



Press release 5 April 2020

TF Bank makes additional provisioning for loan losses of SEK 30m in the first quarter and abandons the EPS financial target for 2020

Due to the uncertain macroeconomic situation as a result of the spread of the coronavirus in Europe, the Board of TF Bank has today decided to make an additional loan loss provision of SEK 30 million at the end of the first quarter of 2020. The measure should be seen in the light of the current accounting standards that require banks to make provisions for expected credit losses. The financial target of a profit of at least SEK 14.50 per share in 2020 is also abandoned in connection with today's announcement.

On January 1, 2018, new accounting standards were introduced for loan loss provisions, IFRS 9. The provisioning requirements in IFRS 9 are based on a model for expected credit losses. The uncertain macroeconomic situation as a result of covid-19, with, among other things, an expected increase in the number of unemployed in Europe, is expected to affect TF Bank's credit losses in the coming 12 months. At the same time, national governments have presented stimulus packages to mitigate the economic effects of covid-19. The Board of Directors of TF Bank has made an overall assessment of the effects and, as a result of the accounting standards, decided to make an additional loan loss provision of SEK 30 million at the end of the first quarter of 2020.

In October 2018, the Board of Directors of TF Bank established new financial targets for the three-year period leading up to 2020. One of the targets was that earnings per share should exceed SEK 14.50 in 2020. The additional loan loss provision of SEK 30 million communicated today means that the financial target for earnings per share is abandoned. The Board of Directors of TF Bank intends to establish new financial targets once the macroeconomic outlook has stabilised.

More information on how covid-19 affects TF Bank's operations will be provided on April 16 in connection with the interim report for the first quarter of 2020.

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TF Bank in brief

TF Bank was founded 1987 and is an internet-based niche bank offering consumer banking services and e-commerce solutions through a proprietary IT platform with a high degree of automation. Deposit and lending activities are conducted in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany and Austria through branch or cross-border banking. From 2020 the operations are divided into three segments: Consumer Lending, Ecommerce Solutions and Credit Cards. TF Bank is listed at Nasdaq Stockholm.

This is information which TF Bank is required to disclose under the EU Market Abuse Regulation. The information was provided for publication, through the agency of the contact persons set out above, on 5 April 2020 at 18:00 CET.