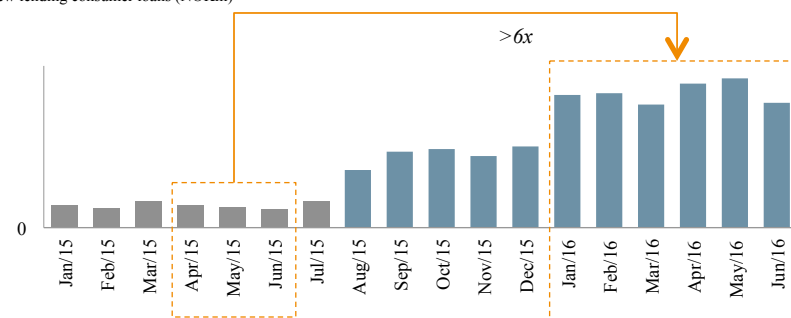
Recent activities

- TF Bank support with liquidity
- IT platform in place
- Continued controlled growth
- Stable credit quality

Strong momentum – with more to come

CONTINUED GROWTH SINCE ACQUISITION

New lending consumer loans (NOKm)



MORE TO COME – STRATEGIC ROADMAP IN NORWAY



Further integration of IT-platform and process



Bank licence in process / NOK deposits



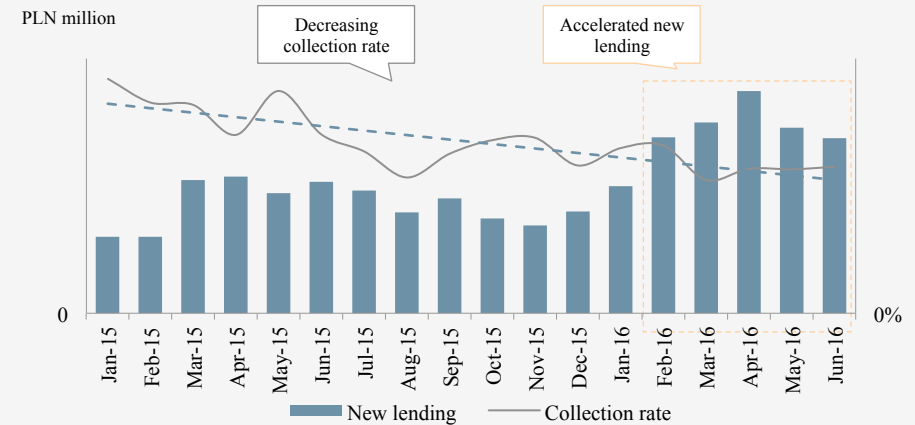
Product development

POLAND IS DEVELOPING WELL

Low risk market entry strategy

- Scoring models tested and validated
- Approval rates maintained at low levels
- Increased number of marketing channels
- Carefully tested business model and concept

Loan portfolio growth following validation of model



RECENT STEPS TAKEN IN POLAND



Organisation and scoring model in place



Expanded distribution network



Sales Finance expansion

FURTHER DEVELOPMENT IN AVARDA

Teaming up with Intrum Justitia – lowering risk of sales expansion



- Financing
- Credit approval expertise
- Flexible and easily-integrated IT-platform



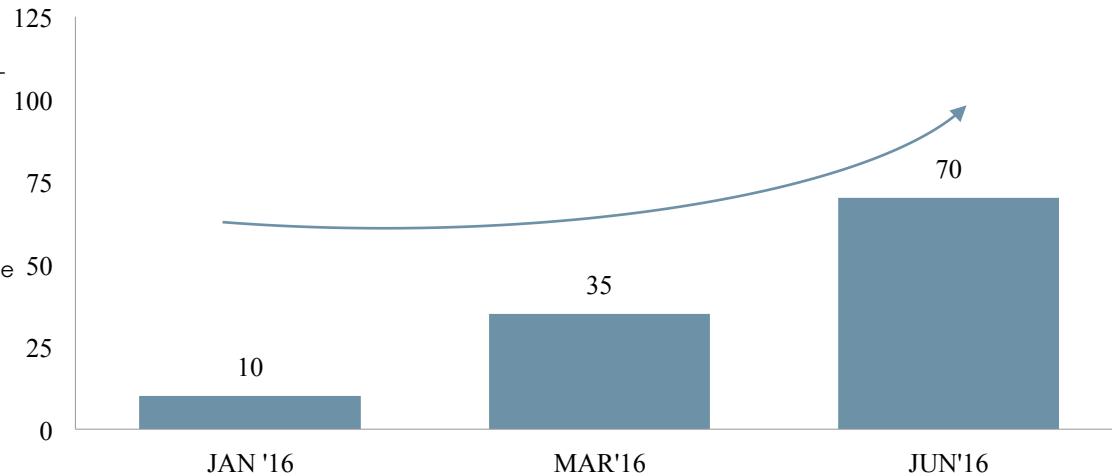
- Strong and dedicated sales force
- Brand recognition
- Significant amount of merchant relationships



Joint venture between TF Bank (51%) and Intrum Justitia (49%)

New sales finance company within e-commerce – clear strategy of becoming #2 in the Nordics

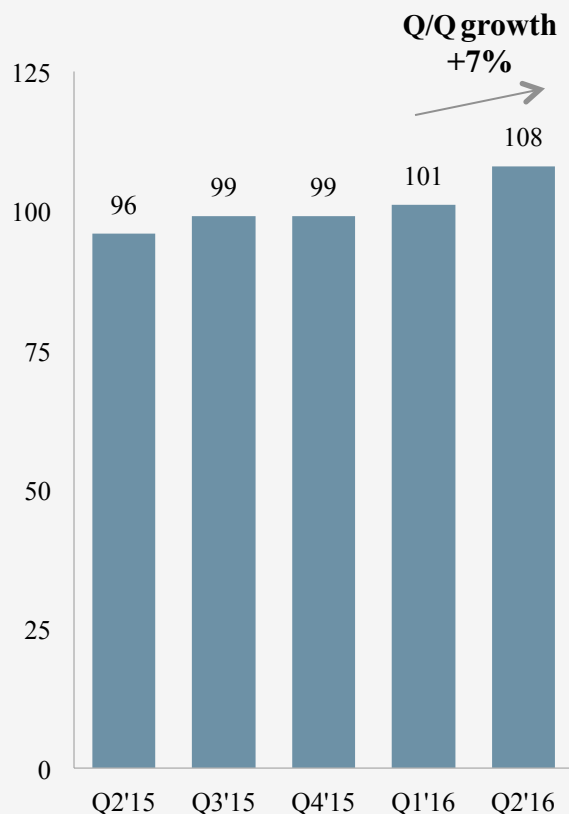
- April '15: Launch of JV
- Jan '16: CEO and organisation in place
- Mar '16: First major customer, Anttila, going live with e-commerce solution



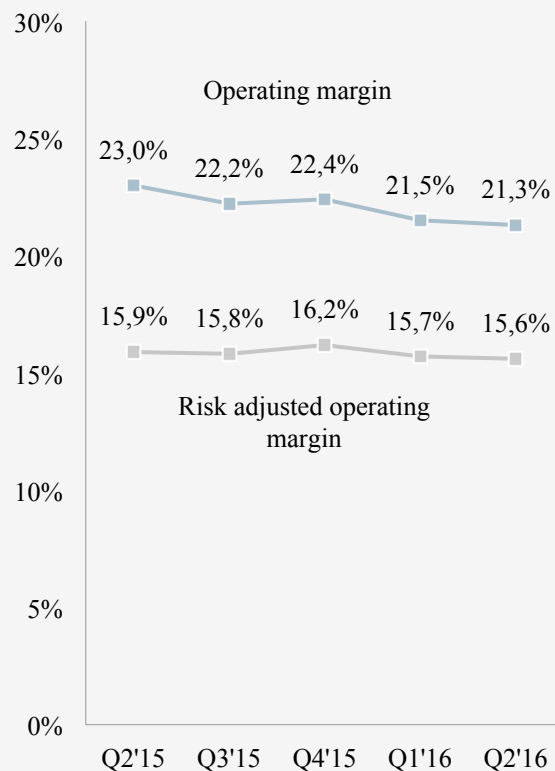
INCREASED OPERATING INCOME AND STABLE MARGINS

Operating income

SEK million



Operating margins

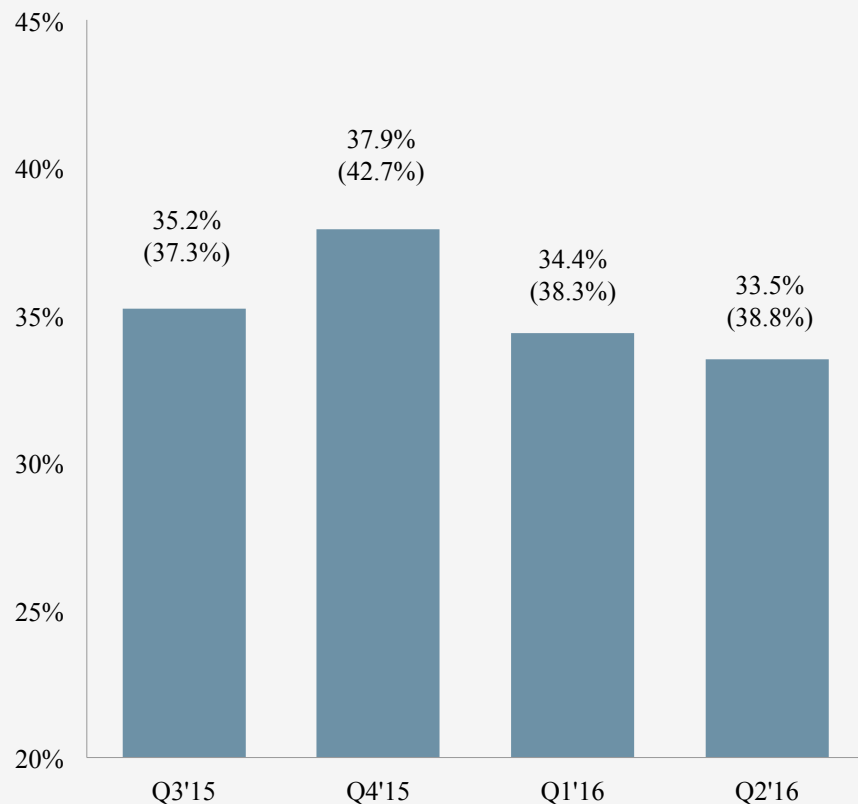


Comments

- Operating income +7% compared to previous quarter
- Operating income Q2 2016 vs. Q2 2015 +13%
- Operating income margin decreasing due to;
 - Strong growth in loan book (interest lag)
 - Sales Finance (lower margins)
 - Growth in Norway (lower margins)
- Risk-adjusted (adjusted for net loan losses) margins stable

COST-INCOME DEVELOPMENT ON TRACK

C/I-ratio¹⁾

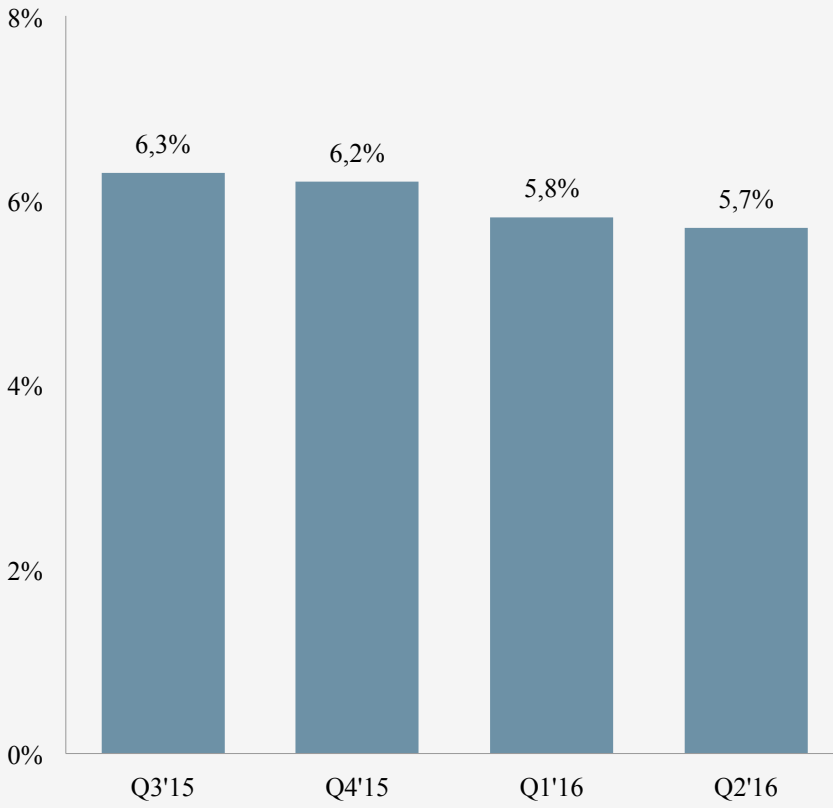


Comments

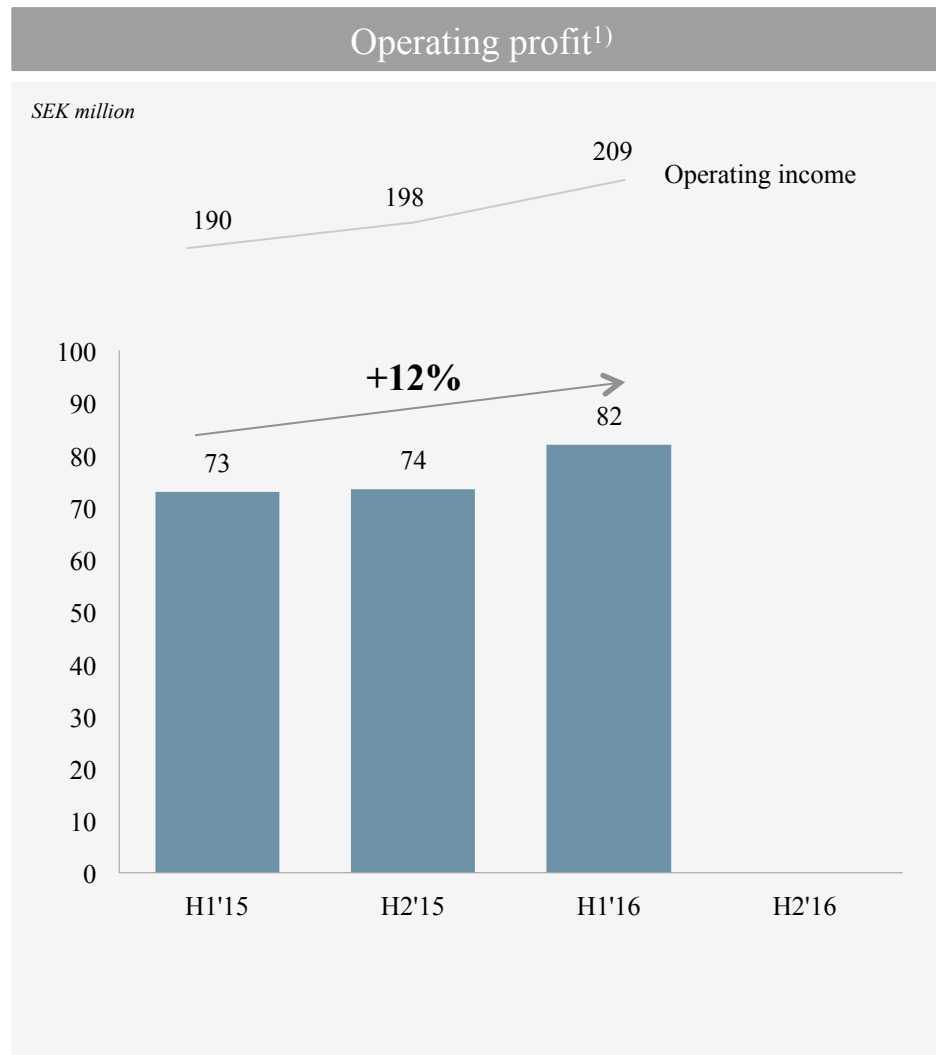
- Increasing operating expenses (amount) following growth of operations
- C/I-ratio peaked in Q4/15 due to expansion in Norway and Poland as well as investments in IT
- C/I-ratio continues to decrease during Q1 and Q2/16, adjusted for Avarda which is in a start-up phase

1) Excluding items affecting comparability and Avarda (in start-up phase)

DECREASING NET LOAN LOSS LEVELS

Net loan loss ratio	Comments										
 <table border="1"><thead><tr><th>Quarter</th><th>Net loan loss ratio</th></tr></thead><tbody><tr><td>Q3'15</td><td>6.3%</td></tr><tr><td>Q4'15</td><td>6.2%</td></tr><tr><td>Q1'16</td><td>5.8%</td></tr><tr><td>Q2'16</td><td>5.7%</td></tr></tbody></table>	Quarter	Net loan loss ratio	Q3'15	6.3%	Q4'15	6.2%	Q1'16	5.8%	Q2'16	5.7%	<ul style="list-style-type: none">• Clean balance sheet policy<ul style="list-style-type: none">• Non Performing Loans are generally sold on forward flow basis after approx. 72 days• Net loan loss ratio continue to decrease, driven by;<ul style="list-style-type: none">– Improving credit risk management processes for new markets– Strong growth in Norway
Quarter	Net loan loss ratio										
Q3'15	6.3%										
Q4'15	6.2%										
Q1'16	5.8%										
Q2'16	5.7%										

INCREASED OPERATING PROFIT

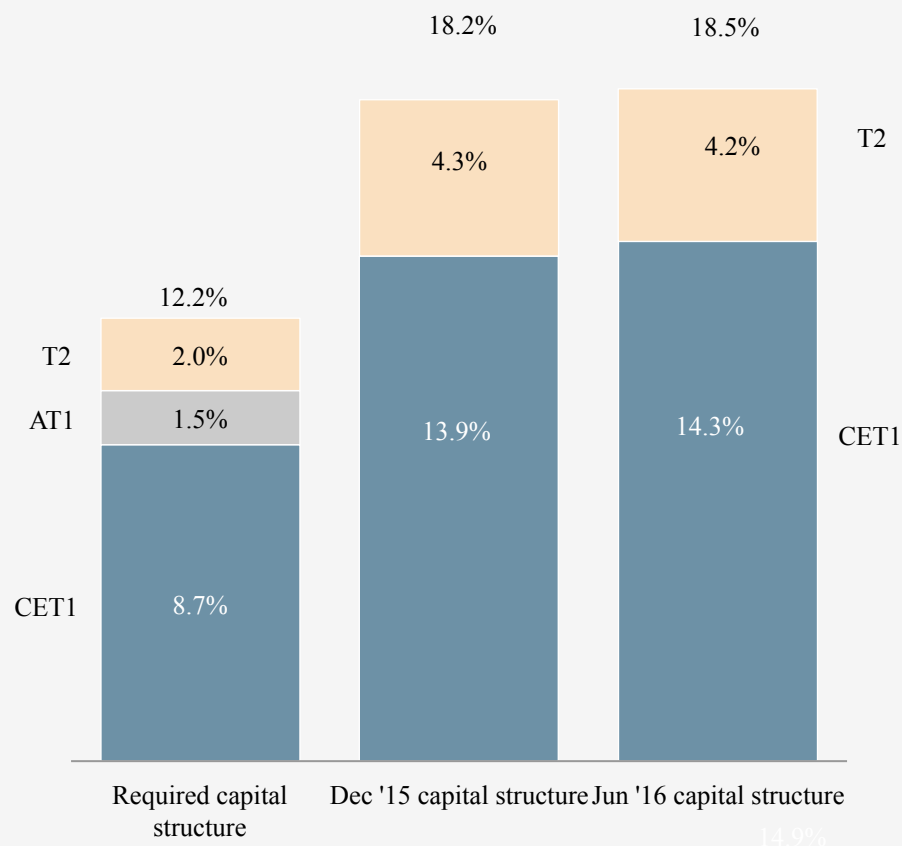


1) Excluding items affecting comparability and Avarda (in start-up phase)

Comments
<ul style="list-style-type: none">• Operating profit +12% H1/16 vs H1/15• “Investments” affecting H2/15<ul style="list-style-type: none">– Acquisition costs for BB Finans– IT Investments in Poland and Norway– Increased OPEX due to more employees• Strong growth potential due to loan book momentum in Q1 and Q2/16 and maintained cost efficiency

CONTINUED STRONG CAPITAL POSITION

Required and current capital structure



Comments

- Strong CET1 ratio of 14.3% and total capital ratio of 18.5%
 - Significant headroom to legal capital requirements
 - Objective is to maintain a total capital ratio of at least 14.5%

ON TRACK TO DELIVER ON FINANCIAL TARGETS

Item	Target	Outcome
Growth	<i>Over the medium term, the Company aims to achieve an EPS growth of at least 20 percent</i>	11.0¹ percent (H1 '16 vs H1 '15)
Efficiency	<i>Over the medium term, the Company aims to achieve a cost to income ratio of below 35 percent</i>	33.5¹ percent (H1 '16)
Capital structure	<i>The Company aims to maintain a total capital ratio of at least 14.5 percent</i>	18.5 percent (30 Jun '16)
Dividend policy	<i>a pay-out ratio of approximately 50 percent of its annual consolidated net profit</i>	n.a.

Note: Medium term defined as 3-5 years

1) Excluding Avarda (in start-up phase) and items affecting comparability

SUMMARY H1 2016

- 1 STRONG GROWTH IN BOTH SEGMENTS
- 2 INCREASED OPERATING INCOME
- 3 CAPITAL POSITION TO SUPPORT GROWTH
- 4 CONTINUED LOW C/I RATIO
- 5 REDUCED CREDIT LOSSES
- 6 STRONG MOMENTUM GOING FORWARD



On track to deliver

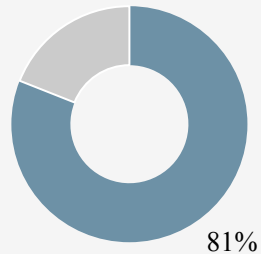
Q&A Session

Appendix

DIRECT TO CONSUMER OVERVIEW

Loans to the public

% OF TOTAL LOAN PORTFOLIO



KEY FACTS

Amount
outstanding

1,766 SEKm
(30 Jun 2016)

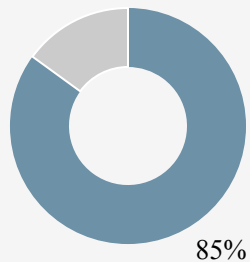
Loan portfolio
growth

19%
(H1)

- Consumer loans and credit cards
- Focus on highly profitable small- to mid-sized consumer loans
- Distribution through own database, websites and credit intermediaries
- Loans to the public in Direct to Consumer increased by 19% in the first half 2016 and growth remained strong in Norway, Finland and Poland, where much focus has been in the past year
- The Group's progress in Norway has led to BB Finance has applied for a banking license by the Financial Supervisory Authority, which will eventually allow the company to finance itself through deposits and offer the Group further diversified its funding

Operating income

% OF TOTAL OPERATING INCOME



KEY FACTS

Operating
income

91 SEKm
(Q2'16)

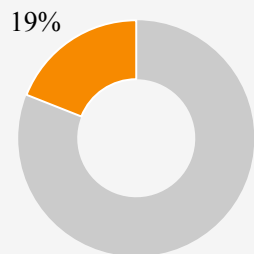
Growth

7.3 %
(Q1vs Q2'16)

SALES FINANCE OVERVIEW

Loans to the public

% OF TOTAL LOAN PORTFOLIO



KEY FACTS

Amount
outstanding

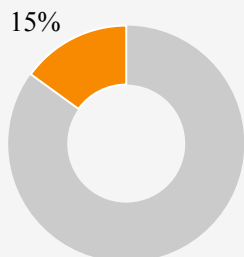
419 SEKm
(30 Jun 2016)

Loan portfolio
growth

20%
(H1)

Operating income

% OF TOTAL OPERATING INCOME



KEY FACTS

Operating
income

17 SEKm
(Q2'16)

Growth

7.9%
(Q1 vs Q2'16)

- Enables retailers to offer an attractive financing solution to their customers
- Payment solution based on invoices that customer can choose to convert into a credit (instalment loan)
- Merchant friendly white label invoice solution
- Loan receivables within Sales Finance increased by 20 % in the first half 2016 mainly driven by volumes coming through Avara

THE TF BANK TEAM

Executive management team



Declan Mac Guinness
CEO

With TF Bank since 2012

Previous experience: CEO of Carlson Fonder AB and Compliance Officer for DNB Asset Management. Also a guest lecturer at Stockholm University for the last fifteen years



Mikael Meomuttel
CFO and Deputy CEO

With TF Bank since 2006

Previous experience: Financial Controller at Consortio Fashion Group AB (CFG), one of the Nordic region's leading groups in distance commerce and e-commerce



Johannes Rintaniemi
Head of Finland and Head of Direct to Consumer

With TF Bank since 2011

Previous experience: Worked in consumer credit, credit risk management and portfolio quality at Ferratum Group. **GE Money**, **Santander Consumer Finance** and **Citibank**



Jonas Wedin
Head of Sales Finance

With TF Bank since 2013

Previous experience: Worked at ICA Banken, ICA AB and SP Technical Research Institute of Sweden as project leader and team leader



Björn Skytt
CIO

With TF Bank since 2010

Previous experience: Worked as integration manager for ICA Banken and prior to that as project manager and system manager for SKF's financial and treasury systems



Sture Stølen
Head of Investor Relations

With TF Bank since 2015

Previous experience: Head of Investor Relations at SAS Group, senior advisor at Fogel & Partners, senior advisor and partner at Wildeco and a director of Forex Bank

Head of countries and functions



Wojciech Drozd
Head of Poland

With TF Bank since 2014

Previous experience: Sales leader with more than 15 years of extensive consumer finance and retail banking experience. Worked for **GE Money & BPH Bank** in Poland



Karin Zandren
Head of Sweden

With TF Bank since 2009

Previous experience: More than 10 years in the consumer finance sector. Previously worked with **Citibank** as Lending Product Manager and with **GE Money** as Online Sales & Marketing Manager



Krzysztof Blach
Credit Manager

With TF Bank since 2015

Previous experience: 12 years of experience within credit risk management. Worked for **GE Money Bank** in Poland as Head of Consumer Risk Management



Espen Johannesen
Head of Norway and CEO BB Finans

With TF Bank since 2015

Previous experience: Six years of experience within the Norwegian consumer finance market



Vilma Sool
Head of Estonia

With TF Bank since 2014

Previous experience: Head of division for private customer deposits in German, Austrian and Dutch market at **Bigbank** and established the Bigbank AS Swedish branch



Mikael Johansson
CEO Avarda

With Avarda since 2016

Previous experience: Various roles within Risk, Marketing & Business Development and CEO/MD at **GE Commercial Finance**, **Santander Consumer Bank**

STRONG GOVERNANCE THROUGH EXPERIENCED BOARD OF DIRECTORS



Mattias Carlsson
Chairman of the Board since 2015, Board member since 2008

Current commitments: TFB Service OU, Board member, BB Finans AS, Board member, Avarða AB, Board member, Avarða Oy, Board member

Dependent of the company and its management



Thomas Grahn
Board member since 2010

Previous appointments include the Swedish Financial Supervisory Authority

Independent of the company, its management and of major shareholders



Tone Bjørnov
Board member since 2015

Current commitments: Filmparken AS, chairman, BB Finans AS, Board member, ABG Sundal Collier ASA, Board member, ABG Sundal Collier Holding ASA, Board member, Bank 1 Oslo Akershus AS, Board member, Valutacorp AS, Board member, Norsk Film Kostyme AS, chairman Aqua Bio Technology ASA, Board member Intex Resources ASA, Board member

Independent of the company, its management and major shareholders



John Brehmer
Board member since 2010

Current commitments: TFB Holding AB, Board member, Zebware AB, chairman, Tiberon AB, chairman, Mederion AB, chairman, Consortio Fashion Holding AB, Board member

Independent of the company and its management. Dependent of major shareholders



Bertil Larsson
Board member since 2007

Current commitments: Board member, LåsTeam Sverige AB, chairman, Minso Solutions AB, chairman, Conpera AB, Board member Minso Holding AB, chairman, Aktiebolaget Borås Tidning, chairman, Tore G Wärenstams stiftelse, Board member, Swedebridge AB, chairman Gota Media AB, Board member Effektiv Bemanning AB, chairman, Brf Asplyckan, Board member

Independent of the company, its management and of major shareholders



Paul Källenius
Board member since 2007

Current commitments: TFB Holding AB, chairman, Consortio Fashion Group AB, chairman, Halens A, Board member, New Bubbleroom Sweden AB, Board member, Urbanista AB, Board member, Nordiska Hypoteksförmedlingen AB, Board member, Consortio Fashion Holding AB, chairman

Independent of the company and its management. Dependent of major shareholders



Lars Wollung
Board member since 2015

Current commitments: IFS, chairman, Tieto, Board member, northern Alliance Group, chairman, DLaboratory, Board member, Bambora, Board member

Independent of the company, its management and major shareholders

CONTACTS



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