



1st Quarter 2019

RESULT PRESENTATION

HIGHLIGHTS JANUARY – MARCH 2019

- Record high loan book growth, +14%
- Strong operating profit, 66 MSEK, +35%
- Signed agreement with Estonia's largest online retailer Hansapost
- New forward flow contracts in several markets
- 90.000 new customers



CONSUMER LENDING DIVERSIFIED PORTFOLIO WITH NORDIC BASE

At a glance

- 79 % of the loan portfolio distributed over 7 countries
- Product offering tailored for each market
- Marketed through direct channels, own data base and external partners
- Tenor of loans are typically between 12 and 60 months, estimated average maturity of ~24 months
- Average loan size on book of SEK ~49,000
- Credit quality keeps improving
- Pilot project in Austria ongoing

Loan sizes (average) and customer profile



ECOMMERCE SOLUTIONS

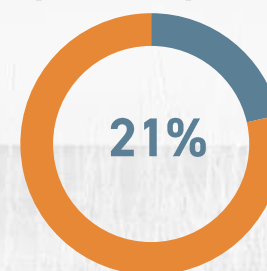
NEXT GENERATION PAYMENT SOLUTIONS

At a glance

- Best-in-class white label checkout solution with CRM functionality for online retailers – Checkout+
- Checkout+ allows retailers to offer payments in all Nordic countries through one single integration
- Contract with Estonia's leading online retailer marks breakthrough in new market
- Solid development for credit card offering, launch of gold card in Norway to provide further support

Key metrics

Share of the
Group's loan portfolio



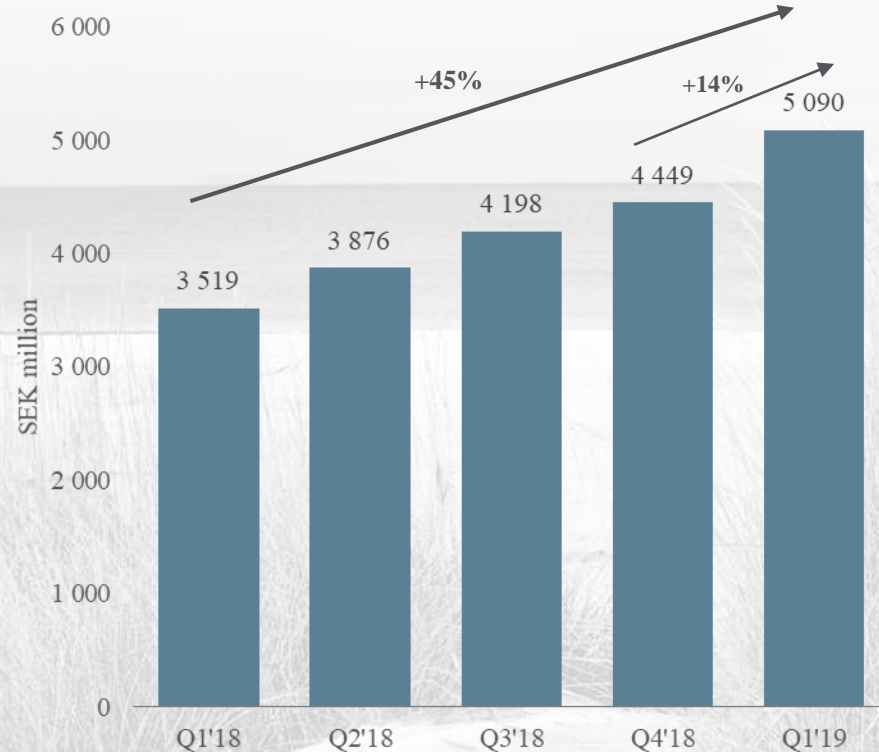
Amount outstanding
SEK 1080 million
(31 Mar 2019)

Loan portfolio growth
+10%
(Q1'19 vs Q4'18)

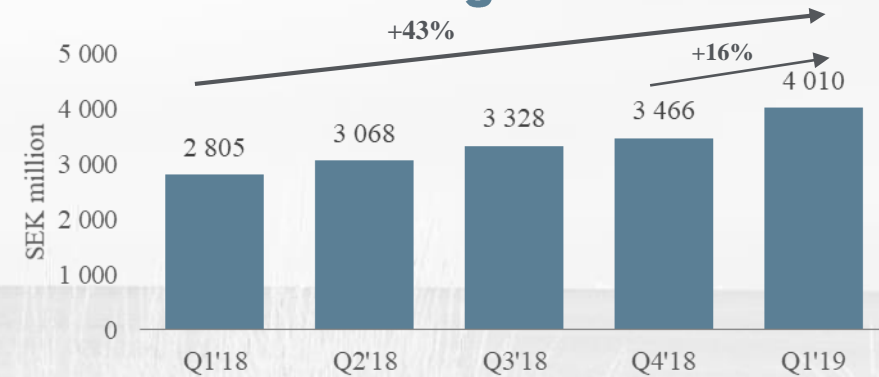
- Digital payment solutions available in the Nordic region, the Baltics and Poland
- Credit cards available in Norway and Germany

STRONG LOAN BOOK GROWTH

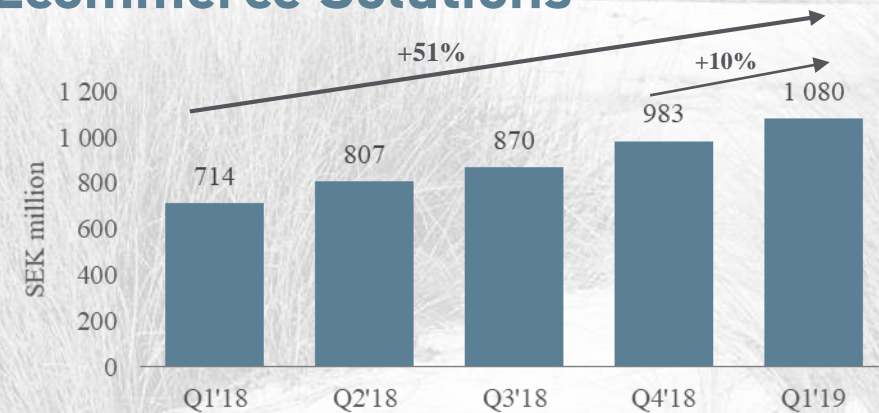
TF Bank Group



Consumer Lending



Ecommerce Solutions



GROWTH AND DIVERSIFICATION ACCORDING TO PLAN

Norway

Loan book SEK 1,697m (34%)
Change 3M'19: +23 %
Strong growth

Finland

Loan book SEK 1,314m (26%)
Change 3M'19: +10%
Profitability and steady growth

Sweden

Loan book SEK 668m (13%)
Change 3M'19: +1%
Focus on profitability

Baltics

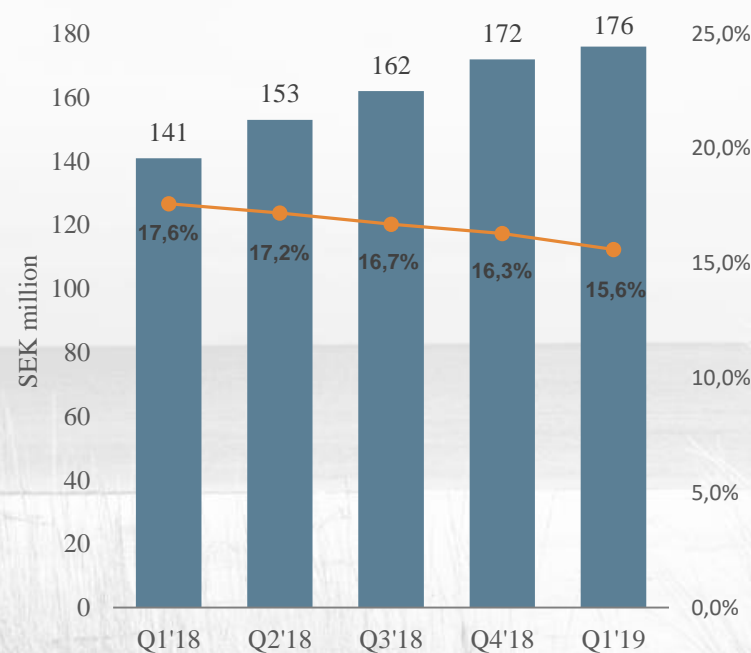
Loan book SEK 957m (19%)
Change 3M'19: +19%
Steady growth and profitability

Poland

Loan book SEK 403m (8%)
Change 3M'19: +9%
Strong growth in ecommerce segment

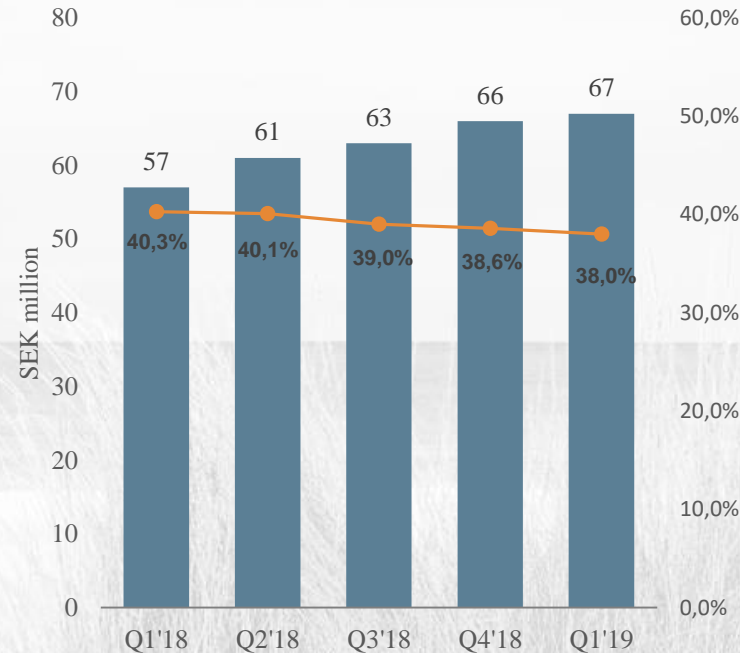
STRONG GROWTH AND LOWER C/I RATIO

Operating income



- **Income Q1-19 vs. Q1-18, +25%**
 - Main growth drivers; Norway, the Baltics, Ecommerce Solutions
 - Product mix lowers margin

Operating expenses



- **Expenses Q1-19 vs. Q1-18, +18%**
 - Average number of employees 156 (128)
 - Economies of scale lowers C/I ratio

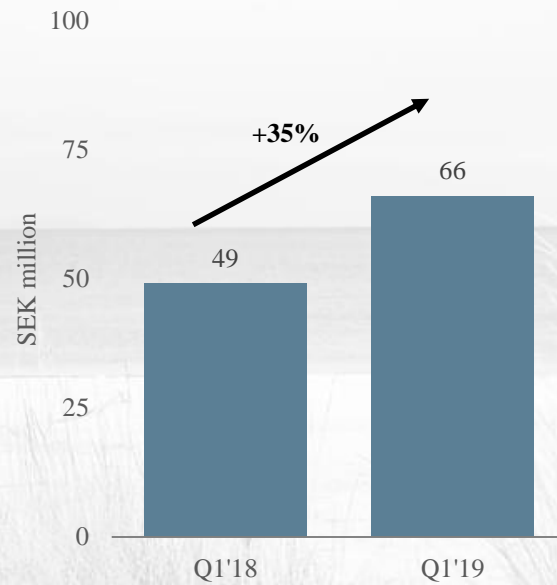
Net loan losses



- **Losses Q1-19 vs Q1-18, +23%**
 - New forward flow contracts in both segments
 - Product mix lowers loss ratio

STRONG GROWTH FOR OPERATING PROFIT

Operating profit

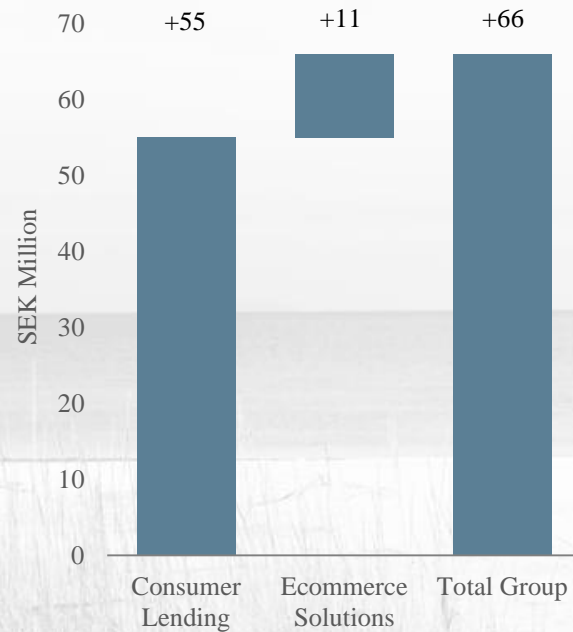


* excluding items affecting comparability, 20 MSEK

- Operating profit Q1-19 vs. Q1-18 +35%
 - Higher income from growing loan portfolio
 - Lower C/I ratio
- Bridge operating profit and earnings per share
 - Operating profit +35%
 - Tier 1 capital holders -3%
 - = Earnings per share +32%
- Adjusted earnings per share rolling 12 months 8,56*

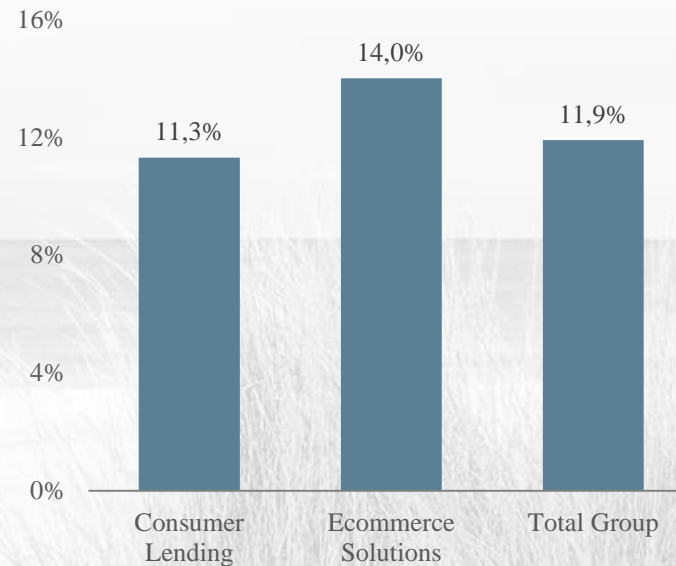
Q1 2019 - KPIs PER SEGMENT

Operating profit



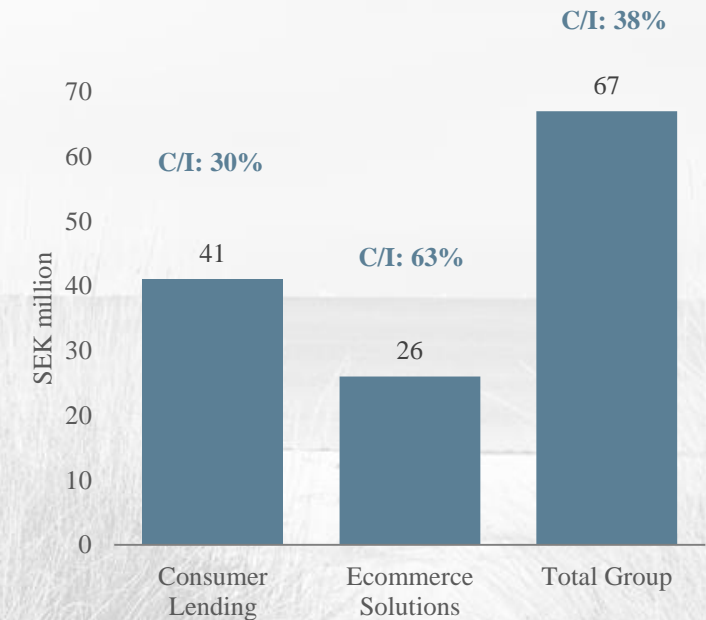
- Lower margins in Consumer Lending
- Ecommerce Solutions stepping up

Risk-adjusted margin*



- New forward flow contracts impacts both segments
- Underlying credit quality improving

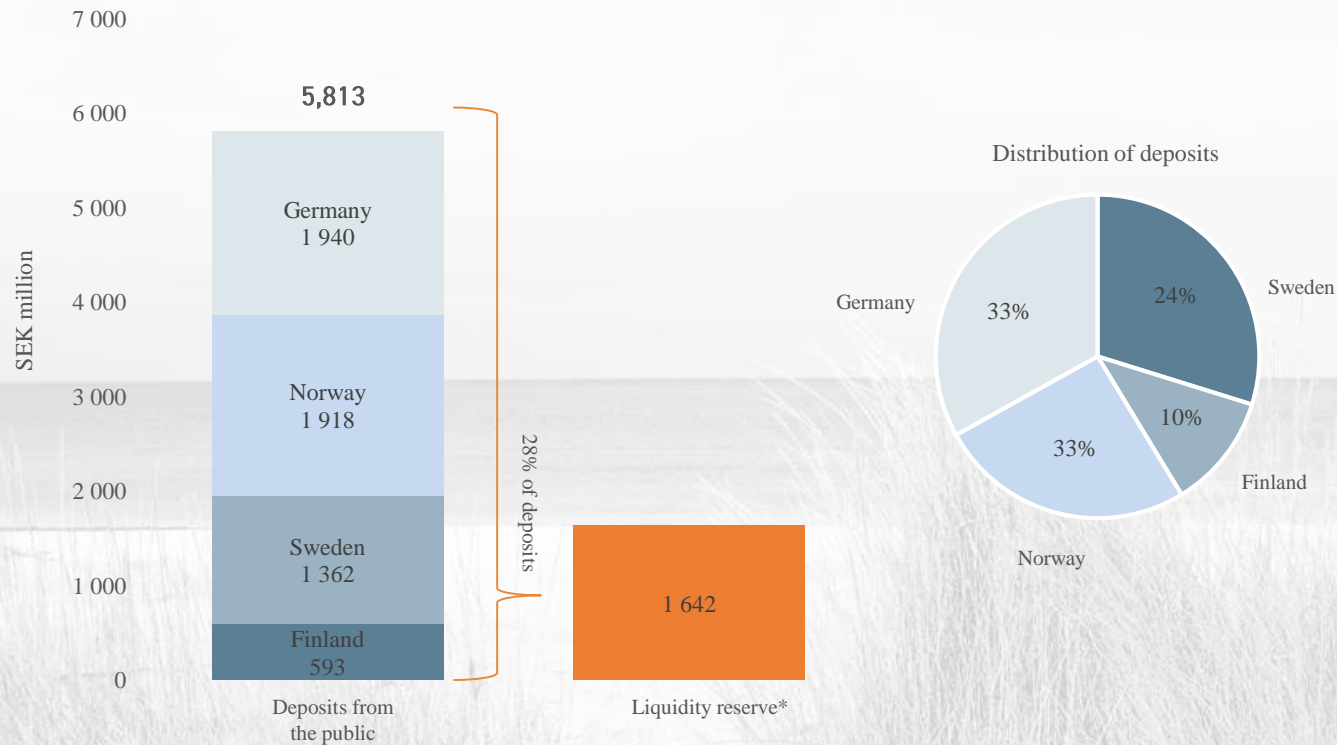
Operating expenses



- Consumer Lending; High efficiency
- Ecommerce Solutions; Economies of scale

* Operating income margin minus net loan loss ratio

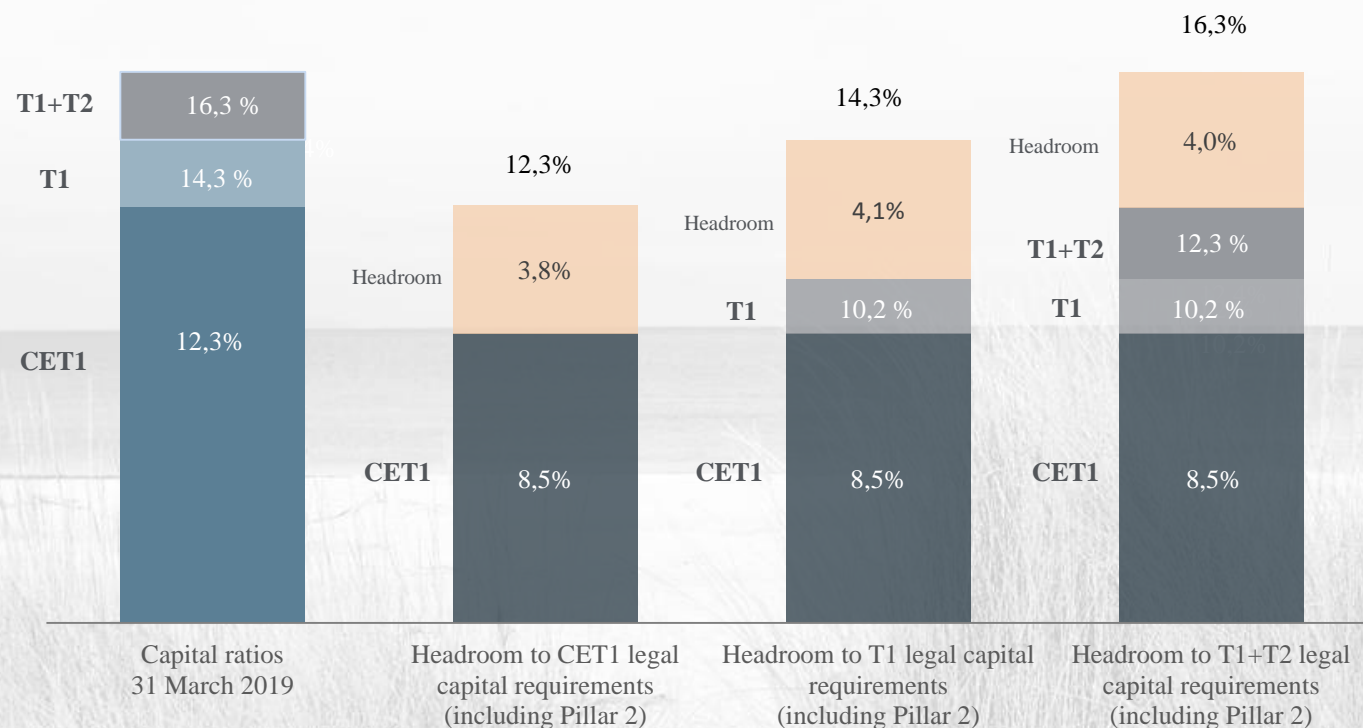
COST-EFFICIENT AND DIVERSIFIED FUNDING



- **Cost-efficient funding from diversified retail deposits**
 - Germany (SEK 1.9 billion)
 - Norway (SEK 1.9 billion)
 - Sweden (SEK 1.4 billion)
 - Finland (SEK 0.6 billion)
- **Strong liquidity position**
 - Liquidity reserve 28% of deposits
 - Supports further loan book growth

*Liquidity reserve consists of Cash at Central Banks (483m), Treasury bills (60m), Loans to credit institutions (1,045m), Shares (22m) and Unused credit facility (32m)

DIVERSIFIED CAPITAL STRUCTURE



- Significant headroom to all legal capital requirements (incl. Pillar 2*)
- Internal target: 2.5 % above legal capital requirements (incl. Pillar 2*)
- Own funds include regulatory deduction for foreseeable dividend

* The Pillar 2 requirement should be covered by capital split similarly as for the Pillar 1 requirement, i.e. the Pillar 2 requirement of 1.0 % is split as follows: CET1 capital 0.7 %, T1 capital 0.8 % and total capital 1.0 %.

LOOKING AHEAD

- Continue to leverage on the platform in Consumer lending
- Margin of new sales are expected to stay stable in the coming quarters easing the downward pressure on total portfolio margin
- Underlying credit quality will continue to improve across almost all products and markets
- New APR-cap in Finland from September at 20% might increase competition for the small tickets

Q&A Session

APPENDIX

CORPORATE PROFILE

Our Products

Operating with modern and scalable infrastructure offering our retail customers online consumer loans, deposits and credit cards. For retailers we offer leading ecommerce and brick-and-mortar payment solutions

Our DNA

We aim to deliver effortless banking to our customers by being reliable, responsible and straightforward in our dealings with them

Our Geographical footprint

We serve customers in the Nordics and around the Baltic sea

The investment case

We operate in carefully selected niches where we can leverage on our platform and expertise to deliver attractive and sustainable risk adjusted growing returns

LONG TRACK RECORD OF PROFITABLE GROWTH

Long experience and proven business model

- 30 years+ experience from consumer finance industry
- Highly profitable core markets with proven model for geographical expansion into new high-growth markets
- Two complementary business segments in consumer loans and payments

Strong track record on growth and profitability



FINANCIAL TARGETS

Growth

TF Bank aims to achieve earnings per share of at least 14.50 SEK in 2020

Efficiency

TF Bank aims to achieve a cost/income ratio of below 35% in 2020

Capital structure

All capital ratios shall exceed the legal requirement (including pillar 2) by at least 2.5% points

Dividend policy

Distribute surplus capital relative to the capital target and the bank's capital planning

Board of Directors



Mari Thjømøe
Chairman of the Board since 2018
Board member since 2017

Current commitments:

Chairman: Seilspport Maritimt Forlag AS

Deputy chairman: Norconsult AS

Board member: Hafslund E-CO AS, Nordic Mining ASA, Scatec Solar ASA, SINTEF Resarch Institute, Ice ASA, Tryg A/S



Charlotta Björnberg-Paul
Board member since 2017

Current commitments:

Deputy chairman: Saxo Oy

Board member: Paptic Ltd, GuardianX Technologies Inc

Co-founder: Superskills
Entrepenuer; Anki Rugs



Tone Bjørnov
Board member since 2015

Current commitments:

Chairman: Filmparken AS, Storyline Studios AS, Norsk Film Kostyme AS,

Board member: BB Bank ASA, Storyline Studios AS, Aqua Bio Technology ASA, Sparebankstiftelsen Bien, Guard Automation AS, Guard Electro AS, Omsorgsbygg Oslo KF



John Brehmer
Board member since 2010

Current commitments:

Chairman: Mederion AB, Tiberon AB, Zebware AB

Board member; Consortio Fashion Holding AB, TFB Holding AB, Halens Real Estate AB



Bertil Larsson
Board member since 2007

Current commitments:

Chairman: LåsTeam Sverige AB, Minso Solutions AB, Minso Holding AB, Aktiebolaget Borås Tidning, AB Effektiv

Board member: Conpera AB, Tore G Wärenstams stiftelse, Gota Media AB



Mattias Carlsson
Board member since 2008

Current commitments:

Chairman: Bank ASA, Avarda AB, Avarda Oy, Smedslättens Tennisbanor Aktiebolag, Qred AB

Board member: Tronstad Consulting AB

EXECUTIVE MANAGEMENT TEAM



Mattias Carlsson
CEO

Education: MSc, Engineering Physics, Uppsala University.

Current commitments: BB Bank ASA (chairman), Avarða AB (chairman), Avarða Oy (chairman), Smedslättens Tennisbanor Aktiebolag (chairman), Qred AB (chairman), and Tronstad Consulting AB (board member).



Mikael Meomuttel
CFO, Deputy CEO and Head of Investor Relations

Education: MSc, Business/Economics and Finance, University of Borås/University of Gothenburg.

At TF Bank since 2009, 2014 deputy CEO and from 2018 also the Group's Head of IR. Previously, among other things, been Financial Controller at Consortio Fashion Group AB (CFG).

Current commitments: Avarða AB (board member)



Espen Johannesen
Head of Consumer Lending

Education: Executive M.B.A Management control Norwegian School of Economics (NHH), Bachelor of economics, Business BI Norwegian School of Management

At BB Bank since 2010.



Mikael Johansson
Head of Ecommerce Solutions

Education: MSc Business Administration and Mathematics Stockholms universitet

With the Group since 2016 as CEO of Avarða. Previously, among other things, at GE Commercial Finance and as CEO of Santander Consumer Bank Sweden.

Current commitments: Svenska Bilhandlare AB (chairman) and Sticklinge Management AB (alternate member)

Head of countries and functions ¹⁾



Vilma Sool
*Regional manager
Baltics
Head of Estonia*

10 years of experience in the consumer finance sector – established and led Bigbank Swedish branch.



Juho Maanpää
Head of Finland

Extensive consumer finance experience in Finland within operations management, credit risk and digital marketing. With TF Bank since 2013.



Juris Pūce
Head of Latvia

Before joining TF Bank in 2016, worked for seven years in Bigbank, serving as country manager in Latvia and Spain and in various positions with credit management services provider Creditreform.



Björn Skytt
CIO

Before joining TF Bank in 2010 worked as integration manager for ICA Banken and prior to that as project manager and system manager for SKF's financial and treasury systems.



Wojciech Drozd
Head of Poland

Sales leader with 20+ years of extensive consumer finance and retail banking experience from GE Money Bank Poland and Bank BPH.



Krzysztof Blach
Credit Manager

Credit Risk Manager with 15 years of experience in retail banking sector. Worked for GE Money Bank and BPH Bank in Poland holding various positions and for KBC Group across Europe.



Sarunas Dmukauskas
Head of Lithuania

Before joining TF Bank at end of 2018, worked for 2 years in Mokilizingas as Head of Projects and prior to that as a project and product manager of Consumer Loans. Led development of various financial service related IT solutions.

¹⁾ Excluding Espen Johannesen, Head of Norway and acting Head of Sweden, as he is also the Head of Consumer Lending and consequently a member of the Executive Management Team as shown on p. 19.

Contact

Investor relations

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