



2nd Quarter 2020

RESULT PRESENTATION

HIGHLIGHTS APRIL – JUNE 2020

- Covid-19
 - Gradual reopening of our offices
 - Unchanged provision, 30 MSEK
- Restrictive approach chosen for Consumer Lending volumes in Q2
- Growth for Ecommerce Solutions and Credit Cards
- New partners signed in Ecommerce Solutions



CONSUMER LENDING

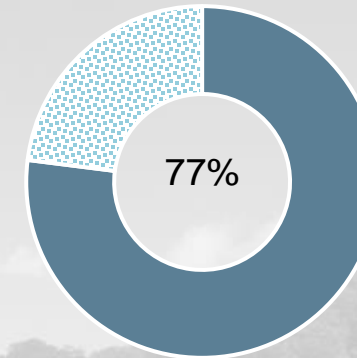
- Diversified portfolio with Nordic base
- Product offering tailored for each market
- Marketed through direct channels, own data base and external partners
- Tenor of loans are typically between 12 and 60 months
- Average loan size on book of SEK – 56,000
- Higher ticket size in Norway and Finland

Key figures

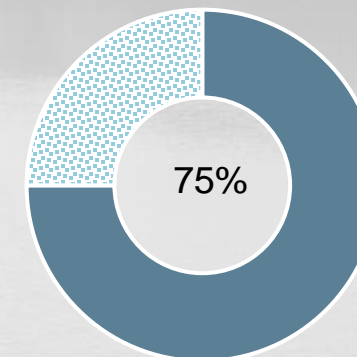
5.4bn	23%	8
Loan book	Loan book growth*	Countries

* year-on-year

Share of TF Bank's loan book



Share of TF Bank's operating income



ECOMMERCE SOLUTIONS

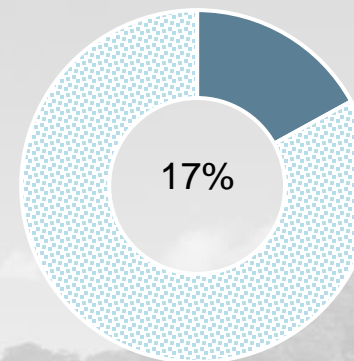
- Digital payment solutions offered in the Nordic region, the Baltics and Poland
- Investments to support the launch of major ecommerce partners
- Best-in-class white label Checkout+ triggers increased transaction volumes which amounts to SEK 840 million (546) during the second quarter
- Strong deal flow during the quarter with 42 new merchants and in total 183 active merchants by the end of the second quarter

Key figures

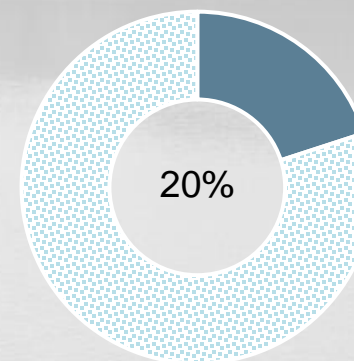
1.2bn	19%	7
Loan book	Loan book growth*	Countries

* year-on-year

Share of TF Bank's loan book



Share of TF Bank's operating income



CREDIT CARDS

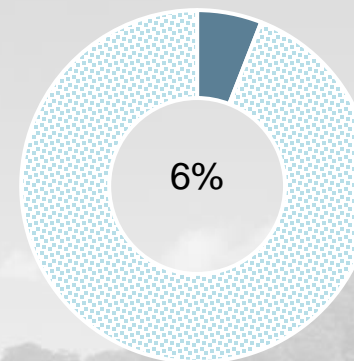
- Credits cards offered to private individuals in Norway and Germany
- Operations in Norway has been within the Group since 2015
- Credit card operations started in Germany late 2018
- Low spending during lockdown
- 32,000 cards issued in Germany – average single risk exposure 1,400 EUR

Key figures

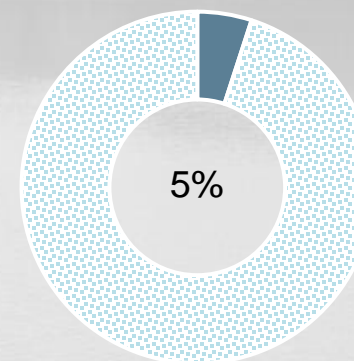
0.4bn	107%	2
Loan book	Loan book growth*	Countries

* year-on-year

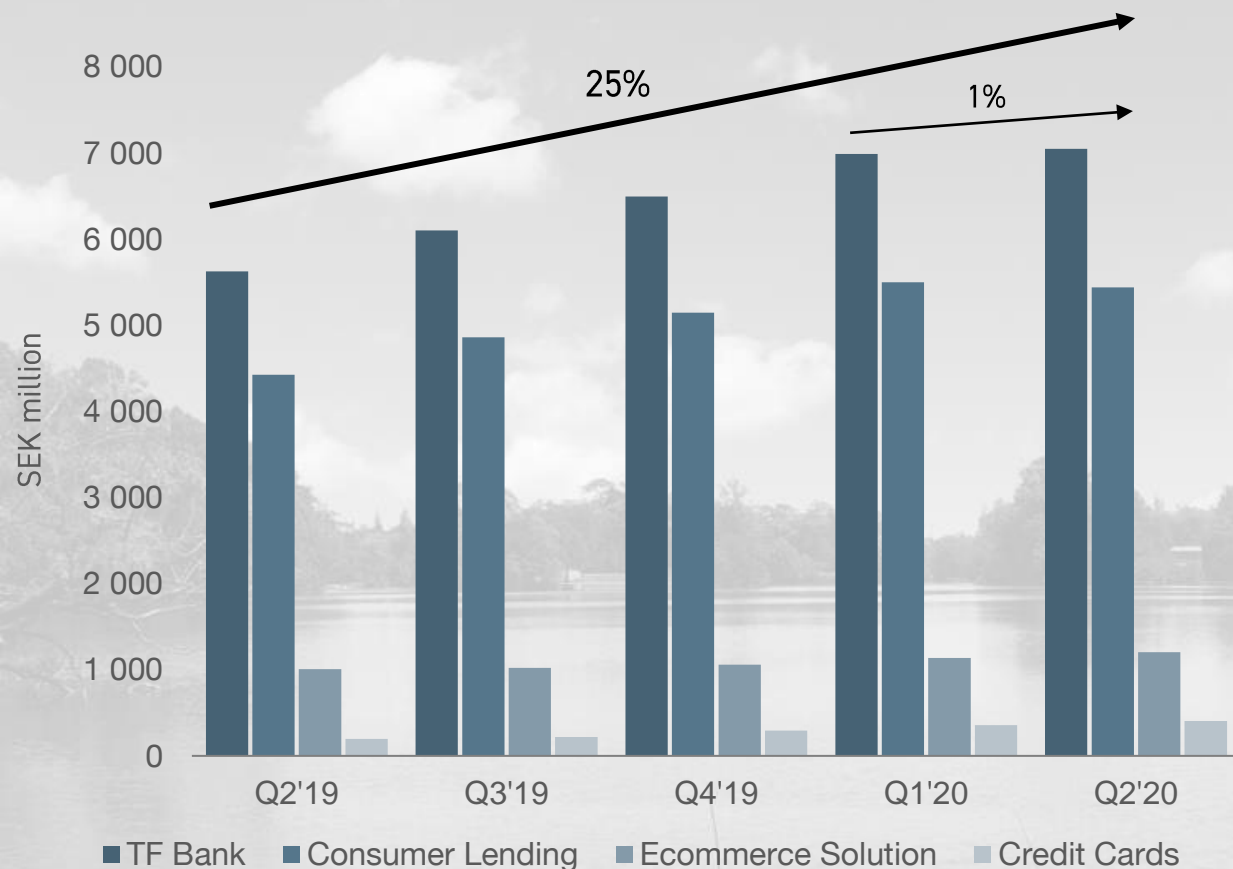
Share of TF Bank's loan book



Share of TF Bank's operating income



LOAN BOOK GROWTH



- **TF Bank: Growth in Q2 = 1%**
 - Year-on-year 25%
- **Consumer Lending: Q2 = -1%**
 - Year-on-year 23%
- **Ecommerce Solutions: Q2 = 6%**
 - Year-on-year 19%
- **Credit Cards: Q2 = 13%**
 - Year-on-year 107%

GROWTH AND DIVERSIFICATION

Sweden



- Focus on profitability and e-commerce.

Norway



- Continued positive long term outlook on the Norwegian economy. Focus on growth and margins.

Finland



- New rate cap of 10% until the end of the year.

The Baltic states



- Portfolio management and profitability focus in consumer lending. E-commerce considered a better risk.

Poland



- Focus on e-commerce and profit. The market for consumer loans is challenging.

Germany

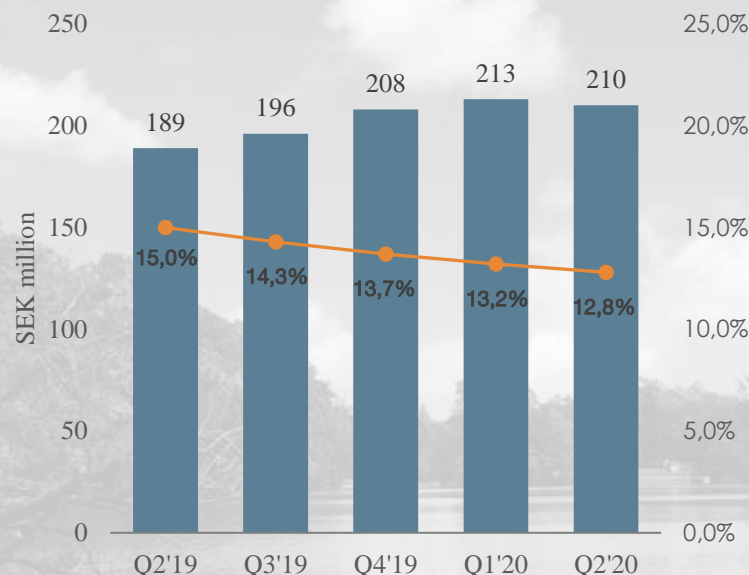


- Credit card product in high demand. Building for scale. Covid lockdown led to lower growth in Q2.



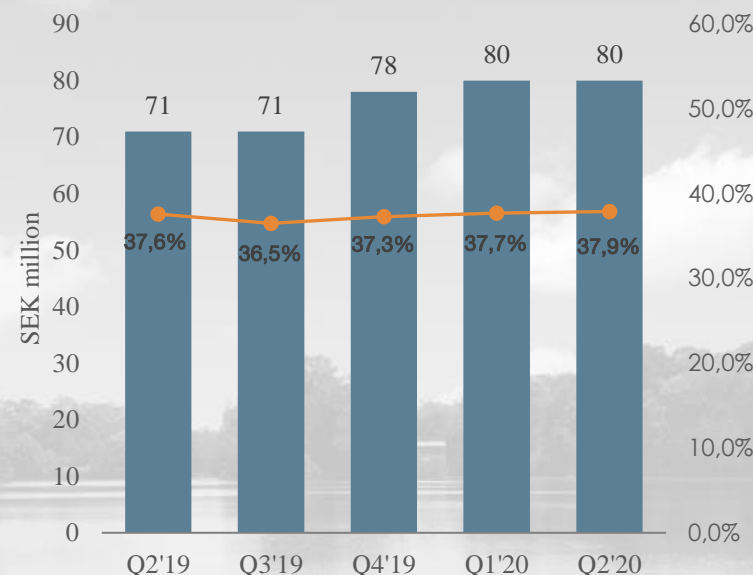
KPI – REFLECTING LOAN BOOK DEVELOPMENT IN Q2

Operating income



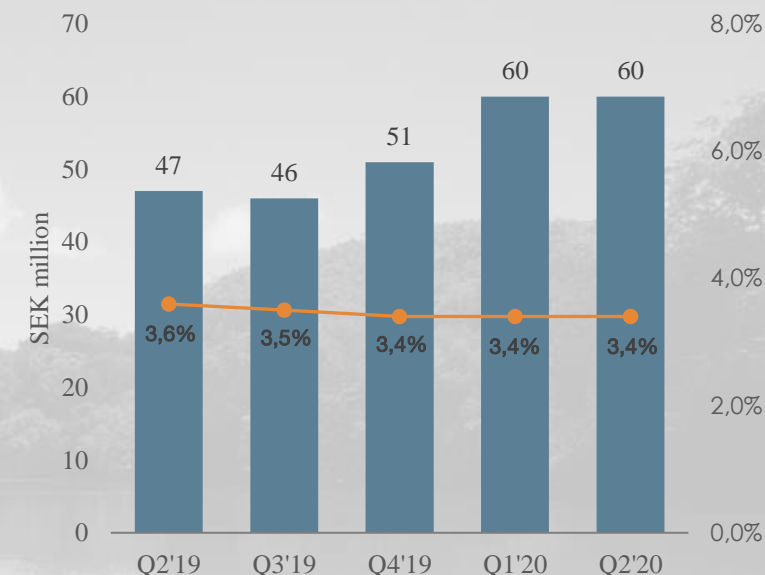
- **Income Q2-20 vs. Q2-19, +11%**
 - Norway, Ecommerce and cards in Germany
 - Negative currency effects SEK/NOK

Operating expenses*



- **Expenses Q2-20 vs. Q2-19, +12%**
 - Investments in Germany (cards)
 - Cost/income ratio 37,9%

Net loan losses**



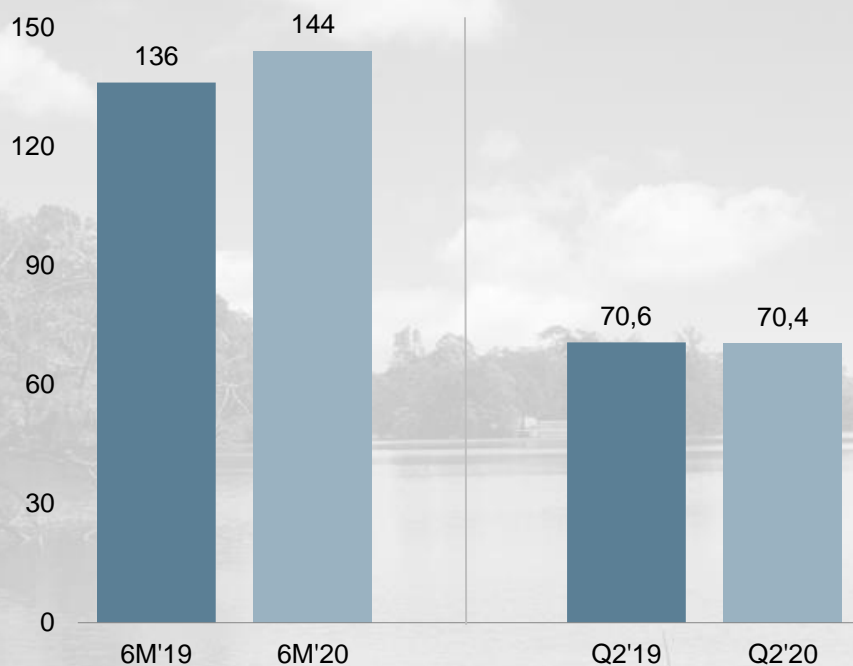
- **Losses Q2-20 vs Q2-19, +27%**
 - Loan book growth 2018-2019
 - Expected credit losses (IFRS 9)

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

** excluding extra provision related to macro economics of 30 MSEK, in Q1-2020

DEMANDING ENVIRONMENT - HIGH RETURN ON EQUITY

Operating profit*

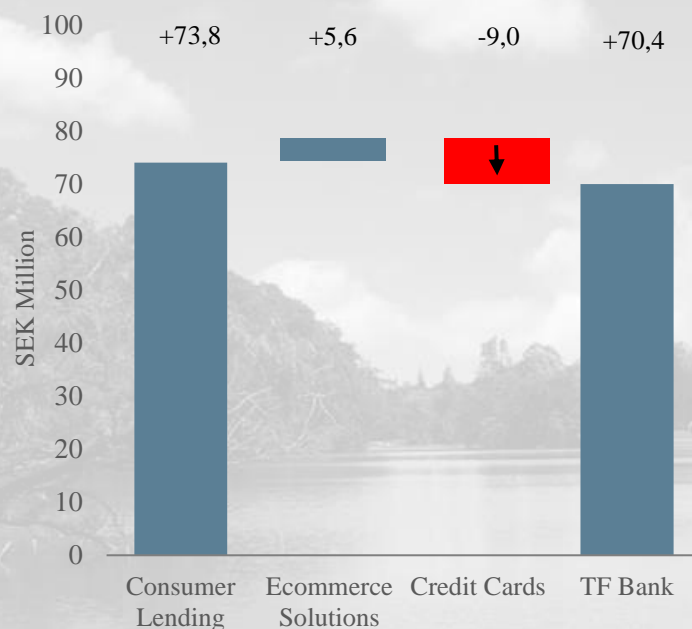


- **Operating profit Q2-20 vs. Q2-19, 0%**
 - Investments in Credit Cards Germany
 - Consumer Lending: +19%
- **Rolling 12 months EPS = 10,29 SEK***
 - Including extra provision 30 MSEK = 9,19 SEK
- **Return on equity: 28,2%***
 - Including extra provision 30 MSEK = 25,2%

* excluding extra provision related to macro economics of 30 MSEK, in Q1-2020

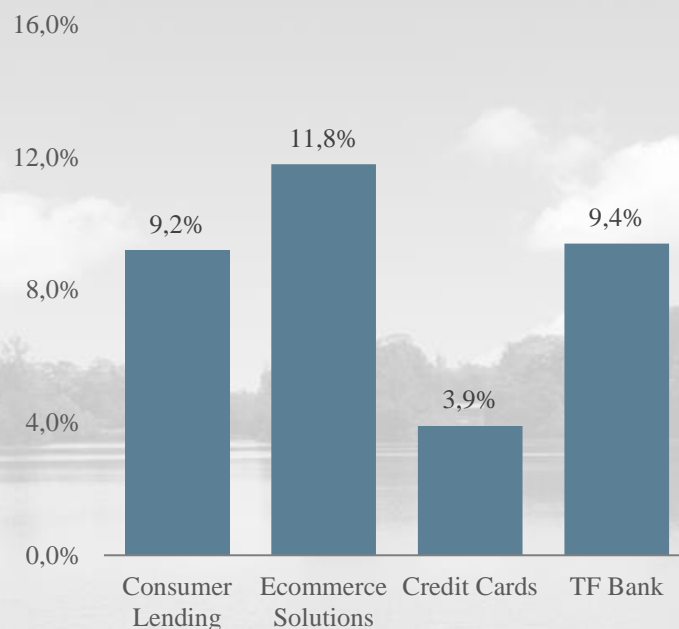
KPIs PER SEGMENT

Operating profit



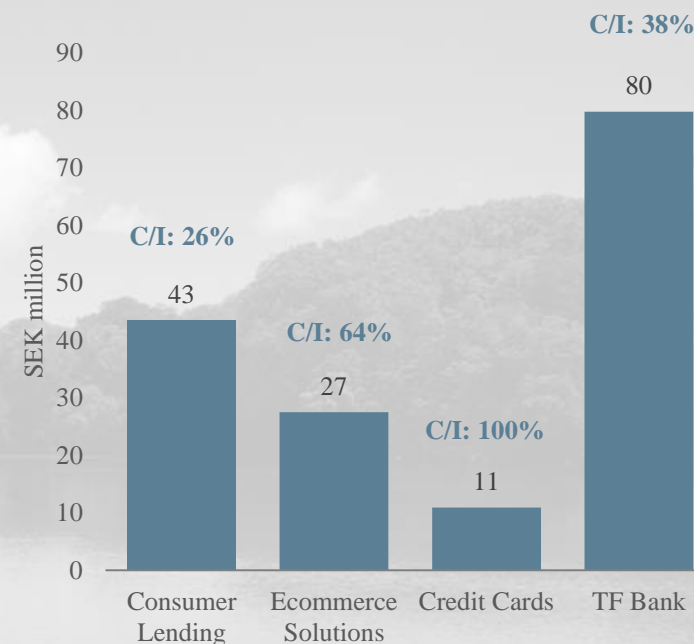
- Main driver: Consumer Lending
- Credit Cards profit drag

Risk-adjusted margin*



- Product mix, Consumer Lending
- Highest margin in Ecommerce Solutions

Operating expenses

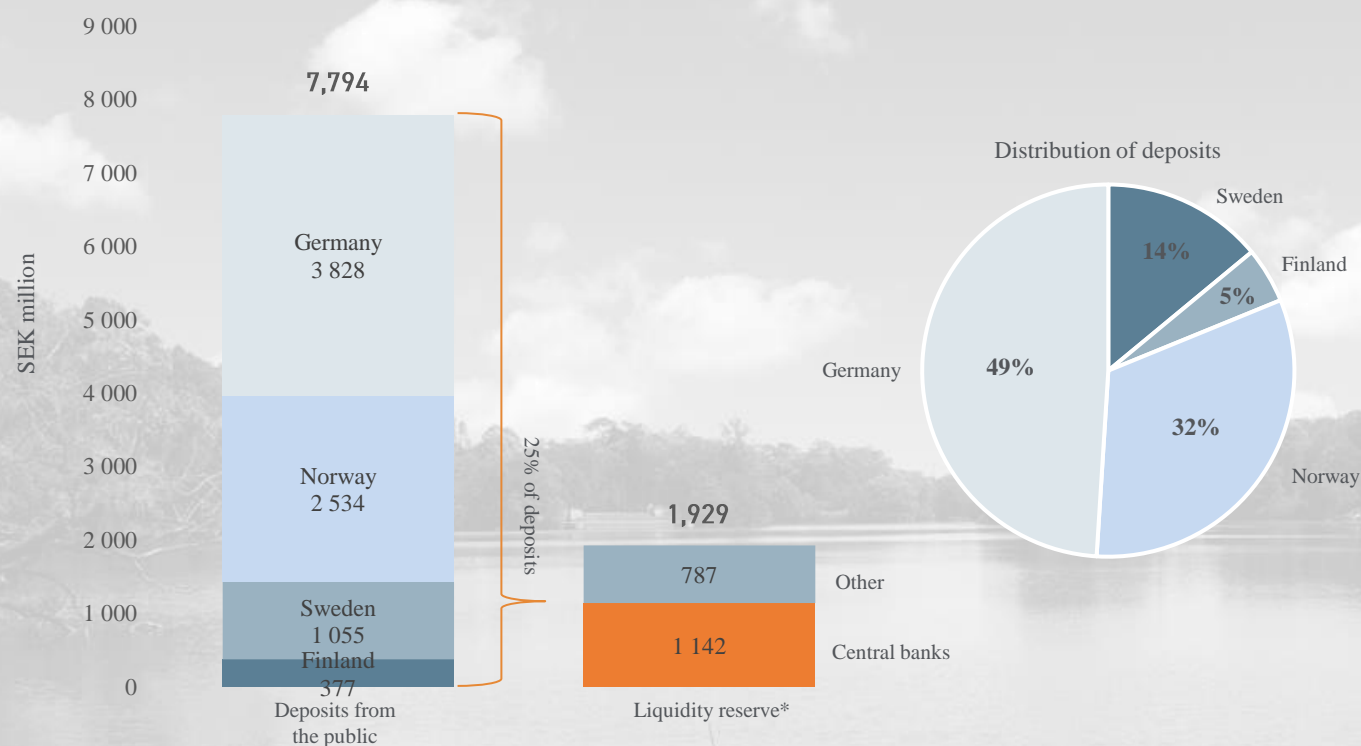


- Investments in Germany, approx. -10 MSEK
- High efficiency in Consumer Lending

* Operating income margin minus net loan loss ratio**, rolling 12 months

** excluding extra provision related to macro economics of 30 MSEK

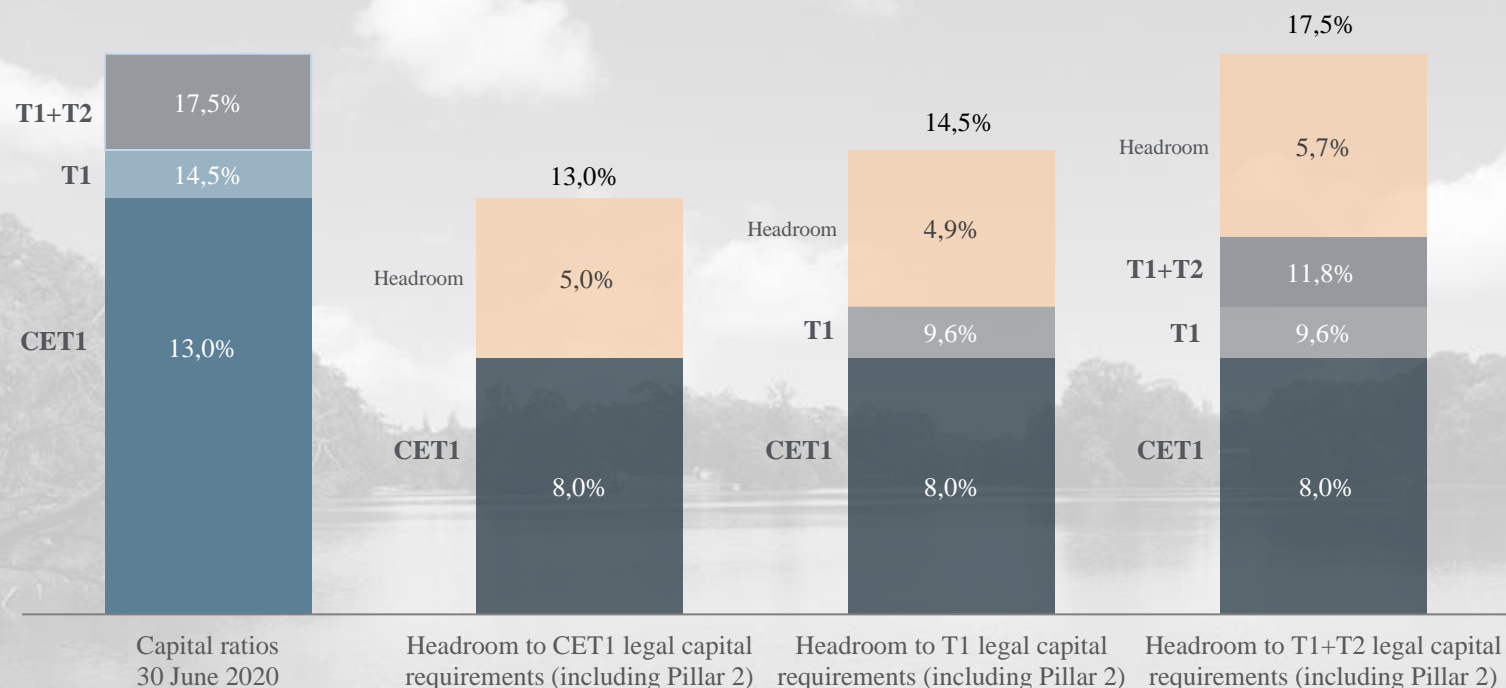
STRENGTHENED LIQUIDITY IN THE LIGHT OF COVID-19



- **Retail deposits in 4 markets**
 - Germany (SEK 3.8 billion)
 - Norway (SEK 2.5 billion)
 - Sweden (SEK 1.1 billion)
 - Finland (SEK 0.4 billion)
 - Fixed-term deposits: 29%
- **Liquidity reserve: 25% of deposits**
 - HQLA at central banks 1.1 billion
 - Other liquidity 0.8 billion
 - Low risk – stable return

*Liquidity reserve consists of Cash at Central Banks (1,142m), Treasury bills (80m) and Loans to credit institutions (707m)

STRENGTHENED CAPITAL POSITION IN Q2



- Higher capital ratios in Q2-2020 (CET 1, +0,5%)
- Capital ratios includes foreseeable dividend 19% for 2020
- Lower capital requirements (decreased CCyB in Sweden and Norway)
- Internal capital target: >2,5% legal requirement (incl. Pillar 2)

* figures are presented for the Group due to comparability between previous periods

LOOKING AHEAD

- Continued focus on portfolio management, liquidity and ROE
- Back to growth in June
 - Baltic area, cautious approach
 - Nordic, back to growth
 - Germany, fast growth
- Still poor visibility regarding Covid-19 impact in the coming quarters – unchanged provision 30 MSEK

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

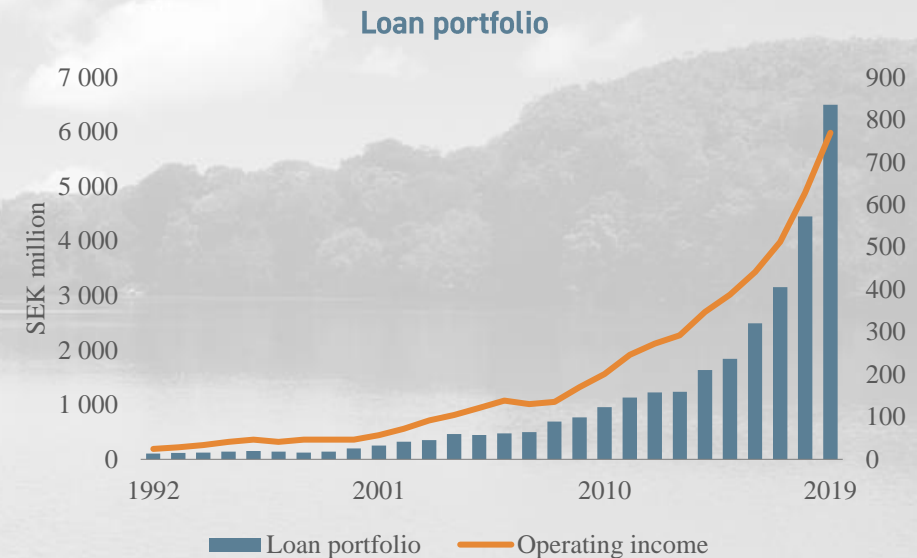
We operate in carefully selected niches where we can leverage on our platform and expertise to deliver attractive and sustainable risk adjusted growing returns

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
- Three complementary business segments

Strong track record on growth and profitability



FINANCIAL TARGETS AND DIVIDEND POLICY

The Board of Directors of TF Bank intends to establish new financial targets once the macroeconomic outlook has stabilised. Currently, TF Bank has the following targets:

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



John Brehmer
Chairman of the Board since 2020
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



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: 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



Mari Thjømøe
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



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 Asplickan, Kyrkesunds Båthamnsförening



Sara Mindus
Board member since 2020

Current commitments:
Board member: K-Fast Holding AB, Besqab AB, Dreams AB, Colibri Ventures AB, Faboss Invest AB

EXECUTIVE MANAGEMENT TEAM



Mattias Carlsson
CEO

Education: MSc, Engineering Physics, Uppsala University.

Current commitments: 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).



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 Avarda. 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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