



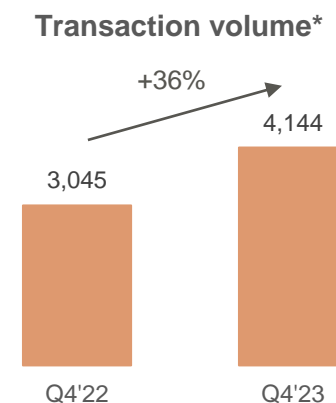
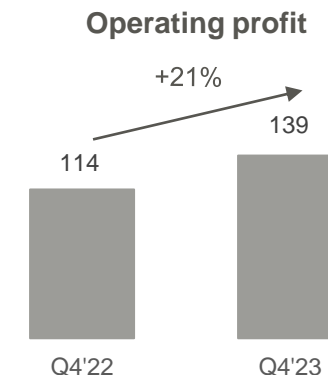
4<sup>th</sup> Quarter 2023

RESULT PRESENTATION

# HIGHLIGHTS OCTOBER – DECEMBER 2023



- Controlled growth during the quarter
  - 6% in local currencies
- Operating profit 139 MSEK, +21% vs Q4-2022
  - Credit Cards and Ecommerce Solutions segment drives EPS
- Further development of our customer processes with new digital solutions
- Transaction volume\* during Black Week and Christmas shopping were at record levels
- Launch of deposit products in Spain, Ireland, and the Netherlands

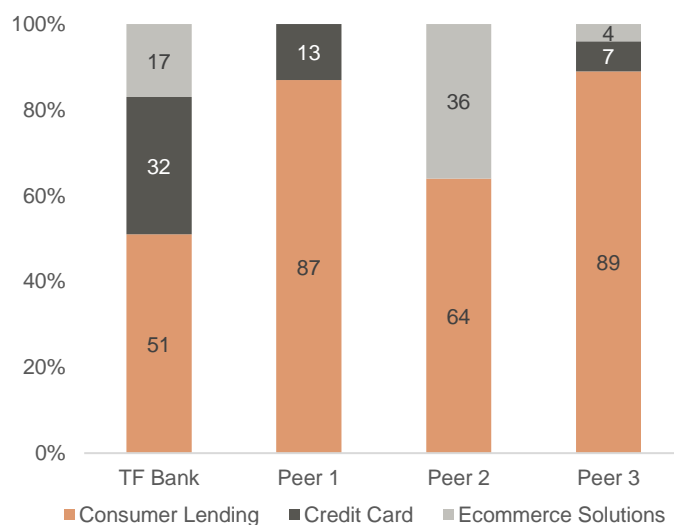


\* Segment Ecommerce Solutions

# DIFFERENT BUSINESS MIX

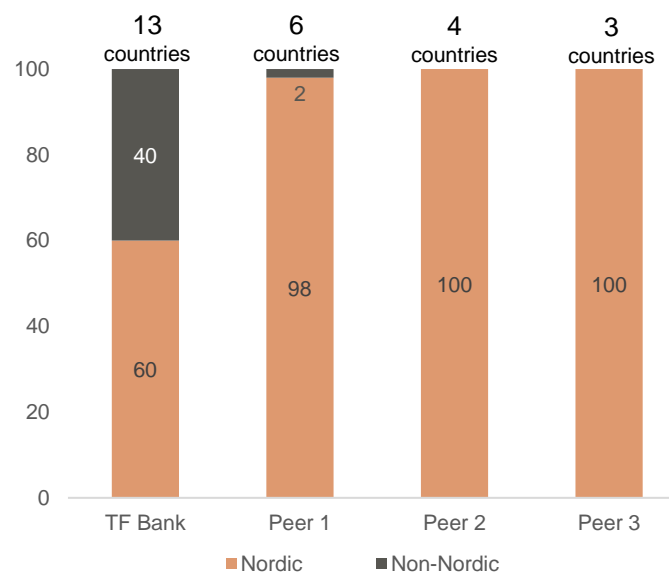


## Portfolio composition



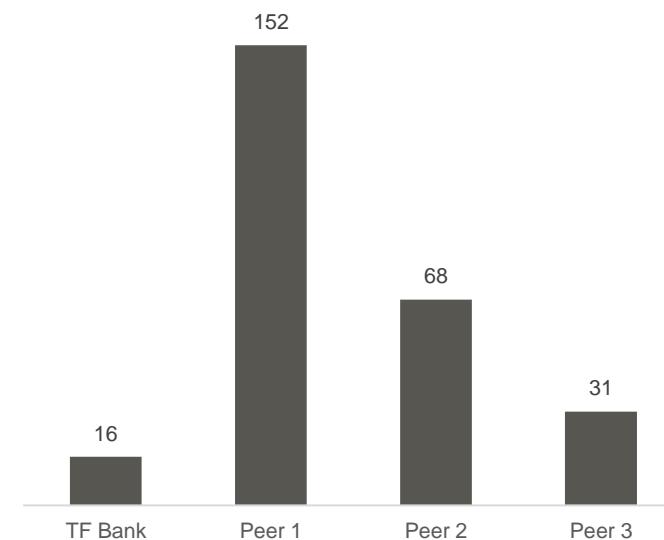
- Continue the transformation towards becoming a credit and payment platform

## Geographical mix



- Unique geographical mix with business in 13 countries
- Expansion in non-Nordic countries

## Ticket size

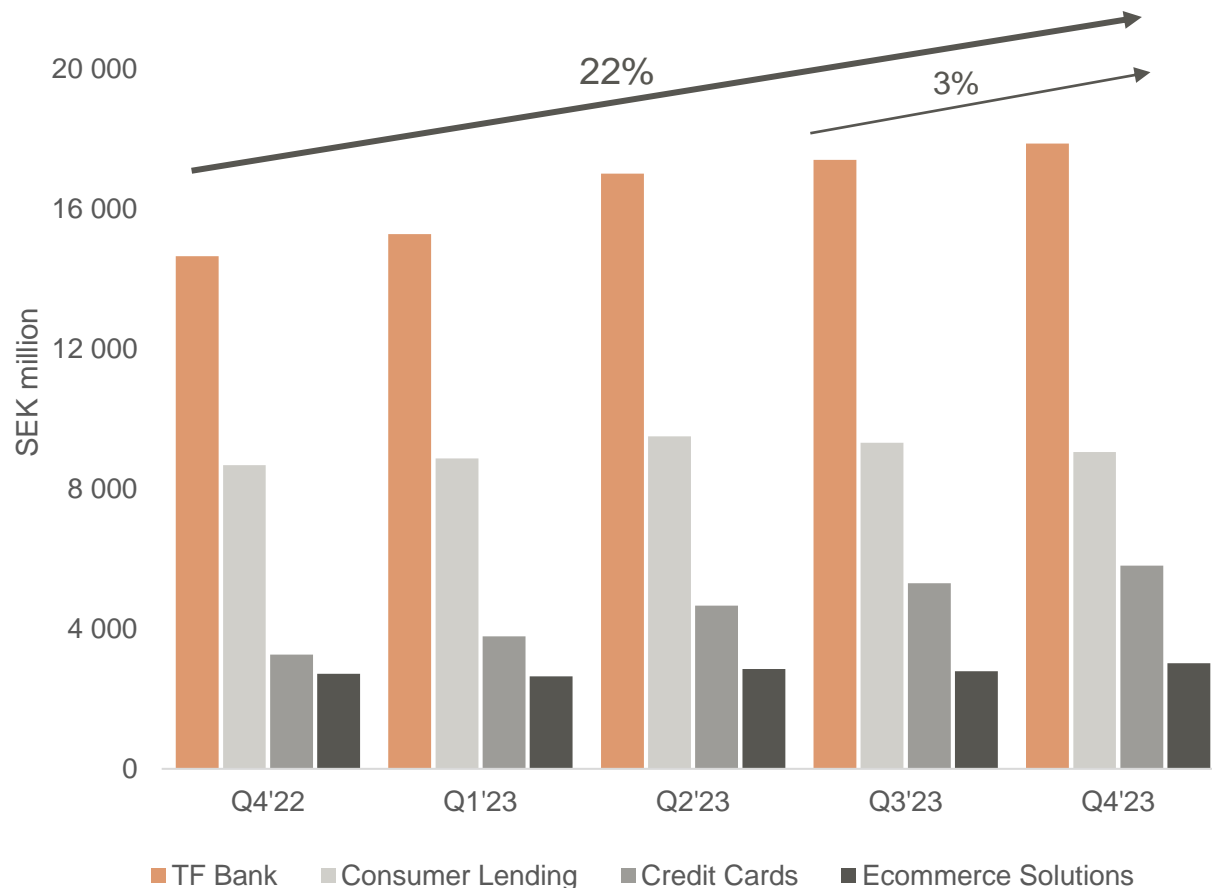


- Dynamic loan portfolio with short duration
- Significantly lower ticket size than peers

Source: TF Bank, peers' financial reports per latest report available

TF Bank

# LOAN BOOK GROWTH



- TF Bank: Growth in Q4 = 3% (6%\*)  
- Year-on-year 22% (24%\*)
- Consumer Lending: Q4 = -3% (0%\*)  
- Year-on-year 4% (7%\*)
- Credit Cards: Q4 = 10% (14%\*)  
- Year-on-year 78% (80%\*)
- Ecommerce Solutions: Q4 = 8% (10%\*)  
- Year-on-year 11% (11%\*)

\* in local currencies



# GROWTH AND DIVERSIFICATION



## Market update

### Germany and Austria

- Credit card product in high demand. Competitive CAC\*.  
Preparing for launching digital payment solutions in Germany.



### Norway

- Focus on margins in Consumer Lending. The credit card business keeps growing and Google Pay was launched.



### Finland

- Focus on margins and profitability.



### Sweden

- Focus on profitability in e-commerce. New sales in Consumer lending is paused.



### The Baltic states

- Portfolio management and profitability focus in consumer lending.



### New markets

- For Denmark underwriting is kept low, still building credit experience. Preparing for launching Credit card product in Spain during 2024.

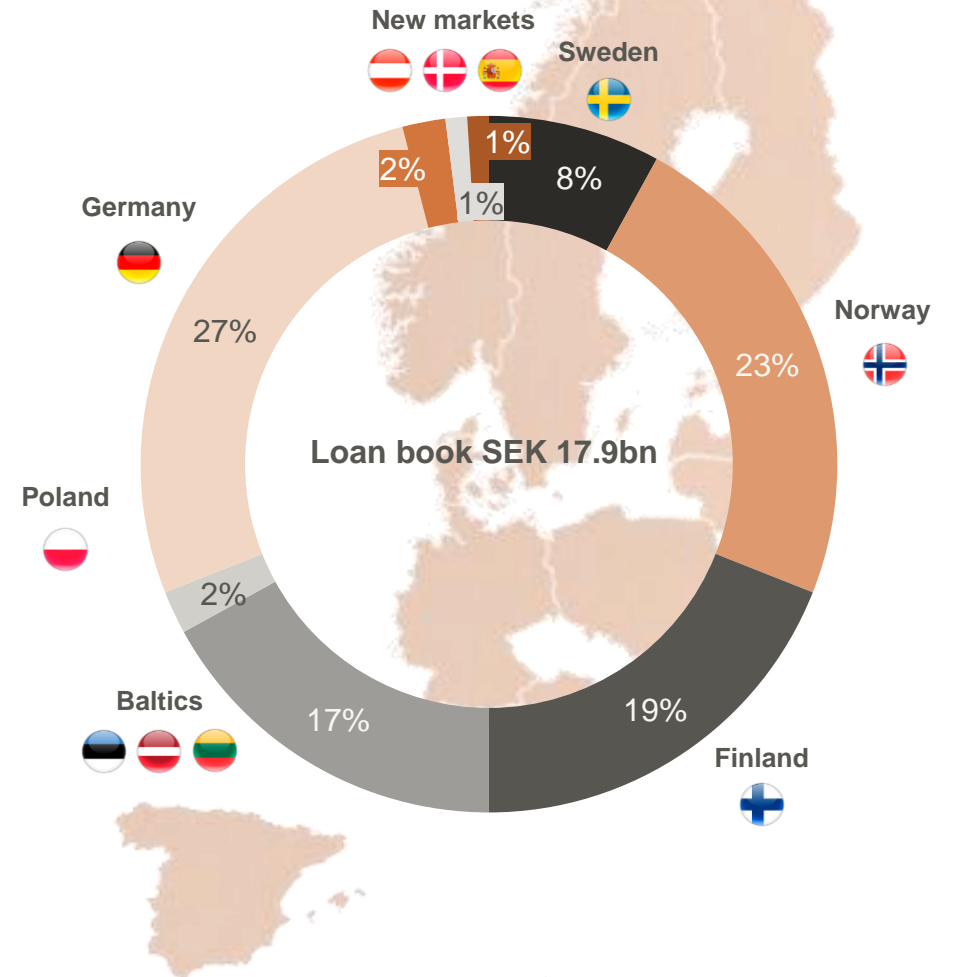


### Poland

- Both Consumer Lending and Ecommerce Solutions in run off.



## Loan book split by market



\* Customer acquisition cost

# CONSUMER LENDING



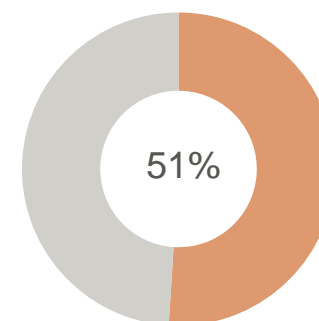
## Highlights

- Slow-down in sales and focus on protecting margins when our funding costs increase
- Stable margins in several markets
- Macro affecting in credit quality, especially in the Nordics

### Segment description

- Diversified portfolio with Nordic base
- Product offering tailored for each market
  - Average loan size on book of SEK – 69,000
  - Tenor typically between 12 and 60 months
- Marketed through direct channels, own data base and external partners

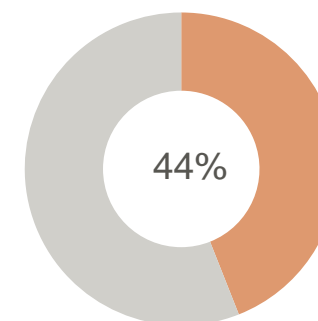
Share of TF Bank's loan book



9.1bn

Loan book

Share of TF Bank's operating income



+4%

Loan book  
growth\*

10

Countries

\* year-on-year

# CREDIT CARDS



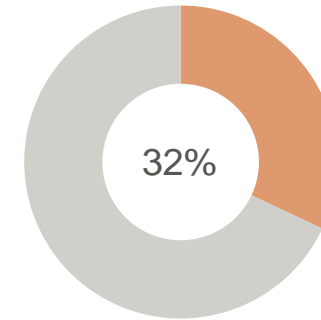
## Highlights

- Another quarter with record volumes in all three markets
- Record growth of active customers during the fourth quarter
- Continued scalability in the business model
- Improved customer onboarding process will increase security and reduce cost of acquisition of new clients

### Segment description

- Gold plated and transparent offering – gold card with no fees
- Different income profile compared to consumer loans
  - "Low and grow" strategy
- Target markets are Germany, Norway and Austria and addressable side of market in terms of number of consumers
  - Germany 35 M\*, Norway 3 M\*\* and Austria 3 M\*\*\*

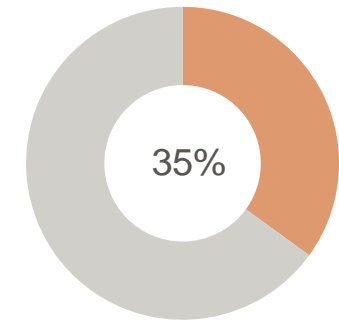
Share of TF Bank's loan book



5.8bn

Loan book

Share of TF Bank's operating income



+78%

Loan book  
growth\*\*\*\*

3

Countries

\* Schufa and TF Bank estimate, \*\* Gjeldsregistret and TF Bank estimate, \*\*\*TF Bank estimate, \*\*\*\* year-on-year

# ECOMMERCE SOLUTIONS



## Highlights

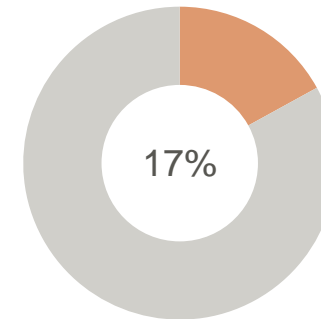
- Transaction volumes during Black Week and Christmas shopping were at record levels
- Repricing to compensate for higher funding costs protect operating margins
- Fast-growing and improved profitability despite pressure in e-commerce sector in general
- Preparing to launch credit offering in Germany

### Segment description

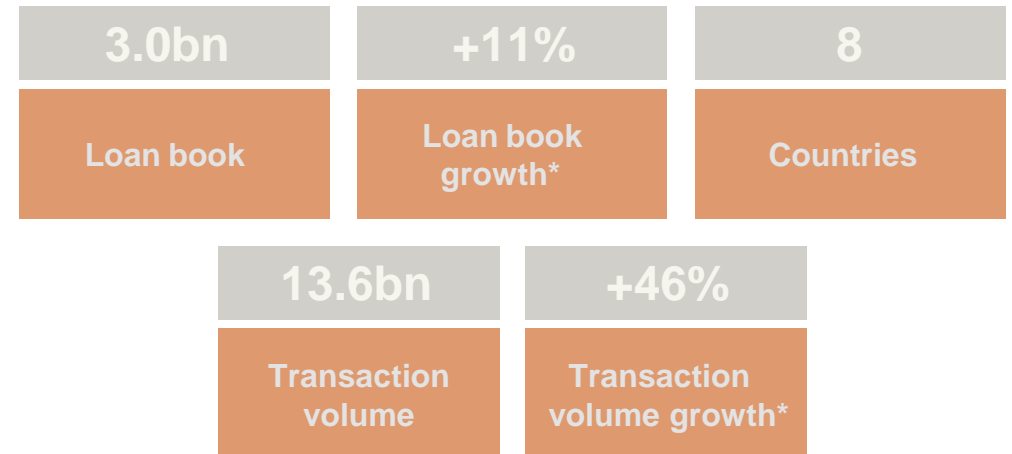
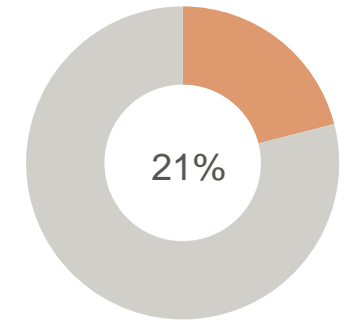
- Digital payment solutions offered in the Nordic region, the Baltics and Poland
- Best-in-class white label Checkout+ solution. We support our partners, the merchants, throughout the whole customer journey

\* year-on-year

Share of TF Bank's loan book

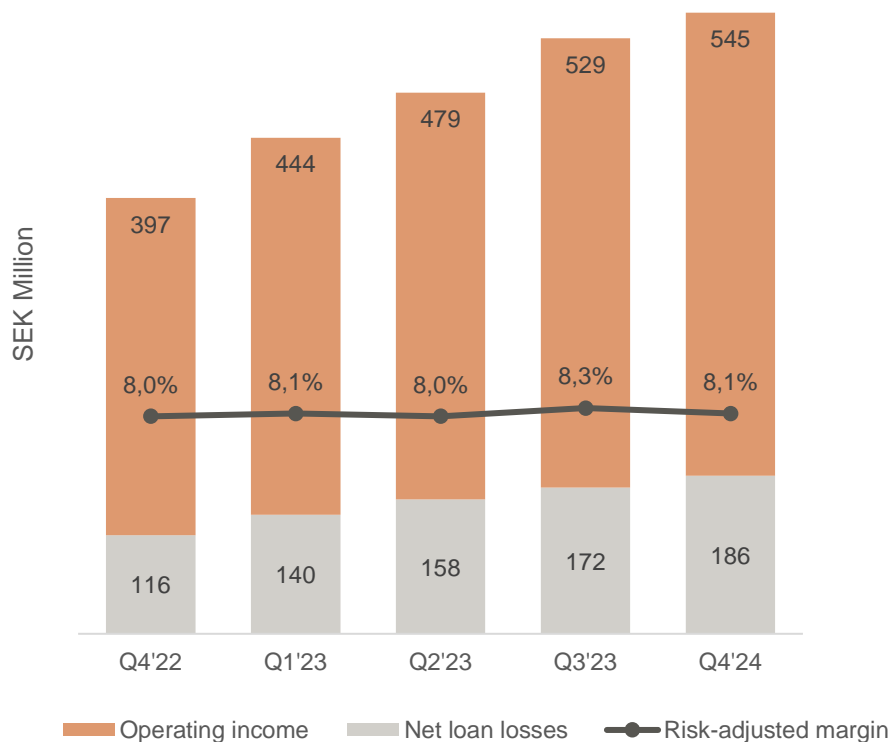


Share of TF Bank's operating income





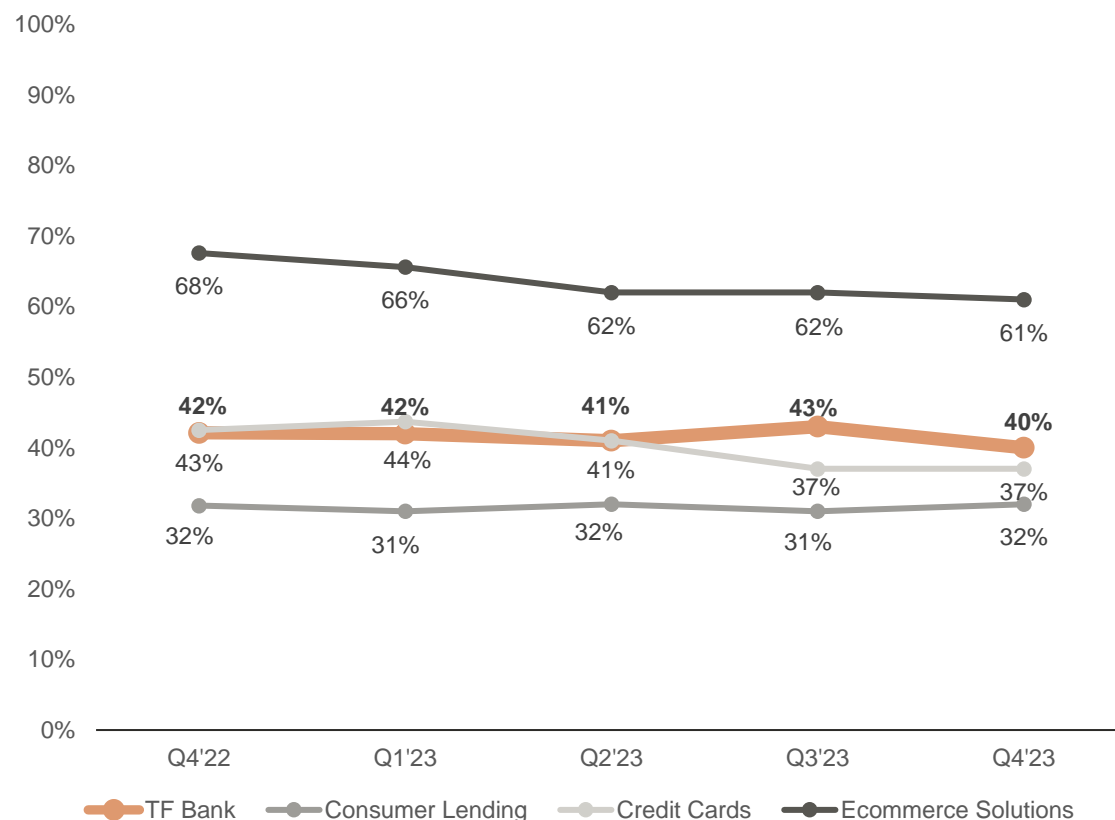
# STABLE RISK-ADJUSTED MARGIN



- **Risk-adjusted income\***
  - Stable risk-adjusted margin
- **Operating income\*\***
  - Credit Cards the main driver
  - Higher margin in the Credit Cards and Ecommerce Solutions segment
- **Net loan losses\*\***
  - Higher loan loss ratio in Q4 2023

\* operating income minus net loan losses, \*\* ratio = current quarter annualised

# OPEX – COST/INCOME RATIO BY SEGMENT

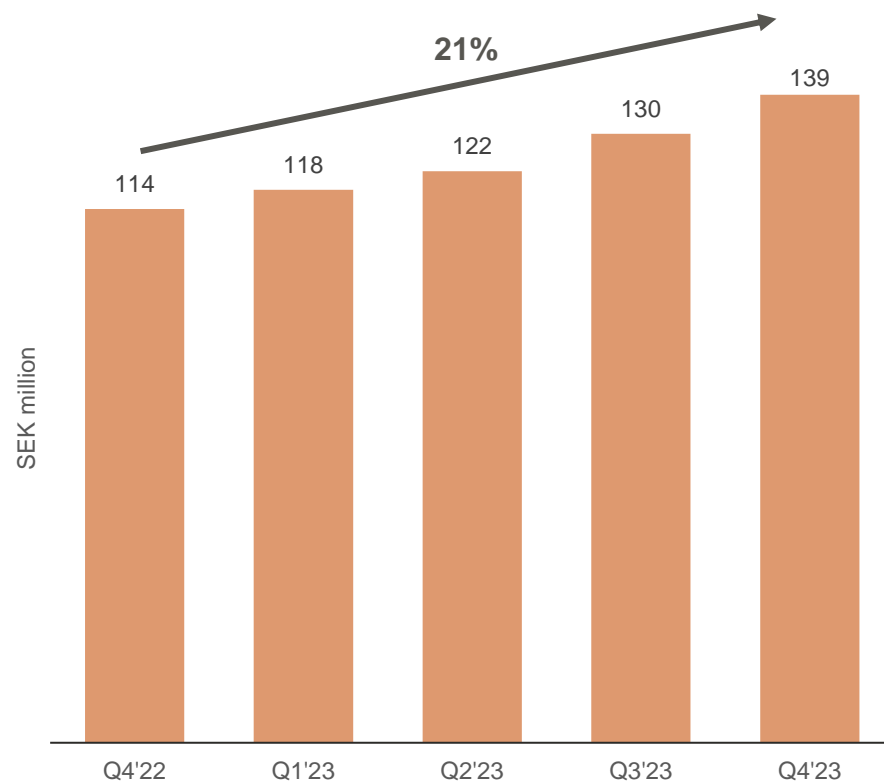


- **Expenses Q4-23 vs. Q4-22, +32%**
  - Sales-related costs due to record volumes
  - Expanding our team to cope with larger business volumes
- **Cost/income ratio per segment in Q4-23**
  - Consumer Lending 32%
  - Credit Cards 37%
  - Ecommerce Solutions 61%

# INCREASED PROFIT QUARTER-BY-QUARTER

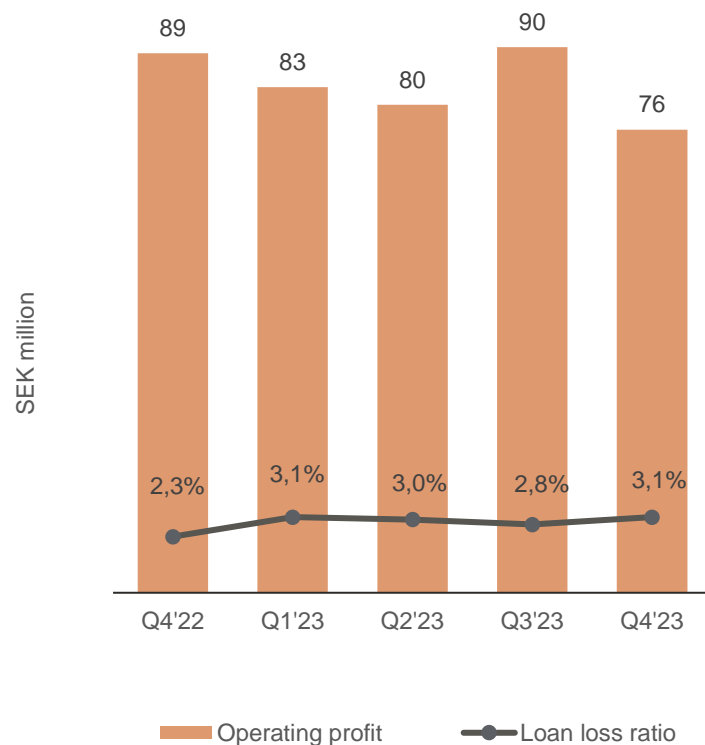


## Operating profit



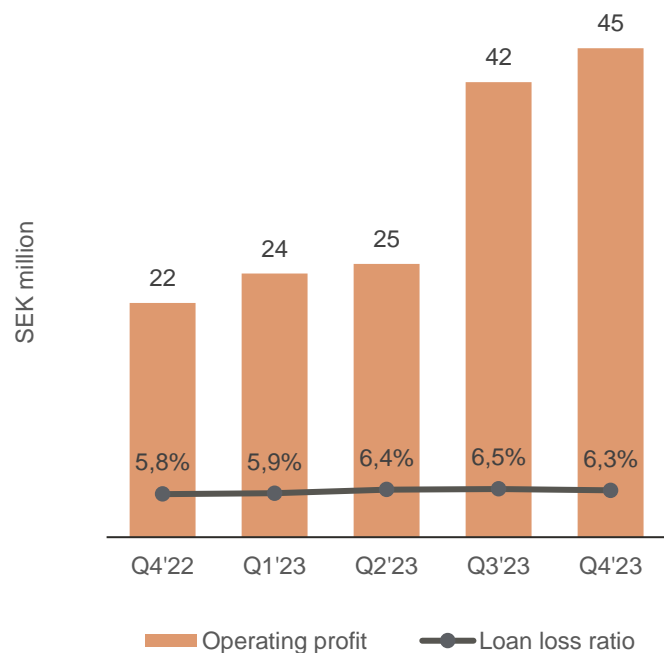
- **Operating profit Q4-23 vs. Q4-22, +21%**
  - Growing operating income
  - EPS driven by the Credit Cards and Ecommerce Solutions segment
- **Stable profitability in Q4-2023**
  - Return on equity, 22%
  - Earnings per share, 4.66 SEK

# CONSUMER LENDING: FOCUS ON MARGINS



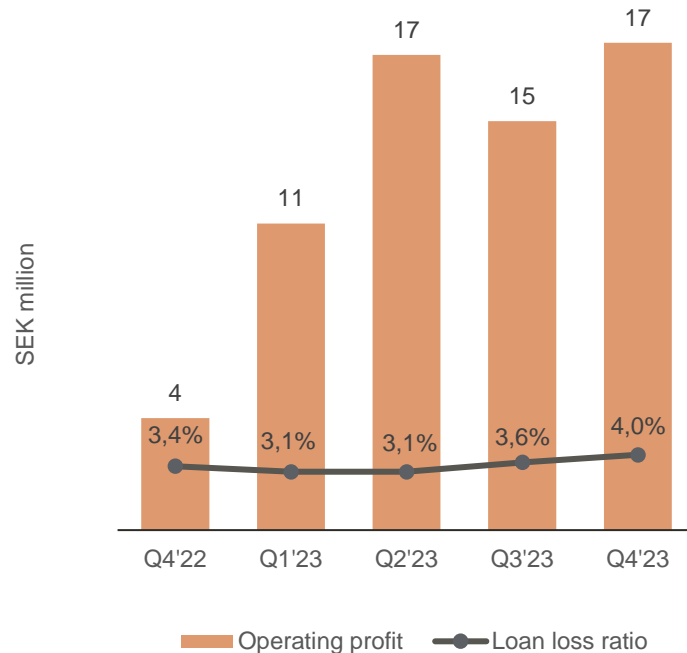
- **Operating profit Q4-23 vs. Q4-22, -14%**
  - Growing operating income
  - Decrease in income margin due to lag in funding costs
  - Increase in net loan losses
- **Reduced new lending in Q4 2023**
  - Focus on improving margins and credit quality
  - Return on assets, 2.6%

# CREDIT CARDS: HIGHER OPERATING PROFIT



- **Operating profit Q4-23 vs. Q4-22, +109%**
  - Growing operating income
  - Lower C/I ratio in Q4-23
  - Return on assets, 2.5%
- **Improved profitability**
  - Slow-down in portfolio growth during Q4-23
  - Stable risk-adjusted margin

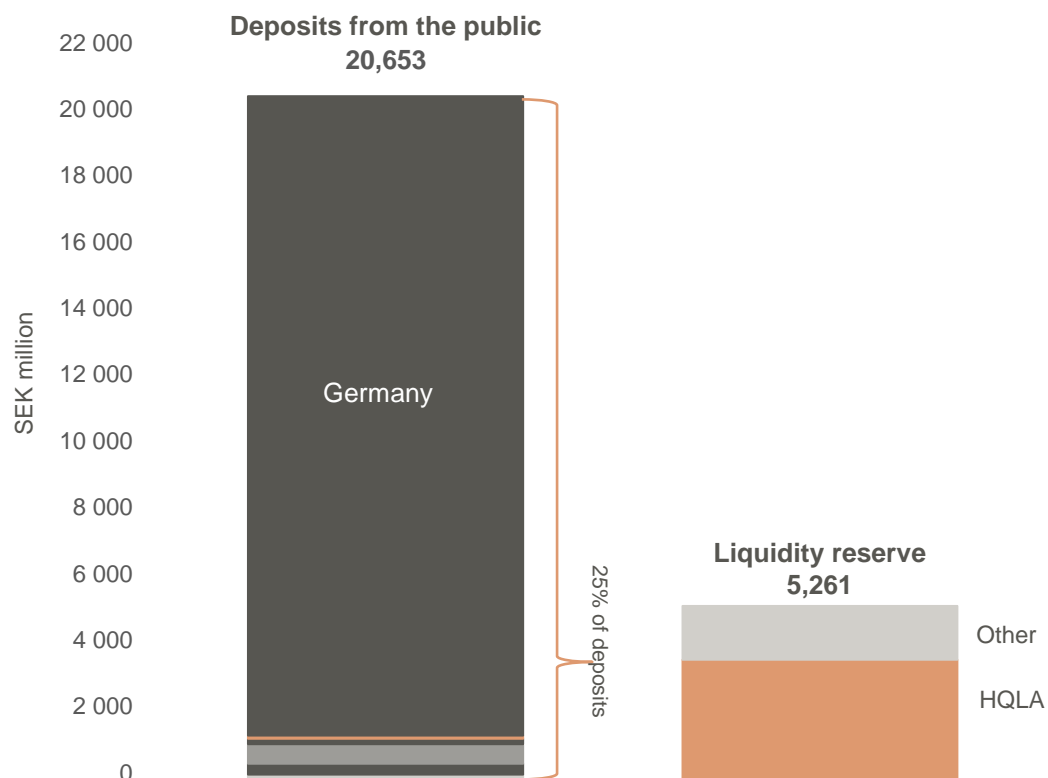
# ECOMMERCE SOLUTIONS: STRONG QUARTER



- **Operating profit Q4-23 vs. Q4-22, +336%**
  - Higher operating income
  - Return on assets, 1.8%
- **Loan loss ratio increased in Q4-2023**
  - Record volume impacts IFRS 9 provisions
  - Credit quality in Sweden and Finland



# FUNDING AND LIQUIDITY

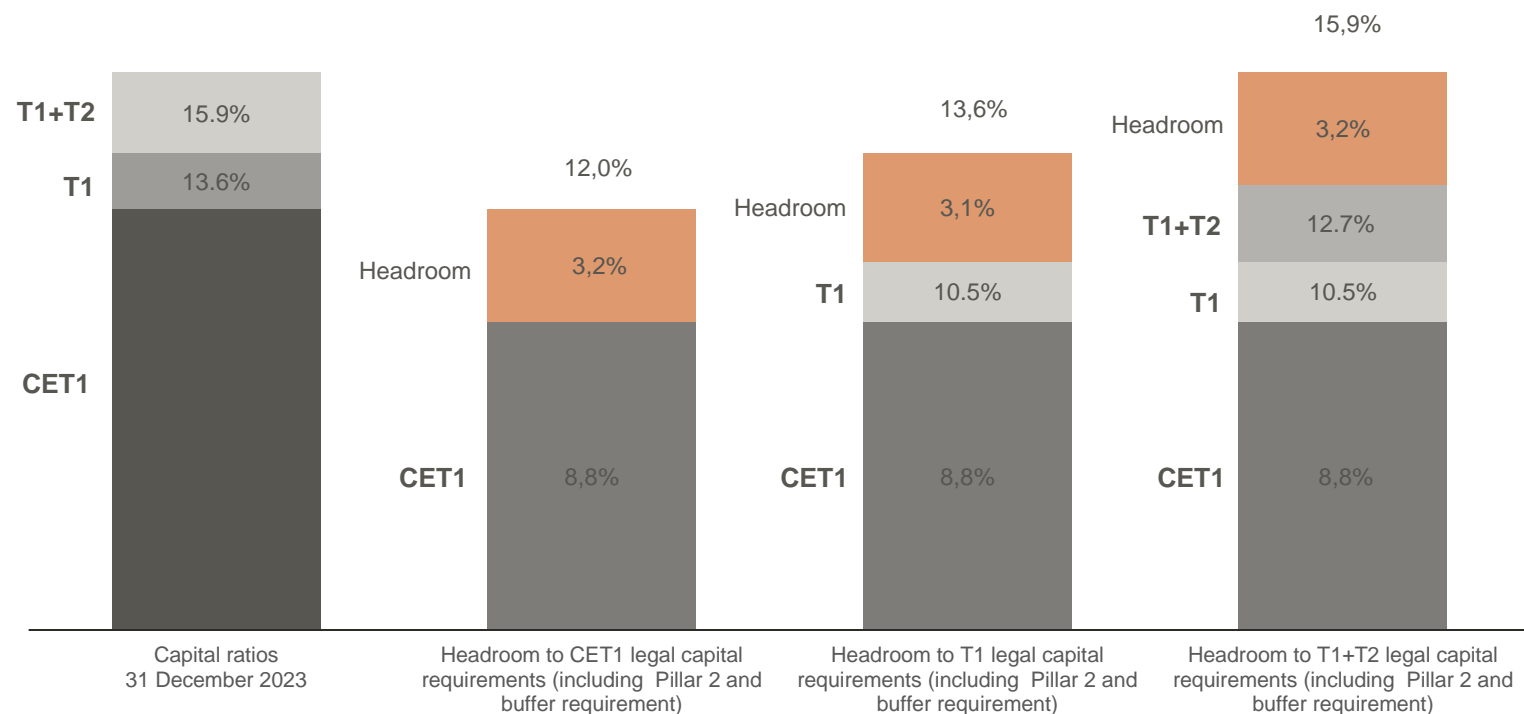


- **Retail deposits in Europe**
  - Germany (SEK 19.3 billion)
  - Nordics (SEK 1.0 billion)
  - New markets (SEK 0.3 billion)
  - Fixed-term deposits: 40%
- **Liquidity reserve: 25% of deposits**
  - Treasury bills 3.4 billion\*
  - Government bonds 0.2 billion\*\*
  - Other liquidity 1.6 billion

\* EU-commission, Finland, Netherlands and Sweden with a remaining term to maturity of up to 6 months

\*\* Norway, maturity date 2026-02-19

# CAPITAL SITUATION

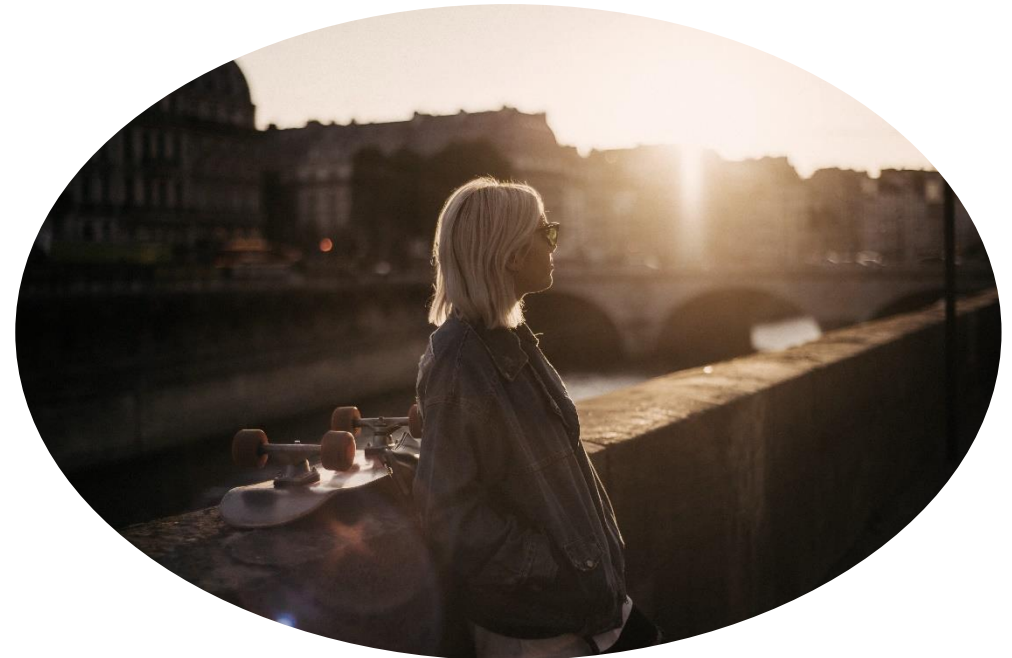


- Stable capital ratios in Q4-2023
- NPL backstop regulations impacts own funds
- Optimised capital situation and comfortable headroom to legal requirements

# LOOKING AHEAD



- Continue the transformation towards becoming more of a European credit and payment platform
- As always, focus on optimising the capital allocation between markets
- Launching credit card product in Spain and digital payment solutions in Germany
- Close monitoring of credit quality
- Increased confidence in the future as inflation and interest rates are expected to decrease in 2024.





# 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, Germany, Austria, Spain, the Baltics, Poland, Ireland and the Netherlands.

## 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



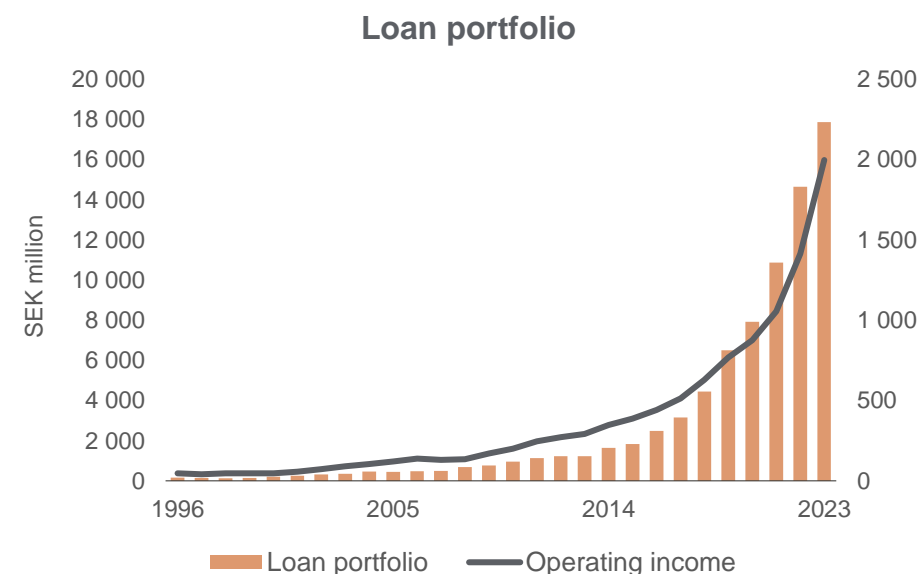
# LONG TRACK RECORD OF PROFITABLE GROWTH



## 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
- Three complementary business segments

## Strong track record on growth and profitability



# Board of Directors



**John Brehmer**  
*Chairman of the Board since 2020*  
*Board member since 2010*  
**Current commitments:**  
**Chairman:** Mederion AB, Tiberon AB, Zebware AB  
**Board member:** Consortio Invest AB, Consortio Business Center AB  
**Holdings in company:** 3 361 791 shares



**Arti Zeighami**  
*Board member since 2023*  
**Current commitments:**  
**Partner & Director, Senior advisor**  
**AI@scale:** Boston Consulting Group (BCG X)  
**Holdings in company:** 0 shares



**Sara Mindus**  
*Board member since 2020*  
**Current commitments:**  
**Board member:** Styrelseledamot: Besqab AB (publ), K-Fast Holding AB (publ), Dreams AB, Colibri Ventures AB, Faboss Invest AB och Duco Förvaltning AB. Board member and CEO: Sara Mindus AB.  
**Holdings in company:** 25 000 shares



**Michael Lindengren**  
*Board member since 2021*  
**Current commitments:**  
**Board member:** Acrap AB (Chairman), Simplicity AB, Simplicity Stiftelsestjänst AB (Chairman) Sparbanksstiftelsen Sjuhärad and Sparbanken Sjuhärad (publ)  
**Holdings in company:** 5 000 shares



**Niklas Johansson**  
*Board member since 2022*  
**Current commitments:**  
**Chairman:** AREIM AB, Nordisk Renting AB  
**Board member:** Livförsäkringsbolaget Skandia, Trustly AB, Euroclear Sweden AB  
**Holdings in company:** 439 shares



**Fredrik Oweson**  
*Board member since 2022*  
**Current commitments:**  
**Chairman:** Scope Capital SA, MaiScope ApS, Woffel SA  
**Board member:** Swedish Bra Holding AB, Swedish Bra AB, Klättermusen Aktiebolag  
**Holdings in company:** 0 shares

# Executive management team



**Joakim Jansson**  
*CEO*

**Education:** PhD in Economics, Uppsala University.

At TF Bank since 2023 as CEO. Has previously held leading positions within Swedbank and Handelsbanken.

**Current commitments:** Avarda AB (Chairman)

**Holdings in company:** 3 300 shares



**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:** Torhamnsskär Holding AB (Chairman), Avarda AB (Board member)

**Holdings in company:** 31 000 shares



**Espen Johannesen**  
*COO*

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

At TF Bank since 2015, as CEO of BB Bank 2015-2020 (now branch TF Bank Norway), Country Manager Germany 2020-2021 and from 2021 COO for the Group.

**Holdings in company:** 44 193 shares



# Contact

## **Investor relations**

Mikael Meomuttel

+46 706 26 95 33

[ir@tfbank.se](mailto:ir@tfbank.se)

[www.tfbankgroup.com](http://www.tfbankgroup.com)