

A black and white photograph of snowdrops in bloom, with long, thin leaves and small, bell-shaped flowers. The image is overlaid with a semi-transparent orange rectangle on the right side and a semi-transparent blue rectangle at the bottom right.

INTERIM REPORT

January-March 2018

THE PERIOD IN BRIEF

FIRST QUARTER 2018

COMPARED WITH THE FIRST QUARTER 2017

- Total operating income increased by 18.1 % to SEK 140.9 million
- The loan portfolio amounted to SEK 3,519 million on 31 March 2018, an increase of 11.5 % since the year-end
- Operating profit increased by 11.9 % to SEK 48.6 million
- Net profit increased by 12.0 % to SEK 37.3 million
- The cost/income ratio was 40.3 % (38.8)
- CET1 and the Tier 1 capital ratio was 12.5 %, a decrease of 0.7 percentage points since the year-end
- The total capital ratio was 15.1 %, a decrease of 1.1 percentage points since the year-end
- Earnings per share amounted to SEK 1.73 (1.59)

SIGNIFICANT EVENTS

FIRST QUARTER 2018

- In January, the subsidiary Avarda launched a payment solution in Finland, together with several major partners
- A new forward flow agreement of ongoing sales of non-performing loans in Finland was implemented in February
- In March, TF Bank started a service subsidiary in Lithuania, TFB Service UAB

AFTER THE QUARTER-END

- In April, TF Bank changed the name of its two segments. Sales Finance was renamed Ecommerce Solutions and Direct to Consumer was renamed Consumer Lending. The new names are applied as of this interim report
- The Board has appointed Mattias Carlsson as the new CEO of TF Bank. Mattias Carlsson has worked for the bank for almost 10 years and has been the acting CEO since November 2017



Strong lending growth creates favourable conditions for rising interest income and higher earnings in the coming quarter.

TOTAL OPERATING INCOME

JAN-MAR 2018 COMPARED WITH JAN-MAR 2017

SEK **141** MILLION **+18 %**

LOAN PORTFOLIO

31 MARCH 2018 COMPARED WITH 31 DECEMBER 2017

SEK **3.5** BILLION **+11 %**

TOTAL CAPITAL RATIO

31 MARCH 2018 COMPARED WITH 31 DECEMBER 2017

15.1 % **-1.1** PERCENTAGE POINTS

EARNINGS PER SHARE

JAN-MAR 2018 COMPARED WITH JAN-MAR 2017

SEK **1.73** **+9 %**

See separate section with definitions, page 43.

CEO'S COMMENTS

During the first quarter of 2018, our operations continued to expand. In three months, the loan portfolio increased by 11 %, deposits rose by 12 % and operating profit amounted to SEK 49 million, 12 % higher than in the first quarter of 2017. Strong lending growth creates favourable conditions for rising interest income and higher earnings in the coming quarter, but at the same time increases the bank's capital requirements.

Consumer Lending and Ecommerce Solutions

I want to start the comment by talking about the updated names of the segments. Direct to Consumer was renamed Consumer Lending, which gives a much clearer picture of what the segment offers. At the same time, Sales Finance was renamed Ecommerce Solutions, a choice that reflects the segment offering of digital payment solutions for both retail and e-commerce. The new name also communicates that the underlying growth within the niche we target is significantly higher than in traditional sales financing. We see significant future growth opportunities for the segment, especially in the Nordic region through the now wholly owned subsidiary Avarda.

Strong growth in the first quarter

The year 2018 has started with high organic lending growth for both segments. Adjusted for currency effects, the underlying loan portfolio for Consumer Lending increased by 7 % during the quarter. Consumer loans in Norway and the Baltics still have momentum, which drives growth in the segment. Furthermore, our second segment, Ecommerce Solutions, has increased the loan portfolio in local currency by a full 19 % in three months. The volume increase is mainly due to companies which implemented our solutions during the quarter.

TF Bank is affected by currency fluctuations

With about 80 % of operations abroad, TF Bank is affected by the movements of the Swedish krona, primarily against the euro and the Norwegian krona. The immediate effect of a depreciation similar to that in the first quarter of this year is that assets and liabilities converted to SEK increase in value, thus increasing the capital requirement. On the other hand, the Bank's earnings are positively affected by a weaker Swedish krona when foreign revenues and expenses are converted to SEK. Over time, the bank's equity will increase as a result of a weaker Swedish currency. However, in the short term, positive currency effects from the income statement do not compensate for



a higher capital requirement, as noted in the development of the Bank's capital relations during the first quarter of the year.

Optimisation of the capital structure

It has been almost two years since TF Bank's share was listed on the Nasdaq Stockholm. Our lending to the public has increased by more than 60 % during the period as a listed company and the last quarter by 11 %.

TF Bank is well positioned for continued high growth with a good risk-adjusted margin. All in all, growth means that the Board evaluates the possibility of issuing Additional Tier 1 capital as a new source of funding, which would optimise our capital structure.

*Mattias Carlsson
President and CEO*

THE GROUP

TF Bank was founded in Sweden in 1987 for the purpose of offering financing solutions to customers ordering goods from mail-order catalogues. Over time, the Group has grown in terms of product offering, income and geographical presence. TF Bank currently offers consumer banking services through a highly automated in-house developed IT platform designed for scalability and adaptability to different products, countries, currencies and digital banking solutions. TF Bank carries out deposit and/or lending activities with consumers in Sweden, Finland, Norway, Denmark, Poland, Germany, Estonia and Latvia through subsidiaries, branches or cross-border banking.

The Group's main business consists of lending to the public through two segments, Consumer Lending and Ecommerce Solutions. In the Consumer Lending segment, TF Bank offers unsecured consumer loans to creditworthy individuals. The Ecommerce Solutions segment offers digital payment solutions for both retail and e-commerce as well as credit cards for individuals.

KEY FIGURES, GROUP

SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Income statement			
Operating income	140,900	119,267	511,570
Operating profit	48,558	43,382	192,938
Net profit for the period	37,265	33,269	147,836
Earnings per share, SEK	1.73	1.59	7.04
Balance sheet			
Loans to the public	3,518,824	2,754,982	3,156,289
Deposits from the public	4,218,824	2,762,586	3,754,030
Credit volume	978,421	789,924	2,968,611
Key figures			
Operating income margin, %	17.6	19.4	17.9
Net loan loss ratio, %	4.5	4.8	4.5
Cost/Income ratio, %	40.3	38.8	37.0
Return on equity, %	30.0	29.3	29.7
Return on loans to the public, %	5.1	5.4	5.3
CET1 capital ratio, %	12.5	13.6	13.2
Total capital ratio, %	15.1	17.0	16.2
Employees (FTE)	128	105	110
Currency rates			
EUR Income statement (average)	9.9641	9.5063	9.6320
EUR Balance sheet (end of period)	10.2931	9.5322	9.8497
NOK Income statement (average)	1.0343	1.0577	1.0331
NOK Balance sheet (end of period)	1.0626	1.0397	1.0011
PLN Income statement (average)	2.3844	2.2004	2.2625
PLN Balance sheet (end of period)	2.4478	2.2553	2.3606

See separate section with definitions, page 43.

EARNINGS AND FINANCIAL POSITION

JANUARY - MARCH 2018

Operating profit increased by 11.9 % to SEK 48.6 million (43.4). The main driver behind the rising profit is the Group's lending growth. Earnings per share increased by 8.8 % to SEK 1.73 (1.59) and is affected by the profit of the subsidiary Avarda is passed on to TF Bank's shareholders by 100 % as of November 2017. Return on equity amounted to 30.0 % (29.3).

Operating income

Operating revenues increased by 18.1 % to SEK 140.9 million (119.3) compared to the first quarter of 2017. The increase is mainly related to higher interest income from the Group's growing balances. The operating income margin decreased to 17.6 % (19.4), mainly due to the fact that consumer loans in Norway constitute an increasing part of the Group.

Interest income

Interest income increased by 17.8 % to SEK 146.4 million (124.3) compared to the comparative period in 2017. The strong organic growth of loan balances in mainly Norway and the Baltic countries has a positive effect on the Group's interest income. Increasing volumes in Avarda have also gradually increased interest income during the quarter.

Interest expense

The Group's interest expenses amounted to SEK 18.8 million (15.3). The increase in absolute terms is primarily related to growing deposit balances and a larger financing requirement in foreign markets with somewhat higher interest rates. However, interest expense related to interest-bearing liabilities has decreased compared to the first quarter of 2017 due to a lower funding cost for the new deposit products.

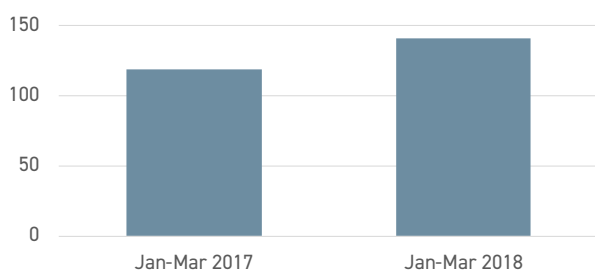
Net fee and commission income

Net fee and commission income increased by 11.6 % to SEK 11.8 million (10.6). The increase compared with the first quarter of 2017 comes from higher reminder fees and slightly higher insurance-related income.

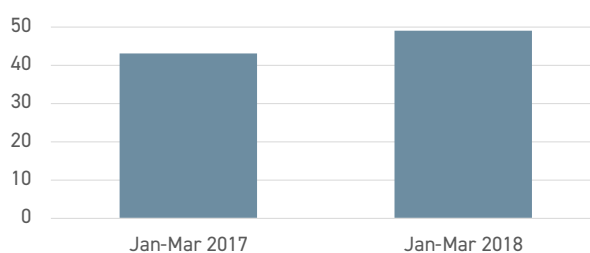
Operating expenses

Operating expenses increased by 22.9 % to SEK 56.8 million (46.2). Personnel and IT expenses increased, which is largely related to Avarda. In connection with the acquisition of Intrum's share, the company's investment rate has increased. The average number of employees in the Group was 128 (105) during the quarter. The growing new lending also means that sales-related costs are higher compared to the corresponding period in 2017. The C/I ratio amounted to 40.3 % (38.8) during the quarter.

OPERATING INCOME (SEK million)



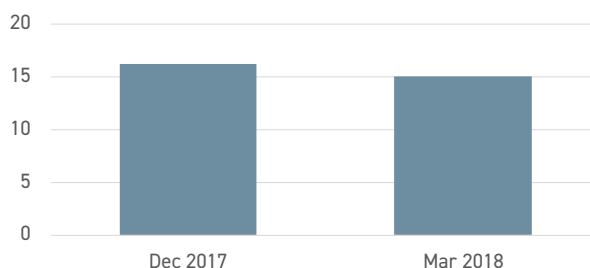
OPERATING PROFIT (SEK million)



LOANS TO THE PUBLIC (SEK million)



TOTAL CAPITAL RATIO (%)



Loan losses

Loan losses amounted to SEK 35.5 million (29.7), an increase of 19.8 %. The high lending growth affects loan losses during the first quarter of 2018, as future loan losses occur at the time of the lending in accordance with the new accounting rules, IFRS 9. A new agreement on continuing sale of non-performing loans to debt collection in Finland has, on the other hand, had a significant positive effect on loan losses for the period.

Tax expenses

The Group's tax expense amounted to SEK 11.3 million (10.1). The increase is related to the improved operating profit compared with the first quarter of 2017. The average tax rate was unchanged at 23.3 %.

Lending

Lending to the public increased by 11.5 % to SEK 3,519 million (3,156) during the first quarter of 2018. Currency effects have positively affected growth by 4.4 %. Translation of opening balances for provisions under the new accounting rules, IFRS 9, has affected growth by 2.3 %. Growth for the underlying performing loan portfolio was 9.4 % during the quarter. The Group's new lending increased by 23.9 % to SEK 978 million (790).

The Group's organic growth has been strong during the quarter. It is primarily consumer loans in Norway and the Baltics, as well as payment solutions in Finland through Avarda, which has driven the lending volumes. The loan portfolios for consumer loans in Sweden and Finland, on the other hand, have fallen marginally during the beginning of the year.

Deposits

Deposits from the public have increased by 12.4 % to SEK 4,219 million (3,754). The increase is well in line with the Group's lending growth. Deposits in Germany and Norway have generated significant net inflows during the quarter, while the deposit balance in Sweden has decreased slightly. Currency effects have positively affected growth by 3.4 %.

Investments

The Group's investments amounted to SEK 5.7 million (3.0) during the first three months of the year. Quarterly investments primarily concern product development within the Ecommerce Solutions segment.

Cash and cash equivalents

The liquidity reserve amounted to SEK 1,323 million (1,264) at the end of the quarter. Most of the reserve is deposited in accounts without a fixed period at several Nordic banks. During the period, the proportion invested in Nordic central banks increased to SEK 160 million (66). The Group's total available liquidity, including unutilised credit facility of SEK 32 million, amounted to 32 % (34) of deposits from the public at the end of the quarter.

Capital adequacy

The Group's CET1 and Tier 1 capital ratio at the end of the quarter was 12.5 % (13.2), while the total capital ratio was 15.1 % (16.2). The capital ratios have fallen as a result of the strong lending growth during the quarter, generating a higher capital requirement. The relationships are also affected by the deduction of 50 % of the Group's net profit for the first quarter of 2018 from own funds, in accordance with the bank's dividend policy. The CET1 capital ratio and the total capital ratio remain at levels with a good margin against the statutory requirements.

CONSUMER LENDING

JANUARY-MARCH 2018

Background

In the Consumer Lending segment (formerly Direct to Consumer), TF Bank offers unsecured consumer loans to private individuals. The bank offers the loans on their own and through the subsidiary BB Bank.

TF Bank offers consumer loans in five countries. Established core markets are Sweden and Finland. Other countries are Estonia, Latvia and Poland. Cross-border operations in Lithuania are expected to start during the second quarter of the year. The average loan amount per customer was approximately SEK 29 thousand as at 31 March 2018 with an average maturity of approximately 22 months.

The loan portfolio of the subsidiary BB Bank, which operates in Norway where consumer loans is one of two product areas, is expected to pass one billion SEK in the second quarter of 2018. The average loan amount per customer amounted to approximately SEK 84 thousand as at 31 March 2018 with an average maturity of about 36 months.

The loan portfolio

Lending to the public increased by 9.5 % to SEK 2,805 million (2,561) during the first quarter of 2018. Currency effects have positively affected growth by 4.5 %. Translation of opening balances for provisions under the new accounting rules, IFRS 9, has affected growth by 2.3 %. Growth for the underlying performing loan portfolio was 7.3 %. The segment's new lending increased by 16.4 % to SEK 565 million (485).

The strong growth for consumer loans in Norway continues and the loan portfolio in local currency increased by 15.6 % to NOK 822 million (711). During the first quarter, Finland was surpassed by Norway as our largest market in the segment. The performing loan portfolio in Finland decreased by 0.2 % to EUR 76.5 million (76.6) and the Swedish customer balance fell 1.0 % to SEK 440 million (445) during the quarter.

Lending in the Baltic countries has begun the year with strong growth. In Estonia, the portfolio in local currency increased by 12.2 % to EUR 36.4 million (32.4) and in Latvia, the loan balance increased by 52.9 % to EUR 9.2 million (6.0). The underlying loan portfolio in Poland increased by 2.1 % to PLN 84.6 million (82.9) during the quarter.

Result

Operating profit for the segment increased by 17.3 % to SEK 52.0 million (44.4). The strong growth for the loan portfolio and a lower loan loss level had a positive impact on earnings for the quarter.

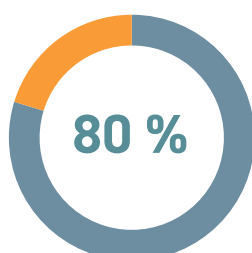
Operating revenues increased by 11.7 % to SEK 112.2 million (100.4). Growth comes mainly from consumer loans in Norway and the Baltic countries. The quarter's operating income margin has decreased, mainly due to lower interest rates in the Norwegian loan product.

Operating expenses increased by 8.8 % to SEK 35.1 million (32.3) during the quarter. The expansion in Norway and the Baltic region has an impact on the segment's development compared with the previous year. Costs have risen less than operating income, which had some positive effect on the C/I ratio.

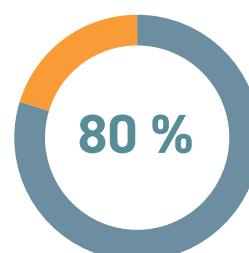
Loan losses have increased by 5.2 % to SEK 25.0 million (23.8). The quarterly loan loss for the segment has been positively affected by a new agreement on the continuing sale of non-performing loans to debt collection in Finland which had a significant positive effect on the provisions under IFRS 9. The underlying credit quality in Sweden and Finland, on the other hand, has been somewhat worse than expected during quarter.

For further information about the segment's loan portfolio and result, see Note 3 Segment reporting.

SHARE OF THE GROUP'S LOANS TO THE PUBLIC



SHARE OF THE GROUP'S OPERATING INCOME



ECOMMERCE SOLUTIONS

JANUARY-MARCH 2018

Background

In the Ecommerce Solutions segment (formerly Sales Finance), TF Bank offers digital payment solutions to both retailers and e-commerce as well as credit cards to individuals. The business of payment solutions to companies is conducted through the subsidiary Avarda and on its own. Credit card operations in Norway are conducted through the subsidiary BB Bank.

Avarda focuses on the Nordic markets, where the ambition is to grow and establish itself. In 2017, Avarda signed a total of over 20 new agreements in Finland and Sweden, some of which had significant volumes. The implementation of the cooperation is proceeding according to plan, and Avarda's volumes are expected to increase significantly in 2018.

TF Bank has its own customer base in the Nordic region and develops services outside the Nordic region through branches in Estonia and Poland. The development in Poland, where TF Bank offers a financing solution to local traders, indicates that the business is competitive even outside the Nordic countries. In Estonia, several agreements have been signed with different companies in 2017, but volumes have so far been relatively small.

BB Bank's credit card offering increased its market share in Norway in 2017. Growth in this part of the segment has contributed to a higher total balance, increased revenues and improved operating profit. In 2018, the bank plans to offer credit cards in Germany and a further one or more markets.

The loan portfolio

Lending to the public increased by 19.9 % to SEK 714 million (595) in the first quarter of 2018. Currency effects have positively affected growth by 4.2 %. Revaluation of opening balances for provisions under the new accounting rules, IFRS 9, has negatively impacted growth by 1.9 %. The growth for the underlying healthy loan portfolio was 18.6 %. The segment's new lending increased by 35.7 % to SEK 414 million (305).

Avarda's underlying loan portfolio increased by 145 % to SEK 152 million (62). Growth comes mainly from those companies Avarda implemented during the first quarter, and the volume from these is expected to affect the growth of the loan portfolio positively throughout the year.

TF Bank's healthy portfolio within the segment has increased by 8.2 % to SEK 439 million (406). The increase is mainly related to operations in Poland, where the customer base rose 20.8 % to PLN 48.3 million (40.0).

The credit card portfolio in Norway amounted to NOK 123 million (120) at the end of the quarter. During the initial three months of 2018, the portfolio increased by 3.0 %.

Result

Operating profit for the segment amounted to SEK -3.5 million (-1.0). The result is affected by increased operating expenses in Avarda and provisions on new lending under new accounting rules.

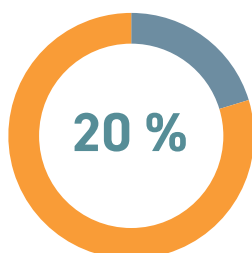
Operating revenues increased by 52.5 % to SEK 28.7 million (18.8). The increase is related to the growth of payment solutions in Avarda and Poland, as well as credit cards in Norway. The strong increase in the portfolio is not fully reflected in interest income as they come with a certain lag.

Operating expenses increased by 55.6 % to SEK 21.7 million (14.0). Most of the increase is related to higher personnel and IT costs in Avarda, enabling a high rate of growth in the future. The sharp rise in new lending has also affected sales-related costs compared with the first quarter of 2017.

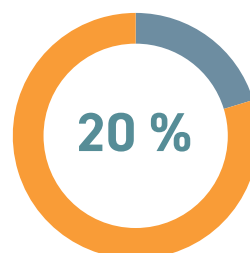
Loan losses amounted to SEK 10.5 million (5.9) during the first three months of the year. The strong growth in the lending balance affects the increase in terms of higher provision for future loan losses according to the new accounting standards, IFRS 9. The underlying loan loss level, on the other hand, has been stable.

For further information about the segment's loan portfolio and result, see Note 3 Segment reporting.

SHARE OF THE GROUP'S LOANS TO THE PUBLIC



SHARE OF THE GROUP'S OPERATING INCOME



ACCOUNTING POLICIES AND RISKS

Accounting policies

The interim report has been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). In addition, amendments to the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board, and the Swedish Financial Supervisory Authority's regulations (FFFS 2008:25) have also been applied.

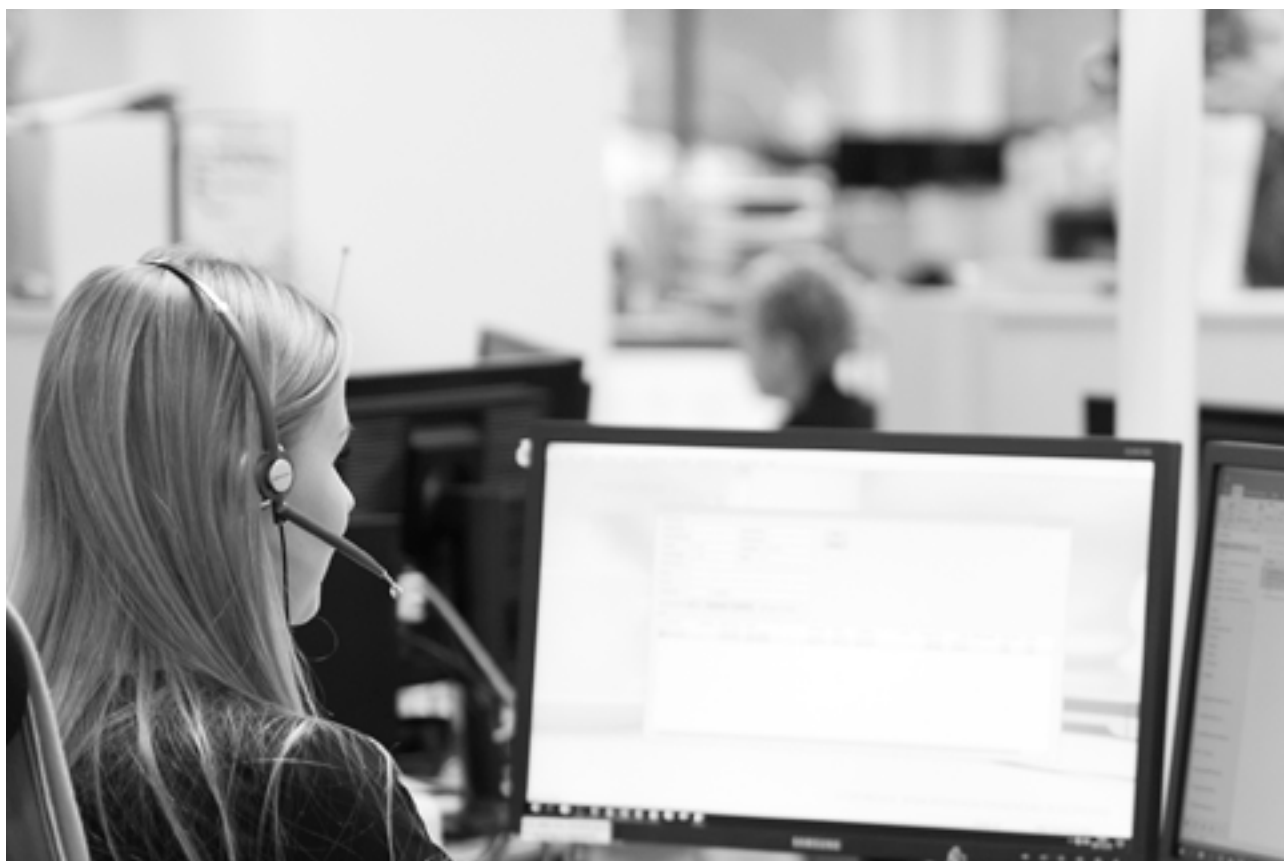
The Parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board, and the Swedish Financial Supervisory Authority's regulations (FFFS 2008:25).

Changes have been made to the Group's and Parent Company's accounting policies regarding financial instruments in connection with the transition to the IFRS 9 accounting standard. TF Bank has not applied IFRS 9 in advance. For additional information regarding the transition to the IFRS 9 and current accounting principles, see note 2 and note 36 in the 2017 annual report.

The interim information on pages 4-42 is an integral part of this financial report.

Risks and uncertainties

TF Bank faces various types of risks, such as credit risk, market risk, liquidity risk and operational risk. In order to limit and control risk-taking in the business, the Board, which is ultimately responsible for internal controls, has defined policies and instructions for lending and other activities. For a more detailed description of financial risks and the use of financial instruments, and capital adequacy, see notes 2 and 7. Further information can be found in notes 3 and 34 of the 2017 annual report.





OTHER FINANCIAL INFORMATION

Annual General Meeting 2018

The Annual General Meeting 2018 will be held on Wednesday 2 May 2018 at 16.00 (CET) in Stockholm.

Proposed dividend

The Board of Directors proposes to the Annual General Meeting a dividend of SEK 2.25 per share for 2017. The total dividend to the shareholders would then be approximately SEK 48.4 million.

The share (TFBANK)

On 14 June 2016 TF Bank listed the Nasdaq Stockholm Mid Cap list with a price per share of SEK 77. As at 31 March 2018 the closing share price was SEK 80.80, an increase of approximately 5 %. In total, 7.4 million shares were traded on the Nasdaq Stockholm during the period 14 June 2016 to 31 March 2018 with a total value of approximately SEK 654 million. The share's ticker symbol is TFBANK and the ISIN code is SE0007331608

Financial targets

The Board of Directors of TF Bank has adopted the following medium-term targets:

Growth

Over the medium-term, TF Bank aims to achieve annual EPS growth of at least 20 %.

Efficiency

Over the medium-term, TF Bank aims to reach a cost/income ratio of below 35 %.

Capital structure

TF Bank's objective is to maintain a total capital ratio of at least 14.5 %.

Dividend policy

TF Bank's Board of Directors has adopted a dividend policy, which states that the bank aims to distribute around 50 % of the net profit for the year.

The payment of dividends, if any, by the Company and the amounts and timing thereof will depend on a number of factors, including TF Bank's future income, financial condition, capital requirements and the general economic environment. If TF Bank, as a result of its profit and dividend policy, generates a substantial surplus, it is TF Bank's intention to use such surplus either to finance a higher organic growth rate and/or future acquisitions, or to pay out the surplus to its shareholders as dividend.

Significant events, January-March 2018

In January, the subsidiary Avarda launched a payment solution in Finland, together with several major partners.

A new forward flow agreement of ongoing sales of non-performing loans in Finland was implemented in February.

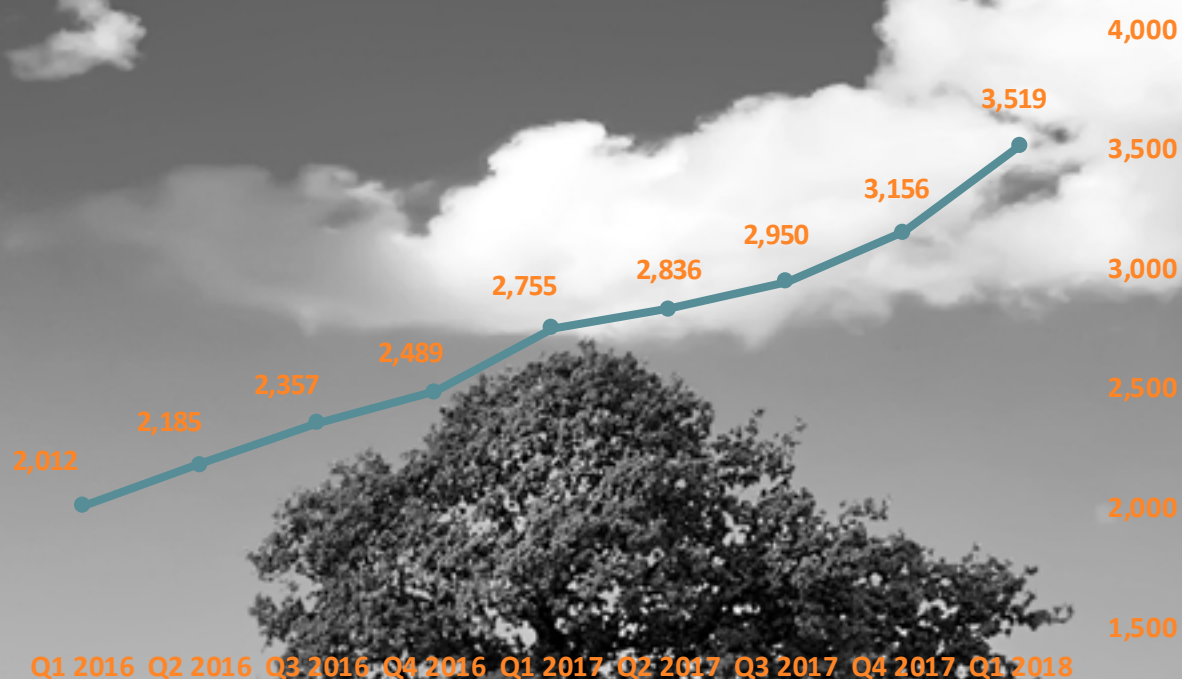
In March, TF Bank started a service subsidiary in Lithuania, TFB Service UAB.

Events after the end of the reporting period

In April, TF Bank changed the name of its two segments. Sales Finance was renamed Ecommerce Solutions and Direct to Consumer was renamed Consumer Lending. The new names are applied as of this interim report.

The Board has appointed Mattias Carlsson as the new CEO of TF Bank. Mattias Carlsson has worked for the bank for almost 10 years and has been the acting CEO since November 2017.

DEVELOPMENT OF THE LOAN PORTFOLIO DURING 2016-2018 (SEK MILLION)



INCOME STATEMENT, GROUP

SEK thousand	Note	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
	1, 2, 3, 9			
Operating income				
Interest income		146,397	124,266	533,198
Interest expense		-18,803	-15,320	-64,557
Net interest income		127,594	108,946	468,641
Fee and commission income		13,835	12,647	51,237
Fee and commission expense		-1,987	-2,026	-8,401
Net fee and commission income		11,848	10,621	42,836
Net results from financial transactions		1,458	-300	93
Total operating income		140,900	119,267	511,570
Operating expenses				
General administrative expenses		-51,431	-41,412	-169,048
Depreciation, amortisation and impairment charges of tangible and intangible assets		-2,356	-1,586	-6,890
Other operating expenses		-3,046	-3,237	-13,351
Total operating expenses		-56,833	-46,235	-189,289
Profit before loan losses		84,067	73,032	322,281
Net loan losses		-35,509	-29,650	-129,343
Operating profit		48,558	43,382	192,938
Income tax expense		-11,293	-10,113	-45,102
Net profit for the period		37,265	33,269	147,836
<i>Attributable to:</i>				
<i>Shareholders of the Parent company</i>		37,265	34,217	151,459
<i>Non-controlling interests</i>		-	-948	-3,623
<i>Basic earnings per share (SEK)</i>		1.73	1.59	7.04
<i>Diluted earnings per share (SEK)</i>		1.73	1.59	7.04

STATEMENT OF COMPREHENSIVE INCOME, GROUP

SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Net profit for the period	37,265	33,269	147,836
Other comprehensive income			
Items that may be reclassified subsequently to the income statement			
Gross fair value change relating to available-for-sale financial assets / fair value through other comprehensive income	15	23	22
Tax on fair value gains/losses during the period	-	-	-
Gross currency translation differences	687	130	-1,281
Tax on currency translation differences during the period	3,030	-327	-1,325
Other comprehensive income, net of tax	3,732	-174	-2,584
Total comprehensive income for the period	40,997	33,095	145,252
<i>Attributable to:</i>			
<i>Shareholders of the Parent company</i>	<i>40,997</i>	<i>34,049</i>	<i>148,829</i>
<i>Non-controlling interests</i>	<i>-</i>	<i>-954</i>	<i>-3,577</i>

BALANCE SHEET, GROUP

SEK thousand	Note	31 Mar 2018	31 Dec 2017
	1, 2, 3, 4, 5, 7, 9		
ASSETS			
Cash and balances with central banks		159,510	65,999
Treasury bills eligible for refinancing		60,225	60,096
Loans to credit institutions		1,081,347	1,062,294
Loans to the public	6	3,518,824	3,156,289
Shares		21,802	75,654
Goodwill		12,809	12,068
Intangible assets		31,310	29,369
Tangible assets		2,294	1,657
Other assets		11,535	12,194
Current tax assets		13,006	870
Deferred tax assets		20,401	9,864
Prepaid expenses and accrued income		9,199	8,196
TOTAL ASSETS		4,942,262	4,494,550
LIABILITIES AND EQUITY			
Liabilities			
Deposits and borrowings from the public		4,218,824	3,754,030
Other liabilities		35,770	33,557
Current tax liabilities		12,245	11,229
Deferred tax liabilities		7,446	7,579
Accrued expenses and prepaid income		44,888	49,569
Subordinated liabilities		98,015	97,780
Total liabilities		4,417,188	3,953,744
Equity			
Share capital (21,500,000 shares of SEK 5 each)		107,500	107,500
Other contributed capital		750	1,500
Reserves		2,588	-1,144
Retained earnings and net profit for the period		414,236	432,950
Total equity attributable to the shareholders of the Parent company		525,074	540,806
Non-controlling interests		-	-
Total equity		525,074	540,806
TOTAL LIABILITIES AND EQUITY		4,942,262	4,494,550

STATEMENT OF CHANGES IN EQUITY, GROUP

SEK thousand	Share capital	Other contributed capital	Reserves	Retained earnings and net profit for the period	Non-controlling interests	Total equity
Balance as at 1 Jan 2017	107,500	1,934	1,486	345,932	12,435	469,287
Net profit for the period	-	-	-	151,459	-3,623	147,836
Gross fair value gains/losses on available for sale financial assets	-	-	22	-	-	22
Gross currency translation differences	-	-	-1,327	-	46	-1,281
Tax on currency translation differences during the period	-	-	-1,325	-	-	-1,325
Total comprehensive income for the period, net of tax	-	-	-2,630	151,459	-3,577	145,252
Shareholders' contribution	-	-	-	-	6,860	6,860
Dividend	-	-	-	-47,300	-	-47,300
Acquisition of minority interest	-	-	-	-14,282	-15,718	-30,000
Transaction costs related to the acquisition of minority interest	-	-	-	-1,085	-	-1,085
Share-based compensation	-	-434	-	-1,774	-	-2,208
Balance as at 31 Dec 2017	107,500	1,500	-1,144	432,950	-	540,806
Transition effect for the implementation of IFRS 9	-	-	-	-55,415	-	-55,415
Balance as at 1 Jan 2018	107,500	1,500	-1,144	377,535	-	485,391
Net profit for the period	-	-	-	37,265	-	37,265
Gross fair value gains/losses on available for sale financial assets	-	-	15	-	-	15
Gross currency translation differences	-	-	687	-	-	687
Tax on currency translation differences during the period	-	-	3,030	-	-	3,030
Total comprehensive income for the period, net of tax	-	-	3,732	37,265	-	40,997
Dividend	-	-	-	-	-	-
Share-based compensation	-	-750	-	-564	-	-1,314
Balance as at 31 Mar 2018	107,500	750	2,588	414,236	-	525,074

CASH FLOW STATEMENT, GROUP

SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Operating activities			
Operating profit	48,558	43,382	192,938
<i>Adjustment for items not included in cash flow</i>			
Depreciation and amortisation of tangible and intangible assets	2,356	1,586	6,890
Accrued interest income and expense	-21,022	-15,804	1,256
Other non-cash items	-14,581	338	-3,319
Paid income tax	-9,794	-11,808	-29,584
	5,517	17,694	168,181
Increase/decrease in loans to the public	-433,633	-265,699	-667,006
Increase/decrease in other short-term claims	50,635	-12,826	-76,863
Increase/decrease in deposits and borrowings from the public	464,794	477,941	1,469,385
Increase/decrease in other short-term liabilities	16,851	11,838	2,039
Cash flow from operating activities	104,164	228,948	895,736
Investing activities			
Investments in tangible assets	-905	-165	-942
Investments in intangible assets	-4,770	-2,849	-16,345
Investments in subsidiaries	-	-	-31,085
Cash flow from investing activities	-5,675	-3,014	-48,372
Financing activities			
Shareholder's contribution	-	-	6,860
Dividends paid	-	-	-47,300
Share-based remuneration	-1,314	-2,071	-2,208
Cash flow from financing activities	-1,314	-2,071	-42,648
Cash flow for the period	97,175	223,863	804,716
Cash and cash equivalents at the beginning of period	1,188,389	380,873	380,873
Currency difference in cash and cash equivalents	15,518	-	2,800
Cash and cash equivalents at the end of period	1,301,082	604,736	1,188,389
<i>Cash flow from operating activities includes interest expenses paid and interest payments received</i>			
Interest expenses paid	38,255	30,932	61,831
Interest payments received	141,117	117,379	530,441
Composition cash and cash equivalents			
Cash and balances with central banks	159,510	30,420	65,999
Treasury bills eligible for refinancing	60,225	60,105	60,096
Loans to credit institutions	1,081,347	514,211	1,062,294
Total cash and cash equivalents	1,301,082	604,736	1,188,389

NOTES

NOTE 1 General information

OWNERSHIP IN TF BANK AB AS AT 31 MARCH 2018 (ACCORDING TO THE SHAREHOLDERS' REGISTER)

Shareholder	%
TFB Holding AB	49.12
Erik Selin Fastigheter AB	11.63
Danica Pension Försäkrings AB	8.42
Merizole Holding LTD	7.01
Swedbank Robur fonder	4.49
Proventus Aktiebolag	3.00
Pareto Nordic Return	1.68
Skandia fond småbolag Sverige	1.28
Clearstream Banking S.A.	1.22
Gurrfins AB	0.95
Other shareholders	11.20
Total	100.00

The term "Group" refers to TF Bank AB together with its branches and subsidiaries:

Branches

- TF Bank AB, branch Finland (2594352-3)
- TF Bank AB, branch Poland (PL9571076774)
- TF Bank AB, branch Estonia (14304235)

Subsidiaries

- TFB Service OÜ (12676808) 100 %
- TFB Service SIA (40203015782) 100 %
- TFB Service UAB (304785170) 100 %
- Avarda AB (556986-5560) 100 %
- Avarda Oy (2619111-6) 100 %
- BB Bank ASA (935590221) 100 %
- Confide AS (948063603) 100 %

NOTE 2 Credit risk

Financial risks

The Group's activities are exposed to a variety of financial risks: market risk (considerable currency and interest rate risk in the cash flow), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial results. TF Bank uses derivative instruments to hedge certain foreign currency exposure and applies hedge accounting for some net investments in its foreign operations.

The Board of Directors establishes written policies and control documents. Compliance with the governing documents as well as the level of the Group's credit risk are measured and reported to the Group's management and Board of Directors on an ongoing basis.

Credit risk is the risk that a counterparty causes the Group a financial loss by not fulfilling its contractual obligations. Credit risk arises primarily through lending to the public but also through cash and cash equivalents and derivatives with a positive value. Credit risk is the most significant risk in the Group and is monitored closely by the relevant functions and by the Board of Directors, who has the ultimate responsibility for managing credit risk. The Board of Directors has issued a credit policy which sets the guidelines for the Group's lending activities. A credit committee monitors the development of the level of credit risk in the loan portfolios. It decides and suggests changes to the Group's lending in line with the set credit policy as well as proposing amendments of the policy to the Board of Directors. The performance is reported at each Board meeting.

Before a loan is issued, a risk assessment is done of the customer's creditworthiness, taking into account the customer's financial position, past history and other factors. Individual risk limits are defined based on internal or external credit assessments in accordance with the limits set by the Board of Directors. The use of credit limits is regularly monitored. The Group cannot grant any loans or credits to legal entities without the approval by the Board of Directors. By only approving counterparties with an investment grade credit rating and by setting limits for the maximum exposure to each counterparty the Board of Directors also limits the credit risk arising from cash management activities.

The Group's credit approval process has high standards regarding ethics, quality and control. Despite credit risk being the largest risk exposure for the Group, the provision for loan losses is small in proportion to the outstanding loan volume (see below and note 6). The reason is that the Group regularly sells non-performing loans to debt collection agencies when the Board of Directors considers the price level to be favourable compared to keeping the non-performing loans on the balance sheet. This is currently the case for most of the markets. As a result the Group continuously realises actual loan losses through the sale of non-performing loans. The remaining portfolio has a limited number of non-performing loans and consequently relatively low level of provisions.

Note 2 cont.

The objective for the Group's process of monitoring overdue payments and unsettled loans and receivables is to minimise loan losses by detecting payment issues early and following up with customers where needed. The monitoring is supported by a separate "pre-collection" system for overdue payments with automatic monitoring and reminders when payments are overdue.

The Group's loans to the public consists primarily of unsecured consumer loans. As a result the Group does not list credit risk exposures in a separate table, as there are limited assets pledged as security, while at the same time the size of the reserves in relation to the credit volume is low. At the balance sheet date, the composition of the credit portfolio for loans to the public is as follows:

Group SEK thousand	31 Mar 2018	31 Dec 2017
Loans, not past due	3,106,598	2,691,382
Loans past due: 1 - 10 days	210,608	215,853
Loans past due: 11 - 69 days	213,930	193,588
Non-performing loans	121,390	115,912
Total	3,652,526	3,216,735
Provision for expected loan losses	-133,702	-60,446
Total loans to the public	3,518,824	3,156,289

For a reconciliation of the change in the provision for expected loan losses, see note 6.

CREDIT QUALITY OF FULLY PERFORMING LOANS

Group SEK thousand	31 Mar 2018	31 Dec 2017
Household sector		
Low risk	2,369,782	2,066,557
Medium risk	712,855	638,761
High risk	448,499	395,505
Total household sector	3,531,136	3,100,823

The handling of applications from new customers is based primarily on information provided by the customer, information about customers in similar sociodemographic groups and other variables about the individual customer retrieved from external sources. How the specified information is used and weighted in the model is determined from a risk perspective through in-depth analysis of the individual customer and the Group's existing customer base. In order to make as precise, cost-effective and accurate risk assessment as possible, the group can use both internal ratings and ratings from external suppliers. Both models are performed independently, but both can be used in the Group's credit policy. The complete model is only used for new customers, existing customers have payment history and similar updated variables that have been proven to be a good source of credit assessment.

Note 2 cont.

The credit quality of other fully performing financial assets in accordance with Standard & Poor's local short-term rating is shown below:

Group SEK thousand	31 Mar 2018	31 Dec 2017
Cash and balances with central banks		
AAA	63,786	-
AA+	89,291	60,873
BBB+	6,433	5,127
Treasury bills eligible for refinancing		
AAA	60,225	60,096
Loans to credit institutions		
A-1+	254,935	299,297
A-1	820,330	745,606
A-2	5,425	17,327
Unrated	657	64
Other assets		
A-1+	74	2,464
A-1	21,536	75,404
Unrated	11,566	9,463
Total	1,270,472	1,275,721

Other assets include derivatives with a positive value and level 1 liquid asset consisting of investment in the DNB Global Treasury Fund.

Impairment of financial assets

As a result of the transition to IFRS 9, the Group introduced a new model for calculating loan loss provisions based on expected loan losses. Financial assets that are subject to impairment losses are divided into three categories based on the risk of default. The first category includes assets where no significant increase in credit risk has occurred at the reporting date, in the other, a significant increase in credit risk has occurred, i.e. when the loan is past due 30 days or more, and in the third there is objective evidence of impairment, i.e. the loan is past due 90 days or more. For assets in the first category, write-downs are based on expected losses over the next 12 months, while for category two and three, expected losses are reported over the entire asset's maturity. Expected losses are calculated based on historical data of default for each period.

The provisions under IFRS 9 are calculated by multiplying the exposure at default with the probability of default and the loss given default. TF Bank's model for calculating provisions according to IFRS 9 is based on historical probability of default in each market. The model is complemented by the company's assumptions about the future based on the current loan portfolio and adjustments due to the expected macroeconomic scenario. The value of the estimated provisions is discounted at the original borrowing rate.

The provision for non-performing loans is made with the difference between the asset's carrying amount and the present value of future cash flows, discounted by the original borrowing rate. The expected future cash flow is based on calculations that take into account historical repayment rates applied to each generation of non-performing loans.

Loans sold are written off against the reserve for losses and the difference between the current value of the asset and the present value is reported as a recognised loan loss. Non-performing loans are reported as reported loan losses when they are reported by the debt collection agency for long-term monitoring, the customer is found to be deceased or another loss event has been identified. Amounts received from previously identified loan losses are recognised in the income statement.

NET LOAN LOSSES

Group SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Change in provision for sold non-performing loans	-26,532	-17,566	-103,967
Realised loan losses	-12,814	-6,147	-32,894
Recovered from previous write-offs	1,424	1,422	7,741
Change in provision for other expected loan losses	2,413	-7,359	-223
Net loan losses	-35,509	-29,650	-129,343

Loan losses are attributable to Loans to the public and categorised as loan receivables and accounts receivable.

NOTE 3 Operating segments

The CEO has the ultimate responsibility for the decisions being taken by the Group. Management has defined the operating segments based on the information determined by the CEO and used as a basis for decisions on the allocation of resources and evaluation of results. The Board of Directors evaluates the operating segments' performance based on their operating profits.

CONSUMER LENDING (formerly Direct to Consumer)

Income statement, SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Net interest income	104,797	94,828	395,027
Net fee and commission income	6,043	5,838	22,103
Net results from financial transactions	1,316	-244	79
Total operating income	112,156	100,422	417,209
General administrative expenses	-31,239	-28,382	-112,028
Depreciation, amortisation and impairment charges of tangible and of intangible assets	-1,238	-1,116	-4,442
Other operating expenses	-2,625	-2,773	-10,314
Total operating expenses	-35,102	-32,271	-126,784
Profit before loan losses	77,054	68,151	290,425
Net loan losses	-25,010	-23,774	-103,048
Operating profit	52,044	44,377	187,377
<i>Attributable to:</i>			
<i>The shareholders of the Parent company</i>	52,044	44,377	187,377
<i>Non-controlling interests</i>	-	-	-

Balance sheet, SEK thousand	31 Mar 2018	31 Dec 2017
Loans to the public		
Household sector	2,804,746	2,560,945
Corporate sector	-	-
Total loans to the public	2,804,746	2,560,945
Household sector		
Net performing loans	2,756,112	2,514,991
Net non-performing loans	48,634	45,954
Total household sector	2,804,746	2,560,945

Note 3 cont.

ECOMMERCE SOLUTIONS (formerly Sales Finance)

Income statement, SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Net interest income	22,797	14,118	73,614
Net fee and commission income	5,805	4,783	20,733
Net results from financial transactions	142	-56	14
Total operating income	28,744	18,845	94,361
General administrative expenses	-20,192	-13,030	-57,020
Depreciation, amortisation and impairment charges of tangible and of intangible assets	-1,118	-470	-2,448
Other operating expenses	-421	-464	-3,037
Total operating expenses	-21,731	-13,964	-62,505
Profit before loan losses	7,013	4,881	31,856
Net loan losses	-10,499	-5,876	-26,295
Operating profit	-3,486	-995	5,561
Attributable to:			
The shareholders of the Parent company	-3,486	216	10,242
Non-controlling interests	-	-1,211	-4,681

Balance sheet, SEK thousand	31 Mar 2018	31 Dec 2017
Loans to the public		
Household sector	714,078	595,344
Corporate sector	-	-
Total loans to the public	714,078	595,344
Household sector		
Net performing loans	699,877	581,555
Net non-performing loans	14,201	13,789
Total household sector	714,078	595,344

GROUP

Income statement, SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Operating income			
Operating income, Consumer Lending	112,156	100,422	417,209
Operating income, Ecommerce Solutions	28,744	18,845	94,361
Total operating income for the Group	140,900	119,267	511,570
Operating profit			
Operating profit, Consumer Lending	52,044	44,377	187,377
Operating profit, Ecommerce Solutions	-3,486	-995	5,561
Total operating profit for the Group	48,558	43,382	192,938

Balance sheet, SEK thousand	31 Mar 2018	31 Dec 2017
Loans to the public		
Loans to the public, Consumer Lending	2,804,746	2,560,945
Loans to the public, Ecommerce Solutions	714,078	595,344
Total loans to the public for the Group	3,518,824	3,156,289

NOTE 4 Classification of financial assets and liabilities

Group 31 Mar 2018 SEK thousand	Financial instruments at fair value through profit or loss		Fair value through comprehensive income	Accrued acquisition value	Derivatives used for hedging	Non-financial assets and liabilities	Total
	Compulsory	Initially measured at fair value through profit or loss					
Assets							
Cash and balances with central banks	-	-	-	159,510	-	-	159,510
Treasury bills eligible for refinancing	-	-	60,225	-	-	-	60,225
Loans to credit institutions	-	-	-	1,081,347	-	-	1,081,347
Loans to the public	-	-	-	3,518,824	-	-	3,518,824
Shares	-	-	21,802	-	-	-	21,802
Goodwill	-	-	-	-	-	12,809	12,809
Intangible assets	-	-	-	-	-	31,310	31,310
Tangible assets	-	-	-	-	-	2,294	2,294
Current tax assets	-	-	-	-	-	13,006	13,006
Deferred tax assets	-	-	-	-	-	20,401	20,401
Prepaid expenses and accrued income	-	-	-	-	-	9,199	9,199
Derivatives	48	-	-	-	26	-	74
Other assets	-	-	-	-	-	11,461	11,461
Total assets	48	-	82,027	4,759,681	26	100,480	4,942,262
Liabilities							
Deposits and borrowings from the public	-	-	-	4,218,824	-	-	4,218,824
Current tax liabilities	-	-	-	-	-	12,245	12,245
Deferred tax liabilities	-	-	-	-	-	7,446	7,446
Accrued expenses and prepaid income	-	-	-	-	-	44,888	44,888
Subordinated liabilities	-	-	-	98,015	-	-	98,015
Derivatives	8,503	-	-	-	557	-	9,060
Other liabilities	-	-	-	-	-	26,710	26,710
Total liabilities	8,503	-	-	4,316,839	557	91,289	4,417,188

Note 4 cont.

Group 31 Dec 2017 SEK thousand	Financial instruments at fair value through profit or loss		Available for sale finan- cial assets	Loans and receivables	Derivatives used for hedging	Other financial assets/ liabilities	Total
	Held for trading	Designated at initial recognition					
Assets							
Cash and balances with central banks	-	-	-	65,999	-	-	65,999
Treasury bills eligible for refinancing	-	-	60,096	-	-	-	60,096
Loans to credit institutions	-	-	-	1,062,294	-	-	1,062,294
Loans to the public	-	-	-	3,156,289	-	-	3,156,289
Shares	-	-	75,654	-	-	-	75,654
Derivatives	2,321	-	-	-	143	-	2,464
Total assets	2,321	-	135,750	4,284,582	143	-	4,422,796
Liabilities							
Subordinated liabilities	-	-	-	-	-	3,754,030	3,754,030
Derivatives	-	-	-	-	-	97,780	97,780
Other liabilities	1,854	-	-	-	-	-	1,854
Total liabilities	1,854	-	-	-	-	3,851,810	3,853,664

NOTE 5 Financial assets and liabilities measured at fair value

Fair value

Disclosures are required on fair value measurement by level in fair value hierarchy for financial instruments measured at fair value in the balance sheet:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Data other than quoted market prices included in Level 1 that are observable for the assets or liabilities, either directly, i.e. in the form of quoted prices, or indirectly, i.e. derived from quoted prices (Level 2).
- Data for the assets or liabilities which are not based on observable market data (non-observable inputs) (Level 3).

The Group also provides information regarding the fair value of certain assets for information purposes.

Note 5 cont.

Group, 31 Mar 2018 SEK thousand	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills eligible for refinancing	60,225	-	-	60,225
Shares	21,536	266	-	21,802
Derivatives	-	74	-	74
Total assets	81,761	340	-	82,101
Liabilities				
Subordinated Tier 2 loans	98,015	-	-	98,015
Derivatives	-	9,060	-	9,060
Total liabilities	98,015	9,060	-	107,075

Group, 31 Dec 2017 SEK thousand	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills eligible for refinancing	60,096	-	-	60,096
Shares	75,403	251	-	75,654
Derivatives	-	2,464	-	2,464
Total assets	135,499	2,715	-	138,214
Liabilities				
Subordinated Tier 2 loans	97,780	-	-	97,780
Derivatives	-	1,854	-	1,854
Total liabilities	97,780	1,854	-	99,634

Financial instruments in Level 2

The fair value of financial instruments not traded in an active market (e.g. OTC derivatives) is determined using various valuation techniques. These valuation techniques use observable market data where available and rely as little as possible on entity specific estimates. An instrument is classified as Level 2 if all significant inputs required to value an instrument are observable.

An instrument is classified as Level 3 in cases where one or more of the significant inputs are not based on observable market data.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Fair value of currency swap contracts is determined using forward exchange rates at the balance sheet date.

For loans to the public the fair value is based on the discounted cash flows using an interest rate based on the market interest rate at the balance sheet date, which was 19.85 % as at 31 March 2018 and 20.21 % as at 31 December 2017.

Note 5 cont.

Group, 31 Mar 2018 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
Assets			
Cash and balances with central banks	159,510	159,510	-
Treasury bills eligible for refinancing	60,225	60,225	-
Loans to credit institutions	1,081,347	1,081,347	-
Loans to the public	3,518,824	3,518,824	-
Shares	21,802	21,802	-
Derivatives	74	74	-
Total assets	4,841,782	4,841,782	-
Liabilities			
Deposits and borrowings from the public	4,218,824	4,218,824	-
Subordinated liabilities	98,015	98,015	-
Derivatives	9,060	9,060	-
Total liabilities	4,325,899	4,325,899	-

Group, 31 Dec 2017 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
Assets			
Cash and balances with central banks	65,999	65,999	-
Treasury bills eligible for refinancing	60,096	60,096	-
Loans to credit institutions	1,062,294	1,062,294	-
Loans to the public	3,156,289	3,156,289	-
Shares	75,654	75,654	-
Derivatives	2,464	2,464	-
Total assets	4,422,796	4,422,796	-
Liabilities			
Deposits and borrowings from the public	3,754,030	3,754,030	-
Subordinated liabilities	97,780	97,780	-
Derivatives	1,854	1,854	-
Total liabilities	3,853,664	3,853,664	-

NOTE 6 Loans to the public

Group SEK thousand	31 Mar 2018	31 Dec 2017
Loans to the household sector	3,518,824	3,156,289
Loans to the corporate sector	-	-
Total loans to the public	3,518,824	3,156,289
Loans to the household sector		
Gross loans	3,652,526	3,216,735
Provision for expected loan losses	-133,702	-60,446
Loans, net book value	3,518,824	3,156,289
<i>Geographic distribution of net loans</i>		
Sweden	603,052	625,917
Finland	1,012,246	910,546
Norway	1,076,168	899,992
Estonia	385,654	338,031
Poland	305,064	280,738
Denmark	40,699	38,714
Latvia	95,941	62,351
Total loans, net book value	3,518,824	3,156,289

CHANGE IN PROVISION FOR ACTUAL AND EXPECTED LOAN LOSSES

Group SEK thousand	31 Mar 2018	31 Dec 2017
Opening balance according to IAS 39	-60,446	-57,607
Transition effect when implementing IFRS 9	-71,098	-
Opening balance according to IFRS 9	-131,544	-57,607
Change in provision for sold non-performing loans	-26,532	-106,500
Reversal of provision for sold non-performing loans	26,532	106,500
Change in provision for expected loan losses in category 1	4,219	-
Change in provision for expected loan losses in category 2	-1,448	-
Change in provision for expected loan losses in category 3	-358	-223
Other adjustments ¹	-4,571	-2,616
Closing balance	-133,702	-60,446

¹ Other adjustments consist of currency translation differences.

NOTE 7 Capital adequacy analysis**Background**

Information about the Group's capital adequacy includes information in accordance with chapter 6, 3-4 §§, Swedish FSA's regulations (FFFS 2008:25) on annual accounts of credit institutions and securities companies and related information contained in articles 92(3)(d, f) 436(b) and 438 of the Regulation (EU) No 575/2013, chapter 8, 7 §, of the Swedish FSA's regulations and general guidelines on regulatory requirements and capital buffers (FFFS 2014:12) and column A of Annex 6 of the Commission Implementing Regulation (EU) No 1423/2013. Other information required by FFFS 2014:12 and Regulation (EU) No 575/2013 is provided on the bank's website www.tfbankgroup.com.

TF Bank is the responsible institution which is under the supervision of the Swedish FSA. As a result, the company is covered by the rules governing credit institutions in Sweden. TF Bank AB listed on the stock exchange in 2016, which means that the stock exchange rules are also applicable.

Note 7 cont.

Own funds and capital requirements

The Group and Parent company's statutory capital requirements is governed by the Swedish Special Supervision of Credit Institutions and Investment Firms Act (2014:968), Regulation (EU) No 575/2013, regulation on capital buffers (2014:966) and the Swedish FSA's regulations and general recommendations on regulatory requirements and capital buffers (FFFS 2014:12).

The purpose of the regulations is to ensure that the Group and Parent company manage their risks and protect its customers. The regulations state that the own funds must cover the capital requirements including the minimum capital requirements according to Pillar 1 and applicable buffer requirements.

The bank reports to the Swedish FSA both on an individual basis for TF Bank AB and on a consolidated basis with TF Bank AB as the Parent company.

THE GROUP'S CAPITAL SITUATION

SEK thousand	31 Mar 2018	31 Dec 2017
Common Equity Tier 1 (CET1) capital after deductions	454,388	441,131
Additional Tier 1 (AT1) capital after deductions	-	-
Tier 2 capital after deductions	98,015	97,780
Own funds	552,403	538,911
Risk exposure amount	3,648,501	3,336,472
- of which: credit risk	2,959,840	2,623,365
- of which: credit valuation adjustment	1,639	1,999
- of which: market risk	16,831	40,917
- of which: operational risk	670,191	670,191
CET1 capital ratio, %	12.45	13.22
Tier 1 capital ratio, %	12.45	13.22
Total capital ratio, %	15.14	16.15
Total CET1 capital requirement incl. of capital buffer requirements	293,340	268,586
- of which: capital conservation buffer	91,213	83,412
- of which: countercyclical capital buffer	37,944	35,033
CET1 capital available to use as buffer ¹	290,205	290,990

¹ CET1 capital less the minimum requirement of 4.5 % excluding buffer requirements. There is an additional total capital requirement of 3.5 %.

OWN FUNDS

SEK thousand	31 Mar 2018	31 Dec 2017
<i>CET1 capital</i>		
Share capital	107,500	107,500
Other contributed capital	750	1,500
Reserves	2,588	-1,144
Retained earnings and net profit for the period	414,236	432,950
Adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends ¹	-67,007	-48,374
- Transitional arrangement IFRS 9 ²	52,723	-
- Intangible assets	-44,119	-41,437
- Deferred tax assets that rely on future profitability	-12,283	-9,864
Total CET1 capital	454,388	441,131
<i>Tier 2 capital</i>		
Dated subordinated loan	98,015	97,780
Own funds	552,403	538,911

¹ Deduction of dividends from own funds have been made in accordance with the Board of Directors' proposal to the Annual General Meeting and the dividend policy.

² For more information see page 29.

Note 7 cont.

On 6 February 2018 the Swedish FSA approved TF Bank's application to include the interim profit in own funds subject to the auditor's review of the surplus, that the surplus has been calculated in accordance with applicable accounting rules, that the foreseeable costs and dividends have been deducted in accordance with Regulation (EU) No 575/2013 and that the calculation has been made in accordance with Regulation (EU) No 241/2014. The Group's CET1 capital complies with the requirements of Regulation (EU) No 575/2013.

SPECIFICATION RISK EXPOSURE AMOUNTS

SEK thousand	31 Mar 2018	31 Dec 2017
Credit risk under the standardised approach		
Exposures to corporates	1,645	391
Retail exposures	2,652,015	2,321,723
Exposures secured by mortgage	331	319
Exposures in default	65,382	62,183
Exposures to institutions with a short-term credit assessment	220,322	221,077
Equity exposures	266	251
Other items	19,879	17,421
Total risk-weighted exposure amount	2,959,840	2,623,365
Credit valuation adjustment		
Standardised method	1,639	1,999
Total risk exposure amount	1,639	1,999
Market risk¹		
Foreign exchange risk	16,831	40,917
Total risk exposure amount	16,831	40,917
Operational risk		
Standardised approach	670,191	670,191
Total risk exposure amount	670,191	670,191
Total risk exposure amount	3,648,501	3,336,472

¹ The capital requirement for foreign exchange risk, which is calculated in accordance with article 351 of Regulation (EU) 575/2013, has arisen due to reported profits and losses in the bank's subsidiaries.

IFRS 9 TRANSITIONAL ARRANGEMENTS

The Bank has notified the Swedish FSA that the Bank, at Group and Parent Company level, will apply the transitional rules according to Article 473a of 2017/2395/EU pursuant to paragraphs 2 and 4. Table according to "Final Report on the guidelines on uniform disclosure of IFRS 9 transitional arrangements", EBA, 2018-01-12, are included in the information published under Part 8 of 575/2013/EU and can be found on the Bank's website www.tfbankgroup.com.

NOTE 8 Assets pledged as security

Group SEK thousand	31 Mar 2018	31 Dec 2017
Group liabilities		
<i>Relating to borrowing from credit institutions</i>		
Loans	31,878	30,033
Liquid assets used as collateral for derivatives with negative market value	33,330	30,850
Other assets	547	299
Total	65,755	61,182

The subsidiary BB Bank continuously pledges some of its loans as collateral. The pledge relates to collateral for BB Bank's credit facility of NOK 30 million. As at 31 March 2018 nothing was drawn from the facility.

NOTE 9 Transactions with related parties

Consortio Fashion Holding AB (CFH), corporate identity number 556925-2819, has largely the same owners as TF Bank's largest owner TFB Holding AB, corporate identity number 556705-2997. Transactions with other related parties, as shown in the table below, refer to transactions between TF Bank and the companies that are part of the CFH Group. All transactions are priced at market.

Group SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
<i>The following transactions have been made with related companies within the Group:</i>			
General administrative expenses	-54	-121	-307
Total	-54	-121	-307
<i>The following transactions have been made with other related parties:</i>			
Interest income (transaction costs)	-15,858	-17,566	-66,650
General administrative expenses	-1,085	-1,374	-5,458
Total	-16,943	-18,940	-72,108
<i>Acquisition of assets and liabilities from other related parties:</i>			
Ecommerce Solutions	168,047	187,864	660,628
Total	168,047	187,864	660,628

Group SEK thousand	31 Mar 2018	31 Dec 2017
<i>Assets at the end of the period as a result of transactions with other related parties:</i>		
Other assets	1,395	392
Total	1,395	392
<i>Liabilities at the end of the period as a result of transactions with other related parties:</i>		
Other assets	84	2,115
Total	84	2,115

NOTE 10 Transitional effect due to the implementation of IFRS 9

Parent company 31 March 2018 SEK thousand	IAS 39		Transitional effect due to the implementation of IFRS 9	IFRS 9	
	Classification	Ending balance as at 31 December 2017		Classification	Opening balance as at 1 January 2018
ASSETS					
Cash and balances with central banks	Loans and accounts receivable	65,999	-	Accumulated cost	65,999
Treasury bills eligible for refinancing	Available for sale financial assets	60,096	-	Fair value through other comprehensive income	60,096
Loans to credit institutions	Loans and accounts receivable	1,062,294	-	Accumulated cost	1,062,294
Loans to the public	Loans and accounts receivable	3,156,289	-71,098	Accumulated cost	3,085,191
Shares	Available for sale financial assets	75,654	-	Fair value through other comprehensive income	75,654
Goodwill	-	12,068	-	Non-financial assets and liabilities	12,068
Intangible assets	-	29,369	-	Non-financial assets and liabilities	29,369
Tangible assets	-	1,657	-	Non-financial assets and liabilities	1,657
Other assets	-	9,730	-	Non-financial assets and liabilities	9,730
- Derivatives - held for trading	Financial instruments measured at fair value through profit or loss	2,321	-	Financial instruments valued at fair value through profit or loss - mandatory	2,321
- Derivatives - which are included in hedge accounting	Derivatives included in hedge accounting	143	-	Derivative instruments for hedging	143
Current tax assets	-	870	9,589	Non-financial assets and liabilities	10,459
Deferred tax assets	-	9,864	6,094	Non-financial assets and liabilities	15,958
Prepaid expenses and accrued income	-	8,196	-	Non-financial assets and liabilities	8,196
TOTAL ASSETS		4,494,550	-55,415	4,439,135	

Note 10 cont.

Parent company 31 March 2018 SEK thousand	IAS 39		Transitional effect due to the implementation of IFRS 9	IFRS 9	
	Classification	Ending balance as at 31 December 2017		Classification	Opening balance as at 1 January 2018
LIABILITIES AND EQUITY					
Liabilities					
Deposits and borrowings from the public	Other financial assets/liabilities	3,754,030	-	Accumulated cost	3,754,030
Other liabilities	-	31,703	-	Non-financial assets and liabilities	31,703
- Derivatives - held for trading	Financial instruments measured at fair value through profit or loss	1,854	-	Financial instruments valued at fair value through profit or loss - mandatory	1,854
Current tax liabilities	-	11,229	-	Non-financial assets and liabilities	11,229
Deferred tax liabilities	-	7,579	-	Non-financial assets and liabilities	7,579
Accrued expenses and prepaid income	-	49,569	-	Non-financial assets and liabilities	49,569
Subordinated liabilities	Other financial assets/liabilities	97,780	-	Accumulated cost	97,780
Total liabilities		3,953,744	-		3,953,744
Equity					
Share capital (21,500,000 shares of SEK 5 each)	-	107,500	-	-	107,500
Other contributed capital	-	1,500	-	-	1,500
Reserves	-	-1,144	-	-	-1,144
Retained earnings and net profit for the period	-	432,950	-55,415	-	377,535
Total equity attributable to the shareholders of the Parent company		540,806	-55,415		485,391
Non-controlling interests	-	-	-		-
Total equity		540,806	-55,415		485,391
TOTAL LIABILITIES AND EQUITY		4,494,550	-55,415	4,439,135	

Note 10 cont.

Parent company 31 March 2018 SEK thousand	IAS 39		Transitional effect due to the implementation of IFRS 9	IFRS 9	
	Classification	Ending balance as at 31 December 2017		Classification	Opening balance as at 1 January 2018
ASSETS					
Cash and balances with central banks	Loans and accounts receivable	65,999	-	Accumulated cost	65,999
Treasury bills eligible for refinancing	Available for sale financial assets	60,096	-	Fair value through other comprehensive income	60,096
Loans to credit institutions	Loans and accounts receivable	1,046,773	-	Accumulated cost	1,046,773
Loans to the public	Loans and accounts receivable	2,252,638	-67,854	Accumulated cost	2,184,784
Shares	Available for sale financial assets	20,295	-	Fair value through other comprehensive income	20,295
Shares in group companies	-	250,705	-		250,705
Intangible assets	-	19,371	-	Non-financial assets and liabilities	19,371
Tangible assets	-	1,269	-	Non-financial assets and liabilities	1,269
Other assets	-	3,809	-	Non-financial assets and liabilities	3,809
- Derivatives - held for trading	Financial instruments measured at fair value through profit or loss	2,290		Financial instruments valued at fair value through profit or loss - mandatory	2,290
Current tax assets	-	1,584	9,554	Non-financial assets and liabilities	11,138
Deferred tax assets	-	-	5,374	Non-financial assets and liabilities	5,374
Prepaid expenses and accrued income	-	4,334	-	Non-financial assets and liabilities	4,334
TOTAL ASSETS		3,729,163	-52,926		3,676,237

Note 10 cont.

Parent company 31 March 2018 SEK thousand	IAS 39		Transitional effect due to the implementation of IFRS 9	IFRS 9	
	Classification	Ending balance as at 31 December 2017		Classification	Opening balance as at 1 January 2018
LIABILITIES AND EQUITY					
Liabilities					
Deposits and borrowings from the public	Other financial assets/liabilities	3,017,287	-	Accumulated cost	3,017,287
Other liabilities	-	23,492	-	Non-financial assets and liabilities	23,492
- Derivatives - held for trading	Financial instruments measured at fair value through profit or loss	1,854	-	Financial instruments valued at fair value through profit or loss - mandatory	1,854
Deferred tax liabilities	-	96	-	Non-financial assets and liabilities	96
Accrued expenses and prepaid income	-	40,396	-	Non-financial assets and liabilities	40,396
Subordinated liabilities	Other financial assets/liabilities	97,780	-	Non-financial assets and liabilities	97,780
Total liabilities		3,180,905	-		3,180,905
Untaxed reserves		33,809	-		33,809
Equity					
Restricted equity					
Share capital (21,500,000 shares of SEK 5 each)	-	107,500	-	-	107,500
Statutory reserve	-	1,000	-	-	1,000
Development costs fund	-	14,739	-	-	14,739
Other contributed capital	-	1,500	-	-	1,500
Total restricted equity		124,739	-		124,739
Non-restricted equity					
Retained earnings	-	239,337	-52,926	-	186,411
Total comprehensive income for the period	-	150,373	-	-	150,373
Total non-restricted equity		389,710	-52,926		336,784
Total equity		514,449	-52,926		461,523
TOTAL LIABILITIES AND EQUITY		3,729,163	-52,926		3,676,237

PARENT COMPANY

TF Bank AB, org.nr. 556158-1041, is a bank with its registered office in Sweden. The company has a license to provide banking services. The bank carries out deposit and lending activities in Sweden, Finland, Norway, Denmark, Poland, Germany, Estonia and Latvia via branch or cross-border banking.

The Parent company's operating income for the first quarter of 2018 amounted to SEK 101.1 million (105.4). Net income from financial transactions affects operating income by SEK -9.9 million (1.2), which is related to currency differences on shares in foreign subsidiaries, which are not translated at current exchange rates.

The company's total operating expenses amounted to SEK 38.3 million (35.7) for the period and loan losses amounted to SEK 29.1 million (28.8). Operating profit amounted to SEK 33.7 million (40.9) during the first quarter of 2018.

Lending to the public increased by 8.8 % to SEK 2,450 million (2,253) during the quarter. The amount includes lending to the subsidiary Avarda of SEK 130 million (33). Deposits from the public amounted to SEK 3,228 million (3,017) at the end of the quarter.

Lending to credit institutions decreased during the period and amounted to SEK 915 million (1,047) at the end of the quarter. In the comparative period, loans to the subsidiary BB Bank include SEK 50 million.

Shares in Group companies increased by SEK 56 million during the period and amounted to SEK 307 million at the end of the first quarter. The increase is explained by shareholders' contribution to Avarda (SEK 25 million) and new shares in BB Bank (SEK 31 million).

The company's capital adequacy ratio remains stable, with a CET1 and Tier 1 capital ratio of 15.4 % as at 31 March 2018 (16.9). The total capital ratio at the end of the quarter was 18.5 % (20.4), which is significantly higher than the statutory requirement.



INCOME STATEMENT, PARENT COMPANY

SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Operating income			
Interest income	117,003	111,264	458,380
Interest expense	-14,138	-15,250	-60,158
Net interest income	102,865	96,014	398,222
Fee and commission income	9,020	9,325	36,701
Fee and commission expense	-884	-1,056	-3,960
Net fee and commission income	8,136	8,269	32,741
Net results from financial transactions	-9,936	1,153	6,605
Total operating income	101,065	105,436	437,568
Operating expenses			
General administrative expenses	-34,154	-31,772	-124,774
Depreciation, amortisation and impairment charges of tangible and intangible assets	-1,406	-1,189	-5,030
Other operating expenses	-2,691	-2,754	-10,373
Total operating expenses	-38,251	-35,715	-140,177
Profit before loan losses	62,814	69,721	297,391
Net loan losses	-29,124	-28,816	-121,579
Operating profit	33,690	40,905	175,812
Appropriations	-	-	18,812
Income tax expense	-7,618	-9,363	-44,251
Net profit for the period	26,072	31,542	150,373

STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY

SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Net profit for the period	26,072	31,542	150,373
Other comprehensive income			
Items that may be reclassified subsequently to the income statement			
Currency translation differences during the period, net of tax	-	-	-
Other comprehensive income, net of tax	-	-	-
Total comprehensive income for the period	26,072	31,542	150,373

BALANCE SHEET, PARENT COMPANY

SEK thousand	31 Mar 2018	31 Dec 2017
ASSETS		
Cash and balances with central banks	95,724	65,999
Treasury bills eligible for refinancing	60,225	60,096
Loans to credit institutions	914,720	1,046,773
Loans to the public	2,450,047	2,252,638
Shares	21,535	20,295
Shares in group companies	307,042	250,705
Intangible assets	19,104	19,371
Tangible assets	1,444	1,269
Other assets	4,569	6,099
Current tax assets	13,590	1,584
Deferred tax assets	7,443	-
Prepaid expenses and accrued income	4,156	4,334
TOTAL ASSETS	3,899,599	3,729,163
LIABILITIES AND EQUITY		
Liabilities		
Deposits and borrowings from the public	3,227,733	3,017,287
Other liabilities	20,216	25,346
Deferred tax liabilities	-	96
Accrued expenses and prepaid income	33,546	40,396
Subordinated liabilities	98,015	97,780
Total liabilities	3,379,510	3,180,905
Untaxed reserves	33,809	33,809
Equity		
Restricted equity		
Share capital (21,500,000 shares of SEK 5 each)	107,500	107,500
Statutory reserve	1,000	1,000
Development costs fund	15,003	14,739
Other contributed capital	750	1,500
Total restricted equity	124,253	124,739
Non-restricted equity		
Retained earnings	335,955	239,337
Total comprehensive income for the period	26,072	150,373
Total non-restricted equity	362,027	389,710
Total equity	486,280	514,449
TOTAL LIABILITIES AND EQUITY	3,899,599	3,729,163

CAPITAL ADEQUACY ANALYSIS, PARENT COMPANY

SEK thousand	31 Mar 2018	31 Dec 2017
Common Equity Tier 1 (CET1) capital after deductions	476,837	473,075
Additional Tier 1 (AT1) capital after deductions	-	-
Tier 2 capital after deductions	98,015	97,780
Own funds	574,852	570,855
Risk exposure amount	3,100,967	2,792,858
- of which: credit risk	2,437,033	2,184,158
- of which: credit valuation adjustment	1,508	1,876
- of which: market risk	55,602	-
- of which: operational risk	606,824	606,824
CET1 capital ratio, %	15.38	16.94
Tier 1 capital ratio, %	15.38	16.94
Total capital ratio, %	18.54	20.44
Total CET1 capital requirement inclusive of capital buffer requirements	245,907	220,356
- of which: capital conservation buffer	77,524	69,821
- of which: countercyclical capital buffer	28,839	24,856
CET1 capital available to use as buffer ¹	337,293	347,396

¹ CET1 capital less the minimum requirement of 4.5 % excluding buffer requirements. There is an additional total capital requirement of 3.5 %.

OWN FUNDS

SEK thousand	31 Mar 2018	31 Dec 2017
<i>CET1 capital</i>		
Share capital	107,500	107,500
Other reserves	42,374	42,110
Other contributed capital	750	1,500
Retained earnings including the net profit for the period	362,027	389,710
Adjustment to CET1 capital:		
- Deduction of foreseeable costs and dividends ¹	-67,007	-48,374
- Transitional arrangement IFRS 9 ²	50,297	-
- Intangible assets	-19,104	-19,371
Total CET1 capital	476,837	473,075
<i>Tier 2 capital</i>		
Dated subordinated loan	98,015	97,780
Own funds	574,852	570,855

¹ Deduction of dividends from own funds have been made in accordance with the Board of Directors' proposal to the Annual General Meeting and the dividend policy.

² For more information see page 29.

On 6 February 2018 the Swedish FSA approved TF Bank's application to include the interim profit in own funds subject to the auditor's review of the surplus, that the surplus has been calculated in accordance with applicable accounting rules, that the foreseeable costs and dividends have been deducted in accordance with Regulation (EU) No 575/2013 and that the calculation has been made in accordance with Regulation (EU) No 241/2014. The Parent company's CET1 capital complies with the requirements of Regulation (EU) No 575/2013.

SPECIFICATION RISK EXPOSURE AMOUNTS

SEK thousand	31 Mar 2018	31 Dec 2017
Credit risk under the standardised approach		
Exposures to institutions	-	10,032
Exposures to corporates	131,755	34,084
Retail exposures	1,764,118	1,636,995
Exposures in default	40,205	37,474
Exposures to institutions with a short-term credit assessment	186,608	207,787
Equity exposures	307,042	250,705
Other items	7,305	7,081
Total risk-weighted exposure amount	2,437,033	2,184,158
Credit valuation adjustment		
Standardised method	1,508	1,876
Total risk exposure amount	1,508	1,876
Market risk ¹		
Foreign exchange risk	55,602	-
Total risk exposure amount	55,602	-
Operational risk		
Standardised approach	606,824	606,824
Total risk exposure amount	606,824	606,824
Total risk exposure amount	3,100,967	2,792,858

¹ The capital requirement for foreign exchange risk, which is calculated in accordance with article 351 of Regulation (EU) 575/2013, has arisen due to reported profits and losses in the bank's subsidiaries.



BOARD OF DIRECTORS AND CEO AFFIRMATION

The interim report has not been reviewed by the company's auditor.

The Board of Directors and the CEO certify that the interim report gives a true and fair overview of the development of the operations, financial position and result of the Parent company and the Group and describes the material risks and uncertainties that the Parent company and the Group face.

Borås, 25 April 2018

Bertil Larsson
Acting Chairman

John Brehmer

Mari Thjømøe

Charlotta Björnberg-Paul

Tone Bjørnov

Mattias Carlsson
President and CEO

DEFINITIONS

TF Bank Group defines the key figures as per below. The definitions remain unchanged from previous periods.

CET1 CAPITAL RATIO

CET1 capital as a percentage of total risk exposure amount.

COST/INCOME RATIO

Operating expenses as a percentage of operating income.

CREDIT VOLUME

The paid-out credit (the cash flow) in the period, for Sales Finance the volume is reduced by product returns.

EARNINGS PER SHARE

Net profit for the period excluding non-controlling interests divided by average number of outstanding shares.

EMPLOYEES (FTE)

Average number of full time employees, including employees on parental leave.

NET LOAN LOSS RATIO

Net loan losses as a percentage of average loan portfolio. Rolling 12 months.

OPERATING INCOME MARGIN

Total operating income as a percentage of average loans to the public. Rolling 12 months.

RETURN ON EQUITY

Net profit for the period excluding non-controlling interests as a percentage of average total equity. Rolling 12 month.

RETURN ON LOANS TO THE PUBLIC

Net profit for the year excluding minority interests divided by average lending to the public.

TIER 1 CAPITAL RATIO

Tier 1 capital, i.e., CET1 capital and Additional Tier 1 capital, as a percentage of total risk exposure amount.

TOTAL CAPITAL RATIO

Own funds as a percentage of the total risk exposure amount.

FINANCIAL CALENDAR AND CONTACTS

FINANCIAL CALENDAR

2 May 2018	Annual General Meeting
13 July 2018	Interim report January – June 2018
25 October 2018	Interim report January – September 2018
7 February 2019	Year-end report January – December 2018

This is information which TF Bank is required to disclose under the EU Market Abuse Regulation and the Securities Market Act. The information was provided for publication 26 April 2018 at 07:00 CET.

PRESENTATION FOR INVESTORS, ANALYSTS AND MEDIA

A live conference call will be held on 26 April at 08.15 CET, where CEO Mattias Carlsson and CFO Mikael Meomuttel will present the report and answer questions. The presentation material is written in English while the conference call will be held in Swedish. To participate call +46 (0)8 5664 2662 or +44 (0)20 3008 9809. For international investors, there is the possibility to ask questions in English during the Q&A session. A recording of the conference call, including the presentation material, will be available on the bank's website, www.tfbankgroup.com/en/section/investor-relations.

CONTACT

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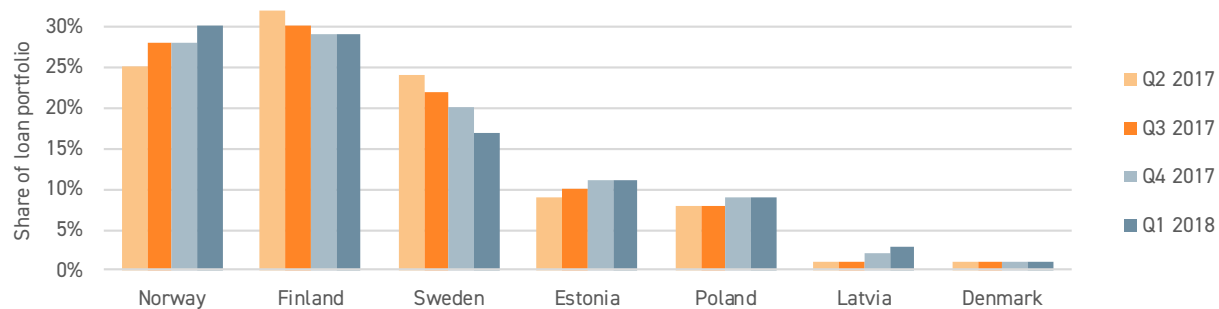
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TF BANK'S GEOGRAPHICAL PRESENCE



SHARE OF LOAN PORTFOLIO BY COUNTRY AND QUARTER





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