



4th Quarter 2019

RESULT PRESENTATION

HIGHLIGHTS JANUARY – DECEMBER 2019

- Loan book growth, +46%
- Operating profit growth, +26%*
- Return on equity, 31%
- New and extended agreements within Ecommerce Solutions
- Expansion of the credit card operations in Germany
- Subordinated Tier 2 bonds of SEK 100 million issued



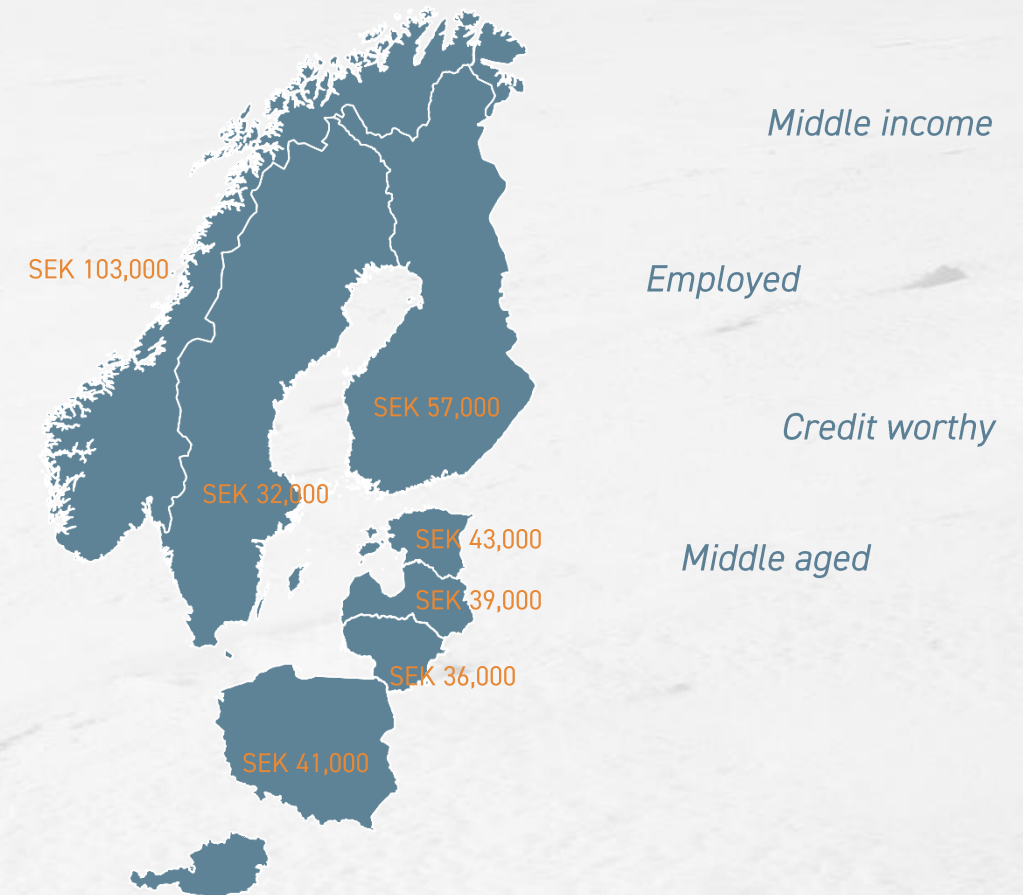
* excluding items affecting comparability, 20 MSEK, in Q4-2018

CONSUMER LENDING DIVERSIFIED PORTFOLIO WITH NORDIC BASE

At a glance

- 79 % of the loan portfolio distributed over 8 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
- Average loan size on book of SEK ~56,000
- Credit quality keeps improving

Loan sizes (average) and customer profile



ECOMMERCE SOLUTIONS

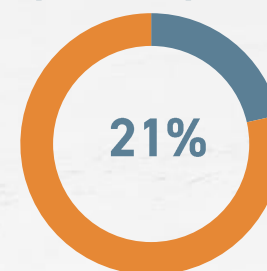
NEXT GENERATION PAYMENT SOLUTIONS

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
- New checkout launched, targeted at Estonia's merchants
- Strong deal flow in the coming quarters
- German credit card pilot program, processing with more than 13,000 cards issued

Key metrics

Share of the
Group's loan portfolio



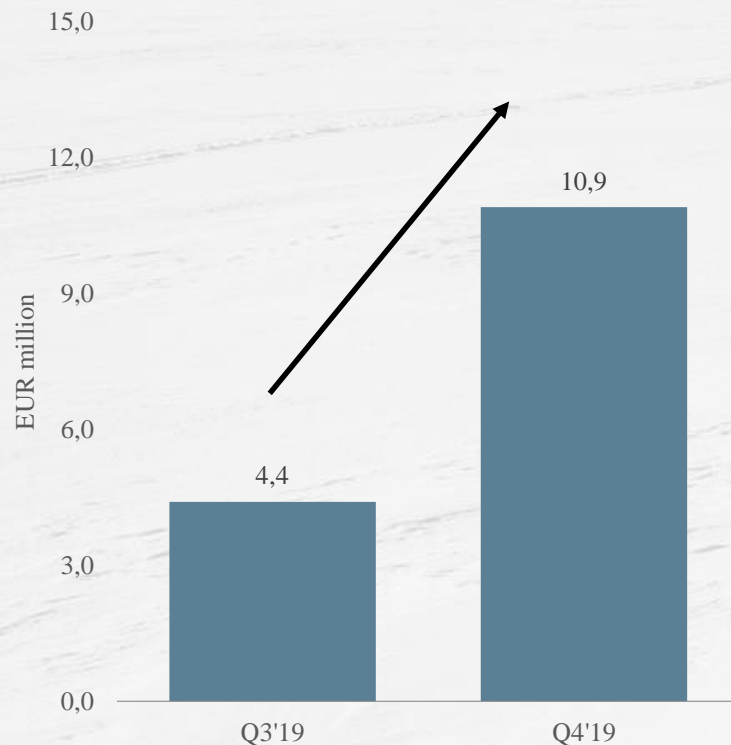
Amount outstanding
SEK 1351 million
(31 Dec 2019)

Loan portfolio growth
+9%
(Q4'19 vs Q3'19)

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

DEVELOPMENT GERMANY

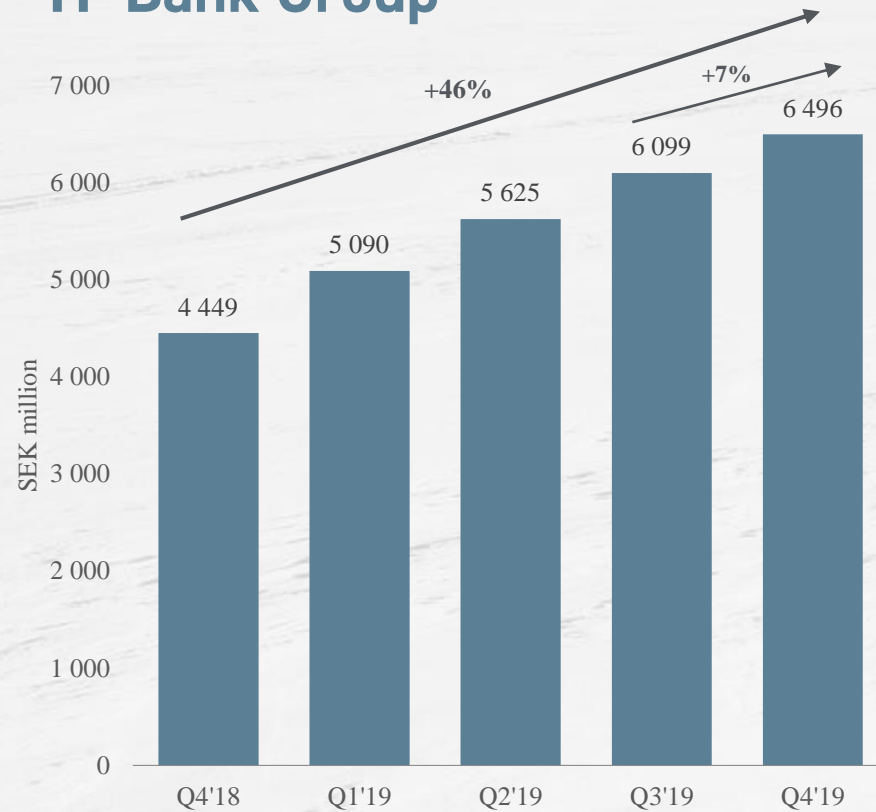
Loan portfolio



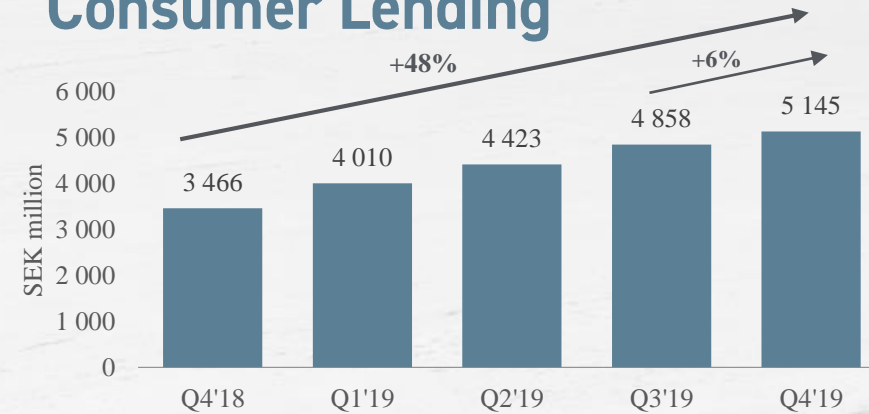
- **Credit card operations started in Germany late 2018**
 - Local marketing and service centre
 - Central functions (Risk, Finance, IT)
- **Product – Mastercard Gold**
 - Single risk exposure 1000 – 1500 EUR
 - Different income profile than consumer loans
- **Main competitors – Advanzia, Barclaycard, Hanseatic Bank**
- **More than 13.000 cards issued**
- **Credit quality and marketing cost per card in line with expectations**
- **Credit Cards separate segment from interim report Q1-2020**

STRONG LOAN BOOK GROWTH

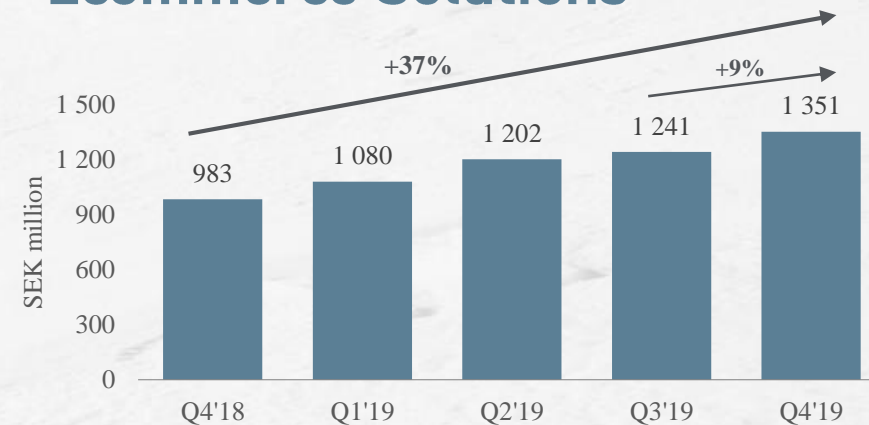
TF Bank Group



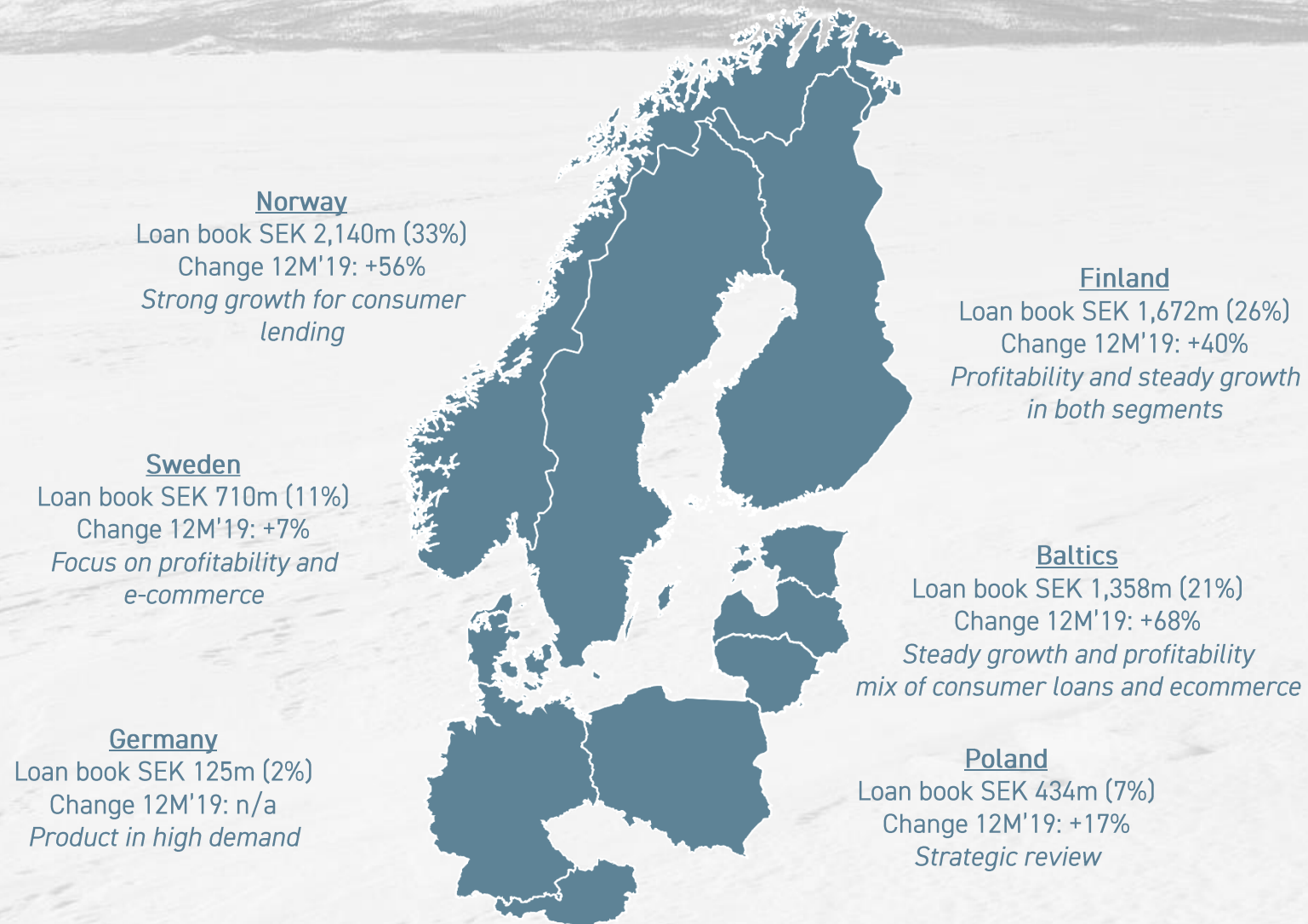
Consumer Lending



Ecommerce Solutions



GROWTH AND DIVERSIFICATION

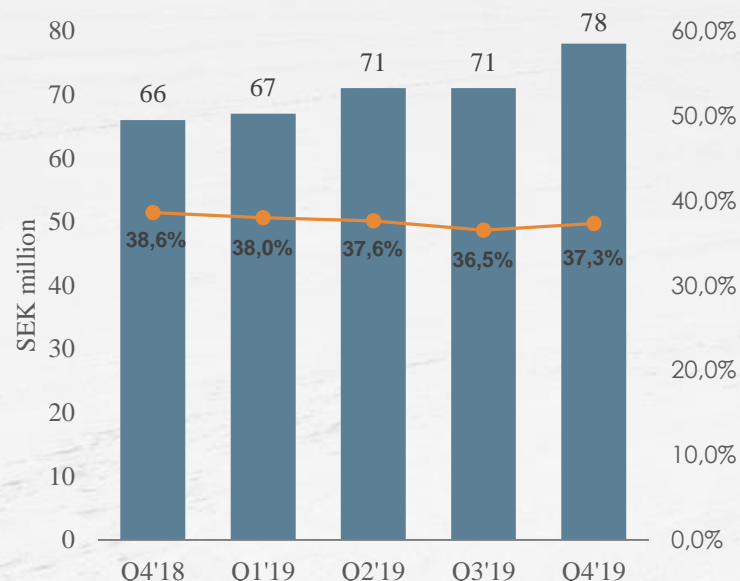


KPI – ACCORDING TO EXPANSION PLAN

Operating income



Operating expenses*



Net loan losses



■ Income Q4-19 vs. Q4-18, +21%

- Main growth drivers; Consumer loans in Norway and the Baltics
- Harmonization of the Group's accounting principles in Q4-2019

■ Expenses Q4-19 vs. Q4-18, +17%*

- More staff, larger volumes, German credit cards
- Adjusted cost/income ratio 37,3%*

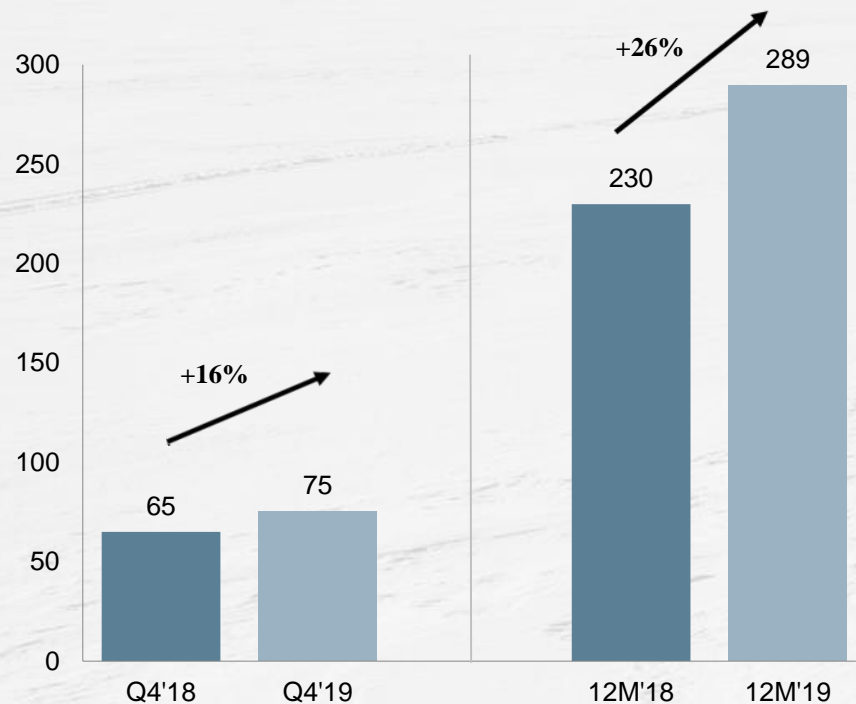
■ Losses Q4-19 vs Q4-18, +26%

- Higher losses due to loan book growth
- Clean balance sheet policy

* excluding merger costs, 4 MSEK, in Q4-2019

PROFITABLE GROWTH

Operating profit*

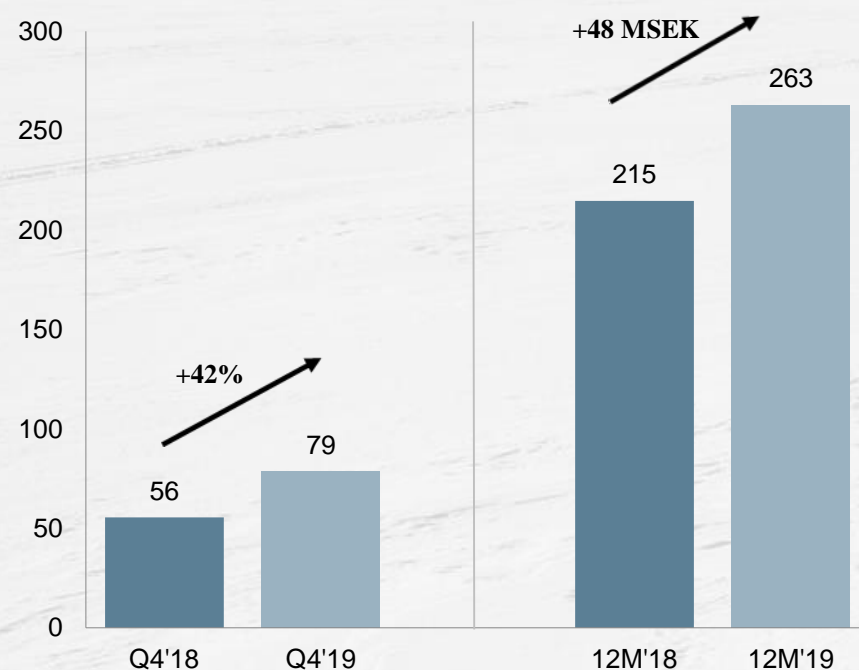


- **Operating profit Q4-19 vs. Q4-18 +16%***
 - Investments in Germany
 - Return on equity 30,6%
- **Earnings per share Q4-19 vs. Q4-18, +17%***
 - Q4-19: 2,58 SEK
 - Mergers - lower average tax rate 2020
- **Earnings per share 2019 = 10,01 SEK, +25%**

* excluding items affecting comparability, 20 MSEK, in Q4-2018

CONSUMER LENDING: NEW PRODUCT MIX

Operating profit

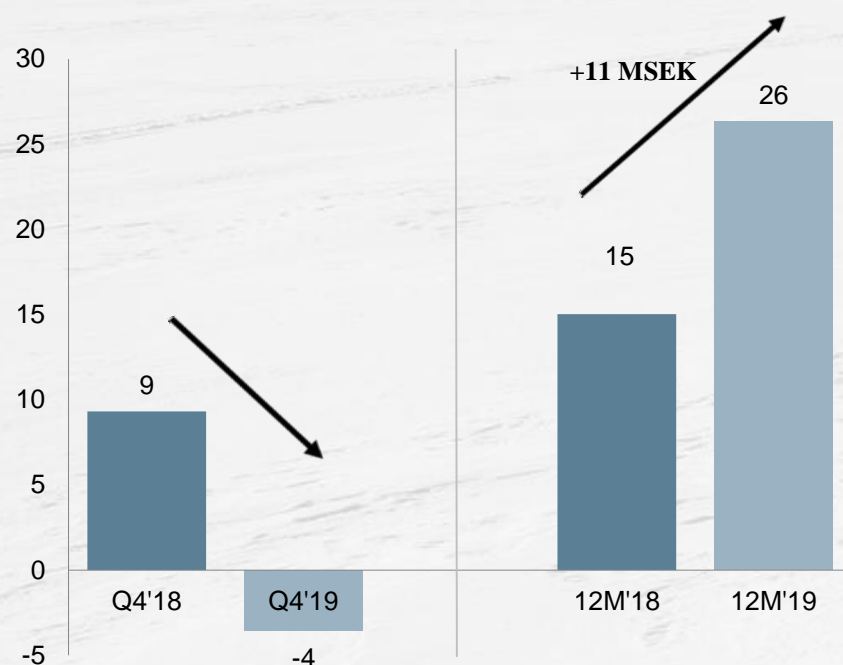


* excluding merger costs, 3 MSEK, in Q4-2019

- **Operating income Q4-19 vs. Q4-18 +26%**
 - Growth in Norway and the Baltics
 - Operating income margin 13,4%
- **Operating expenses Q4-19 vs. Q4-18, +10%***
 - Higher volumes affecting costs
 - Adjusted cost/income ratio 28,1%*
- **Net loan losses Q4-19 vs. Q4-18, +10%**
 - Review of past due loans > 90 days in Q4
 - Net loan loss ratio 3,5%

ECOMMERCE SOLUTIONS: AFFECTED BY CREDIT CARDS

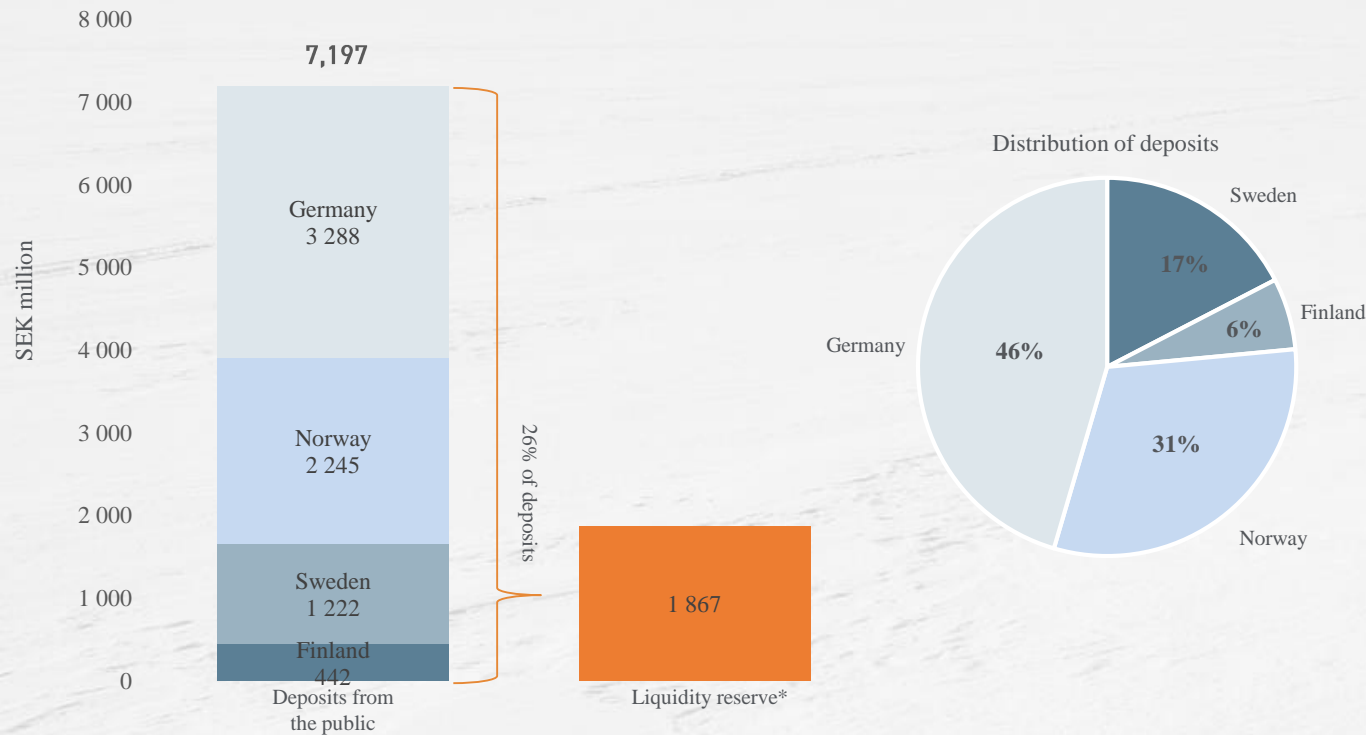
Operating profit



* excluding merger costs, 1 MSEK, in Q4-2019

- **Operating income Q4-19 vs. Q4-18, +6%**
 - New partnerships
 - Operating income margin 15,0%
- **Operating expenses Q4-19 vs. Q4-18, +28%***
 - More customers and credit cards in Germany
 - Adjusted cost/income ratio 69,4%*
- **Net loan losses Q4-19 vs. Q4-18, +77%**
 - One partnership and provisions for future losses in Germany
 - Net loan loss ratio 3,1%

COST-EFFICIENT AND DIVERSIFIED FUNDING



■ Diversified retail deposits

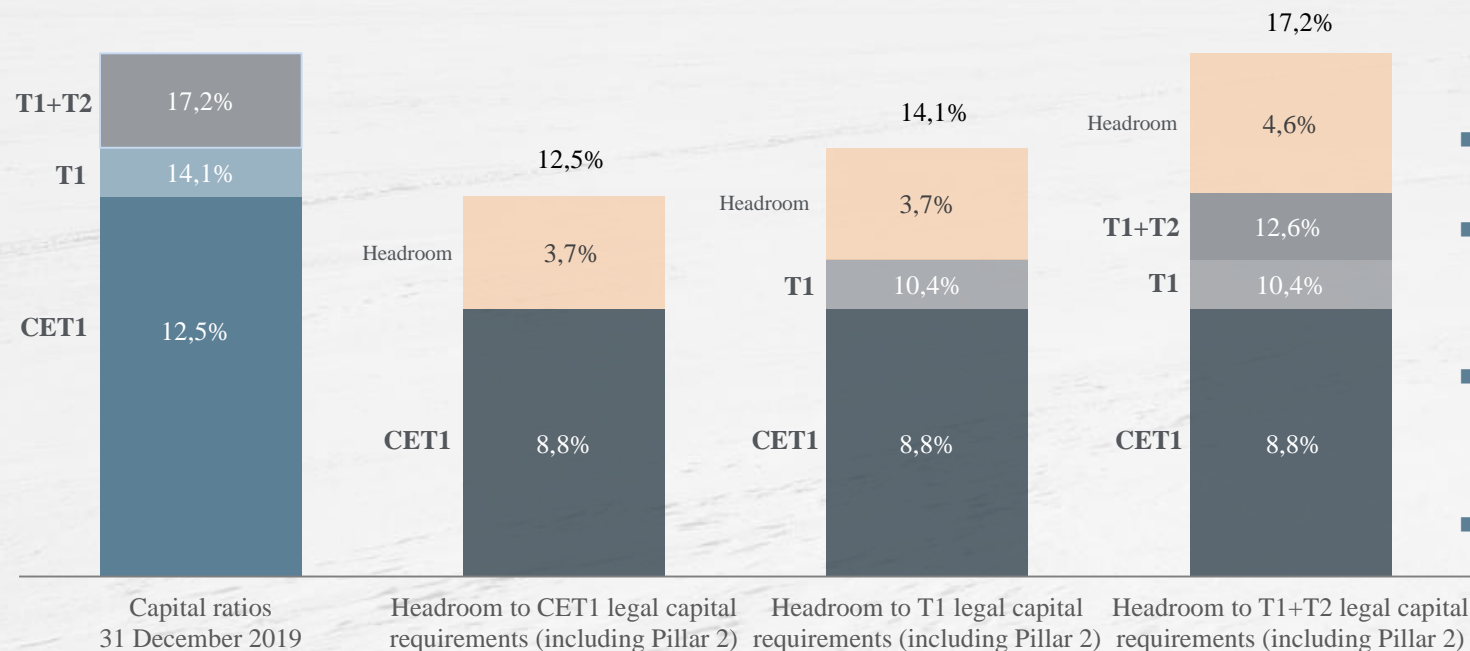
- Germany (SEK 3.3 billion)
- Norway (SEK 2.2 billion)
- Sweden (SEK 1.2 billion)
- Finland (SEK 0.4 billion)

■ Liquidity reserve: 26% of deposits

- Overnight accounts in Nordic banks
- HQLA at central banks
- Stable return over the year

*Liquidity reserve consists of Cash at Central Banks (390m), Treasury bills (60m), Loans to credit institutions (1,363m), Shares (22m) and Unused credit facility (32m)

DIVERSIFIED CAPITAL STRUCTURE



- Higher capital ratios in Q4 (DPS 0,50 SEK)
- Internal capital target: >2,5% legal requirement (incl. Pillar 2)*
- Comfortable headroom to the internal target
- New regulatory capital requirements

* The Pillar 2 requirement should be covered by capital split similarly as for the Pillar 1 requirement, i.e. the Pillar 2 requirement of 0.9 % is split as follows: CET1 capital 0.6 %, T1 capital 0.7 % and total capital 0.9 %.

LOOKING AHEAD

- Board proposes DPS 0,50 SEK per share
 - ROE 30,6%
 - Growth 2020
 - EPS14.50
 - SyRB - Norway
- The Finnish and Norwegian markets for consumer loans will continue to be the most significant growth contributors for the group
- The credit card business in Germany will continue to grow quickly as we sell more cards and that it takes approximately one year to reach peak income of an average card
- The sales mix in Baltics is shifting to be more balanced with a growing share of purpose loans such as ecommerce and car loan compared to consumer loans

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

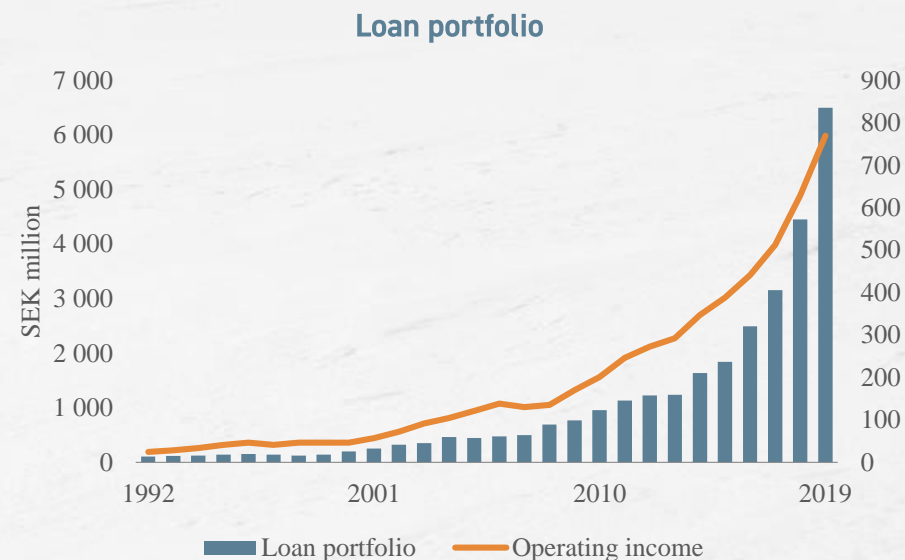
We operate in carefully selected niches where we can leverage on our platform and expertise to deliver attractive and sustainable risk adjusted growing returns

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, Scatec Solar ASA, Ice ASA, Tryg A/S



Charlotta Björnberg-Paul
Board member since 2017

Current commitments:

Chairman: Saxo Oy

Board member: Paptic Ltd

Co-founder: Superskills
Entrepreneur: Anki Rugs



Tone Bjørnov
Board member since 2015

Current commitments:

Chairman: Filmparken AS, Storyline Studios AS, Hausmann AS

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



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, Brf Aspkyckan, Kyrkesunds Båthamnsförening



Mattias Carlsson
Board member since 2008

Current commitments:

Chairman: BB 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)

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.



Lennart Swoboda
Head of Germany

Seasoned Fintech and Bank manager in several positions in leading institutes. Prior establishing German business, led several M&A & Strategy projects for blue-chip Debt Management firms.



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. 21.

Contact

Investor relations

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