



# INTERIM REPORT

January-September 2020



# PERIOD IN BRIEF

## JANUARY – SEPTEMBER 2020

COMPARED TO JANUARY – SEPTEMBER 2019 (unless otherwise stated)

- The loan portfolio has increased by 17 % to SEK 7,574 million since year-end
- Operating profit decreased by 13 % to SEK 186.2 million
- Earnings per share decreased by 13 % to SEK 6.46
- Cost/income ratio increased to 38.1 % (37.3)
- Total capital ratio has decreased to 17.0 % (17.4) since year-end
- Return on equity amounted to 23.4 % (33.8)
- Adjusted return on equity amounted to 23.4 % (31.4)

## SIGNIFICANT EVENTS

JANUARY – SEPTEMBER 2020

- The German credit card initiative has been expanded and at the end of the interim period, approximately 38,000 German credit cards have been issued.
- Within the Ecommerce Solutions segment 23 new agreements with Nordic merchants have been signed during the year.
- As a result of the uncertain macroeconomic situation an additional loan loss provision of SEK 30 million was made at the end of the first quarter of 2020.

## JULY – SEPTEMBER 2020

COMPARED TO JULY – SEPTEMBER 2019 (unless otherwise stated)

- The loan portfolio has increased by 7.5 % to SEK 7,574 million during the quarter
- Operating profit decreased by 7 % to SEK 72.6 million
- Earnings per share decreased by 6 % to SEK 2.54
- Cost/income ratio increased to 38.7 % (36.5)

**We create shareholder value through a combination of strong growth and high profitability. Despite the ambitious initiative in Germany and the ongoing pandemic, the return on equity amounts to 23 %.**

### LOAN PORTFOLIO

30 SEPTEMBER 2020 COMPARED TO 31 DECEMBER 2019

SEK **7.6** BILLION **+17** %

### OPERATING PROFIT

JAN-SEP 2020 COMPARED TO JAN-SEP 2019

SEK **186** MILLION **-13** %

### TOTAL CAPITAL RATIO

30 SEPTEMBER 2020 COMPARED TO 31 DECEMBER 2019

**17.0** % **-0.4** PERCENTAGE POINTS

### RETURN ON EQUITY <sup>1</sup>

JAN-SEP 2020 COMPARED TO JAN-SEP 2019

**23.4** % **-8.0** PERCENTAGE POINTS

<sup>1</sup> Adjusted for items affecting comparability in 2018 attributable to reclassification of customer balances with inactive status that have arisen before 2018.

See separate section with definitions, page 45.

## THE GROUP

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. TF Bank is listed at Nasdaq Stockholm. From 2020 the operations are divided into three segments: Consumer Lending, Ecommerce Solutions and Credit Cards.

In the Consumer Lending segment, TF Bank offers unsecured consumer loans to creditworthy individuals. The product offering can differ between the various markets and is adjusted according to the specific conditions in each country. In the Ecommerce Solutions segment, TF Bank offers digital payment solutions, primarily to online retailers. Customers are mainly the end-consumers who use the bank's payment solutions. In the Credit Cards segment TF Bank offers credit cards to creditworthy individuals in Norway and Germany.



# CEO'S COMMENTS

Once again, TF Bank delivers a quarter with strong growth. The loan portfolio increased by 7.5 % during the third quarter, and growth over the past 12 months amounts to 24 %. The consumer loans in Norway and the credit cards in Germany have been the main growth drivers in the last months. At the same time, we have maintained the bank's strengthened capital and liquidity position.

## **The loan portfolio has returned to 2-3 % monthly growth**

When the ongoing pandemic uncertainty was at its peak in March, we took the decision to decrease the new lending within our largest segment Consumer Lending. Consequently, the second quarter's loan portfolio growth was significantly lower than what TF Bank historically has delivered since the IPO in 2016. However, as we have seen a continued stable credit quality in the portfolio, volumes have gradually been increased which is reflected in the third quarter's growth of 7.5 %. Despite this, we continue to be selective on where to allocate the capital and currently we focus the expansion largely on the Nordic market and German credit cards. I would also like to point out that it is thanks to our proprietary IT platform that the company management is able to impact the growth rate of the loan portfolio using only minor adjustments.

## **Expansion in Ecommerce Solutions and Credit Cards**

In connection to the Q2 report, we stated that we had signed agreements with two major Nordic online retailers in the Ecommerce Solutions segment. One of them is Boozt, where we now have initiated a test period regarding a payment solution for Booztlet. We hope to be able to provide more information about the progress in future reports. Within Credit Cards, growth was 45 % in the third quarter, which was mostly related to our ambitious credit card initiative in Germany. We are becoming increasingly confident with the risk in Germany and have increased the pace to be able to grow the number of new customers more rapidly.

## **Stable credit quality in Consumer Lending**

At the end of the first quarter, TF Bank made an additional macroeconomic related provision for expected credit losses of SEK 30 million in the Consumer Lending segment. So far, we have not seen any signs of a deteriorated payment ability, but as it is expected to take some time before redundancies and unemployment lead to payment problems, the provisioning amount is intact at the end of the third quarter. However, during the year, some forward



flow contracts have expired without being renewed, and we are currently assessing the initial cash flows to get a better understanding for the value of the loans. A complete assessment of new provision levels will take place in the fourth quarter, together with a review of the part of the macro provision that relates to loss given default (LGD) levels. Based on the information that we have today, we don't see that this will impact the result during the fourth quarter.

## **TF Bank's business model – high profitability**

The past quarter has shown the strength of TF Bank's business model. We create shareholder value through a combination of strong growth and high profitability. Despite the ambitious initiative in Germany and the ongoing pandemic, the return on equity amounts to 23 %. Even though growth has been strong in the quarter, the capital ratios remain at levels with significant headroom to both internal and regulatory requirements. We have also further strengthened the liquidity reserve by increasing the deposits with a 2-year fixed term in Germany. All in all, this provides the Board of Directors and company management with several different options when the plan for 2021 and the dividend proposal to the shareholders are to be determined.

*Mattias Carlsson  
President and CEO*

# KEY FIGURES, CONSOLIDATED

## KEY FIGURES, CONSOLIDATED

SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Income statement</b>					
Operating income	218,116	195,646	641,752	560,442	768,864
Operating expenses	-84,512	-71,352	-244,735	-209,117	-290,875
Loan losses	-60,990	-46,401	-210,813	-137,224	-188,634
Operating profit	72,614	77,893	186,204	214,101	289,355
Net profit	56,383	59,656	144,139	164,735	221,926
Earnings per share, SEK	2.54	2.69	6.46	7.43	10.01
<b>Balance sheet</b>					
Loans to the public	7,573,883	6,098,956	7,573,883	6,098,956	6,495,780
Deposits from the public	8,744,641	6,446,102	8,744,641	6,446,102	7,197,075
New lending	1,928,538	1,484,576	5,162,984	4,376,153	6,037,302
<b>Key figures</b>					
Operating income margin, %	12.4	14.3	12.4	14.3	13.7
Net loan loss ratio, %	3.8	3.5	3.8	3.5	3.4
Cost/Income ratio, %	38.7	36.5	38.1	37.3	37.8
Return on equity, %	23.4	33.8	23.4	33.8	30.6
Adjusted return on equity, % <sup>1</sup>	23.4	31.4	23.4	31.4	30.6
Return on loans to the public, %	2.8	4.4	2.8	4.4	3.8
Adjusted return on loans to the public, % <sup>1</sup>	2.8	4.0	2.8	4.0	3.8
CET1 capital ratio, %	12.8	11.9	12.8	11.9	12.7
Tier 1 capital ratio, %	14.2	13.7	14.2	13.7	14.3
Total capital ratio, %	17.0	17.2	17.0	17.2	17.4
Employees (FTE)	221	183	207	170	174

## CURRENCY RATES

SEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
EUR Income statement (average)	10.36	10.66	10.56	10.57	10.59
EUR Balance sheet (end of reporting period)	10.54	10.73	10.54	10.73	10.43
NOK Income statement (average)	0.97	1.08	0.99	1.08	1.07
NOK Balance sheet (end of reporting period)	0.95	1.08	0.95	1.08	1.06
PLN Income statement (average)	2.33	2.47	2.39	2.46	2.46
PLN Balance sheet (end of reporting period)	2.33	2.45	2.33	2.45	2.44

<sup>1</sup> Items affecting comparability in 2018 were attributable to reclassification of customer balances with inactive status that have arisen before 2018.

See separate section with definitions, page 45.

# RESULTS AND FINANCIAL POSITION

## JANUARY - SEPTEMBER 2020

COMPARED TO JANUARY - SEPTEMBER 2019

### Operating profit

Operating profit decreased by 13 % to SEK 186.2 million (214.1). The result is impacted by higher loan loss provisions according to IFRS 9, as well as the credit card initiative in Germany. Earnings per share decreased by 13 % to SEK 6.46 (7.43) and the adjusted return on equity amounted to 23.4 % (31.4).

### Operating income

TF Bank's operating income has increased by 15 % to SEK 641.8 million (560.4). The growth in the loan portfolio had a positive impact on net interest income in all segments. However, the operating income margin has decreased to 12.4 % (14.3), mainly because new lending in the Consumer Lending segment has partly been directed towards customers with slightly better credit quality.

### Interest income

Interest income increased by 14 % to SEK 674.7 million (591.9). The growth in consumer loans in Norway as well as an increasing credit card balance in Germany have been the main drivers for the increase in interest income. Currency effects related to the weakened NOK however affected the income negatively compared to the interim period in 2019.

### Interest expense

TF Bank's interest expenses increased by 24 % to SEK 94.5 million (76.2). Higher deposit volumes in Germany and Norway as well as an increasing share of fixed-rate accounts are the primary drivers of the increase. However, decreased interest rates by the central banks in Norway and Poland during the first half of 2020 have had a gradually increasing positive effect on the funding cost during the interim period.

### Net fee and commission income

Net fee and commission income increased by 36 % to SEK 61.7 million (45.2). The increase is driven by increasing fee and commission income within the Ecommerce Solutions segment as well as the Group's lending growth the last years. During the first nine months of 2020, 54 % of TF Bank's fee and commission income derives from reminder fees and 46 % from insurance premiums and other income.

### Operating expenses

TF Bank's operating expenses have increased by 17 % to SEK 244.7 million (209.1). The increase is primarily related to the credit cards initiative in Germany, which generates higher sales-related expenses and more employees. The average number of full-time employees during the interim period amounted to 207 (170). The C/I ratio has increased to 38.1 % (37.3), which is related to the Credit Cards segment.

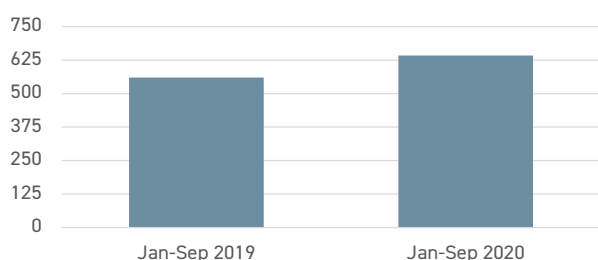
### Net loan losses

Net loan losses increased by 54 % to SEK 210.8 million (137.2). The interim period is affected by an additional loan loss provision of SEK 30 million related to expected credit losses according to IFRS 9 as a result of the uncertain macroeconomic situation. In addition, provisions for expected credit losses in the Credit Cards segment have increased significantly compared to the first nine months of 2019. The loan loss ratio amounted to 3.8 % (3.5).

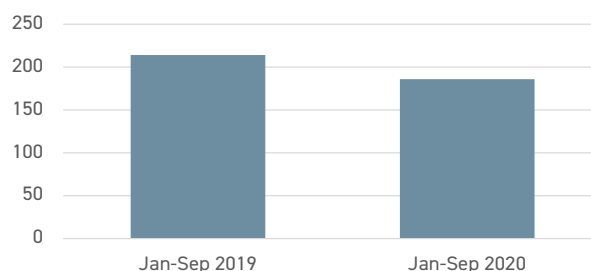
### Tax expense

TF Bank's tax expense amounted to SEK 42.1 million (49.4). The average tax rate decreased to 22.6 % (23.1) during the interim period. The tax rate is among other things positively affected by the merger of the Norwegian subsidiary BB Bank ASA with TF Bank AB in the beginning of 2020.

OPERATING INCOME (SEK million)



OPERATING PROFIT (SEK million)



# RESULTS AND FINANCIAL POSITION

## JANUARY - SEPTEMBER 2020

COMPARED TO 31 DECEMBER 2019 (unless otherwise stated)

### Loans to the public

Loans to the public have increased by 17 % to SEK 7,574 million (6,496) since year-end. Currency effects have affected growth negatively by 4 %. TF Bank's new lending increased to till SEK 5,163 million (4,376) compared to the first nine months of 2019.

During the interim period, 40 % of the growth of the loan portfolio in local currencies was generated by consumer loans in Norway. Currency effects are however negatively affecting the Norwegian loan balances converted to SEK. Towards the end of the period, German credit cards have contributed with an increased share of the Group's growth.

### Deposits from the public

Deposits from the public have increased by 22 % to SEK 8,745 million (7,197) since year-end. Currency effects have affected deposit balances negatively by 3 %.

Deposit balances in local currencies have increased significantly in Germany and Norway during the interim period. In Germany, the net inflow has particularly been related to accounts with a fixed term of two years. In Norway, a fixed rate account was launched during the fourth quarter of 2019, which generated a significant inflow during the first half of 2020. At the end of the interim period, accounts with a fixed term comprise 33 % (23) of the Group's total deposits.

### Investments

TF Bank's investments amounted to SEK 18.9 million compared to SEK 24.9 million the first nine months of 2019. The investments relate to product development within all segments. Depreciation and amortisation related to fixed assets and operational leases amounts to SEK 18.4 million (13.3).

### Cash and cash equivalents

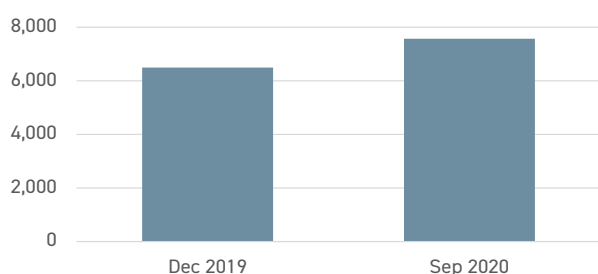
Cash and cash equivalents increased by SEK 629 million to SEK 2,442 million (1,813) since the beginning of the year. Hence, TF Bank's liquidity reserve amounted to 28 % (26) of deposits from the public. 60 % of the liquidity reserve is placed at central banks as well as in Swedish treasury bills, while the remaining part is placed in overnight accounts in various Nordic banks.

### Capital adequacy

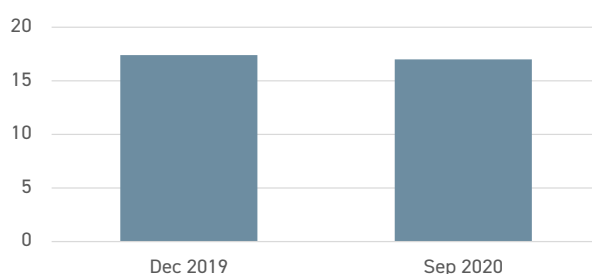
At the end of the third quarter, TF Bank's total capital ratio was 17.0 % (17.4), the tier 1 capital ratio was 14.2 % (14.3) and the CET1 capital ratio was 12.8 % (12.7). Hence, the increased capital requirement related to the loan portfolio growth has been compensated by the bank's net profit during the interim period. The capital ratios have also been affected by an increased phase-in of loan loss provisions according to the transitional rules, as well as a foreseeable dividend to shareholders calculated according to the regulatory requirements.

In March, the regulatory authorities in Sweden and Norway announced that the countercyclical buffer requirement was decreased with immediate effect. In Sweden, the requirement was decreased from 2.5 % to 0 %, while the Norwegian requirement was decreased from 2.5 % to 1.0 %. At the end of the interim period, TF Bank's total capital requirement amounted to 11.8 %, the tier 1 capital requirement to 9.6 % and the CET1 capital requirement to 8.0 %.

LOANS TO THE PUBLIC (SEK million)



TOTAL CAPITAL RATIO (%)





# RESULTS AND FINANCIAL POSITION

## JULY - SEPTEMBER 2020

COMPARED TO JULY - SEPTEMBER 2019

### Operating profit

Operating profit decreased by 7 % to SEK 72.6 million (77.9), which is mainly related to the credit cards initiative in Germany within the Credit Cards segment. Earnings per share for the quarter decreased by 6 % to SEK 2.54 (2.69).

### Operating income

The Group's operating income has increased by 11 % to SEK 218.1 million (195.6). Higher volumes for Norwegian consumer loans, the Ecommerce Solutions segment as well as German credit cards generate increasing income compared to the third quarter of 2019. Negative currency effects mainly related to the weakened NOK however weighs down the income in the quarter.

### Operating expenses

The Group's operating expenses have increased by 18 % to SEK 84.5 million (71.4). The increase is related to increasing expenses for the German credit cards initiative and the expansion within the Ecommerce Solutions segment, which also means that the Group's C/I ratio has increased to 38.7 % (36.5).

### Net loan losses

Net loan losses increased by 31 % to SEK 61.0 million (46.4). The Group's lending growth during the past years and provisions for expected credit losses according to IFRS 9 within segment Credit Cards contribute to larger net loan losses in absolute terms compared to the corresponding quarter in 2019. However, the ongoing pandemic has not had an impact on the loan losses during the third quarter.

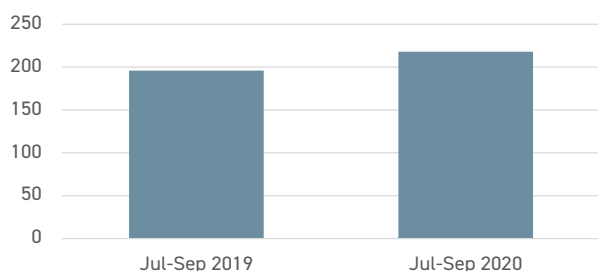
### Tax expense

The Group's tax expense decreased to SEK 16.2 million (18.2). The average tax rate amounted to 22.4 % (23.4) during the quarter.

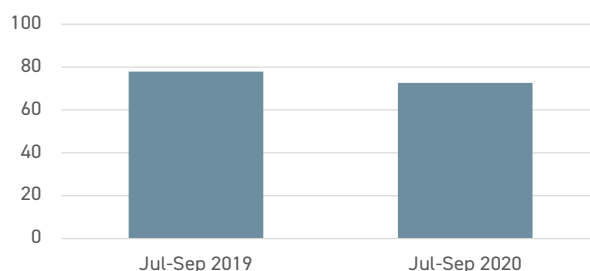
### Loans to the public

Loans to the public have increased by 7.5 % to SEK 7,574 million (7,047) during the third quarter. Individual currencies have experienced significant fluctuations during the quarter, but all in all the currency effect on the loan balance is limited. TF Bank's new lending increased to till SEK 1,929 million (1,485) compared to the third quarter of 2019.

OPERATING INCOME (SEK million)



OPERATING PROFIT (SEK million)





# CONSUMER LENDING

## JANUARY - SEPTEMBER 2020

COMPARED TO JANUARY - SEPTEMBER 2019 (unless otherwise stated)

### Overview

In the Consumer Lending segment, TF Bank offers unsecured consumer loans to creditworthy individuals. The product offering can differ between the various markets and is adjusted according to the specific conditions in each country. As of 30 September 2020, the average loan amount per customer was approximately SEK 57 thousand.

The Nordic loan portfolio represents 73 % of the segment. The Nordic markets for consumer loans are characterised by credit information that is easy to access, a high share of credit intermediators, and a well-functioning system for collection of unpaid debts. The segment's average loan amount is slightly higher in Norway and Finland.

The Baltic and Polish loan portfolio represents 27 % of the segment. Estonia is the country in the Baltics most similar to the Nordic markets, with high internet usage and easy access to public data. Latvia and Lithuania are fast-growing credit markets with several established Nordic players operating locally. In Poland, new lending has been severely restricted from the third quarter of 2020 to be discontinued during the fourth quarter.

### The loan portfolio

Loans to the public have increased by 11 % to SEK 5,731 million (5,145) since year-end. Currency effects have affected growth negatively by 4 %. The segment's new lending amounted to SEK 2,894 million (2,897). During 2020, some agreements for continuing sales of past due loans have expired without being renewed, which affects the share of loans that are 90+ days past due.

The underlying loan portfolio <sup>1</sup> in Norway has increased by 25 % to NOK 2,187 million (1,751) since year-end. The growth in Norway is characterised by continued stable margins and favourable credit quality. The loan portfolio in Finland increased by 12 % to EUR 129 million (116). The temporary regulatory interest rate cap that was implemented on 1 July has had a slight negative impact on the

volumes in the third quarter. The Swedish loan portfolio has decreased by 2 % to SEK 445 million (456).

The underlying loan portfolio <sup>1</sup> in the Baltics has increased by 10 % to EUR 131 million (119) since year-end. The growth has been driven by the loan portfolios in Latvia and Lithuania, while the portfolio in Estonia has decreased slightly. Following a consciously restrictive approach in the second quarter, new lending in the Baltics increased during the third quarter. The Polish loan portfolio decreased to PLN 90.8 million (96.1).

### Results

The operating profit for the segment decreased by 1 % to SEK 182.1 million (184.2). The result in the interim period is affected by an additional loan loss provision of SEK 30 million as a consequence of the uncertain macroeconomic situation and the provisioning requirements in IFRS 9.

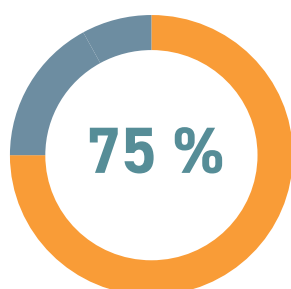
The operating income increased by 9 % to SEK 470.0 million (430.1). The increase is primarily related to the past year's growth in the Norwegian loan portfolio. The operating income margin has decreased to 11.8 % (13.8) due to that new lending has partly been directed towards customers with slightly better credit quality.

The operating expenses for the segment have increased by 2 % to SEK 131.3 million (128.1). The growth in Norway means that the segment's expenses have increased slightly compared to the previous year. The increase is however mitigated by lower marketing expenses in the Baltics during the second quarter. The segment's C/I ratio has decreased to 27.9 % (29.8).

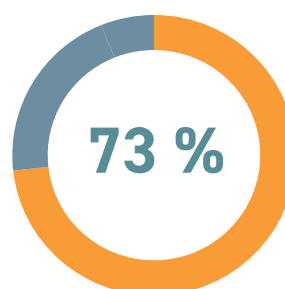
Net loan losses increased by 33 % to SEK 156.6 million (117.7), including an additional loan loss provision of SEK 30 million at the end of the first quarter due to the uncertain macroeconomic situation. Excluding the additional provision according to IFRS 9, the segment's net loan losses increased by 8 %.

For further information about the loan portfolio and results of this segment, see Note 3 Operating segments.

SHARE OF THE GROUP'S LOANS TO THE PUBLIC



SHARE OF THE GROUP'S OPERATING INCOME



<sup>1</sup> Loans to the household sector, stage 1 and 2, gross.

# ECOMMERCE SOLUTIONS

## JANUARY - SEPTEMBER 2020

COMPARED TO JANUARY - SEPTEMBER 2019 (unless otherwise stated)

### Overview

In the Ecommerce Solutions segment, TF Bank offers digital payment solutions primarily within e-commerce to credit-worthy individuals. The customers are mainly end-consumers who use the bank's services when they make purchases. The digital payment solutions are available in the Nordic region under the Avarda brand, and also in the Baltics and in Poland under the TF Bank brand. In total the bank had 210 active merchants during the third quarter.

The product Avarda Checkout+ has over the past year experienced a commercial breakthrough in the Nordic markets. The market position has been strengthened with implementations of retailers such as Bubbleroom, Däck365, Indoor Group and Beijer Bygg during the last 12 months. We optimises the offering to reach our aim to be the retailer's best friend through initiatives such as Avarda Return Optimizer (ARO), which is an AI-based tool to minimise the number of returns among our partners. During the quarter, a new online invoicing process has been launched where the customers have the opportunity to pay directly using Swish (a system for mobile payments with 7.5 million private users in Sweden). This results in better control of the invoicing flow, while the customer experience is improved and simplified.

### Loan portfolio

Loans to the public have increased by 19 % to SEK 1,260 million (1,058) since year-end. Currency effects affected growth negatively by 1 %. The segment's new lending has increased to SEK 1,611 million (1,257). So far, the impact from the pandemic has been limited and there are indications that the spread of the coronavirus is accelerating the consumer shift from brick and mortar retailers to e-commerce.

The underlying Nordic loan portfolio amounts to SEK 774 million (685) and comprises 63 % of the segment. In Finland, the portfolio has increased by 25 % to EUR 46.2 million (36.8) since year-end. The increase is

explained by a continued general growth of e-commerce while several new retailers also have been implemented. The Swedish portfolio has decreased by 1 % to SEK 222 million (223) during the first nine months. In Norway and Denmark, the loan balances amounted to NOK 32.5 million (35.8) and DKK 24.9 million (28.8) respectively.

The underlying loan portfolio<sup>1</sup> in Estonia has increased by 47 % to EUR 15.5 million (10.5) since year-end. The increase is mainly related to growth for the largest retailer Hansapost, but also a continued strong inflow of new partners. In Poland, the loan portfolio has increased by 26 % to PLN 125 million (99.0). By continuing to be flexible in the product offering, we take market shares in the Polish market.

### Results

The operating profit for the segment decreased by 9 % to SEK 29.7 million (32.7). The decline is related to higher net loan losses due to positive non-recurring items in the comparison period.

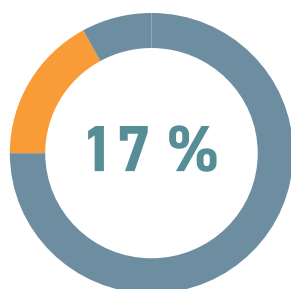
The operating income increased by 19 % to SEK 132.8 million (111.3). The increase is attributable to higher volumes in several geographic markets compared to the corresponding period in 2019. The operating income margin has however decreased to 15.0 % (16.6).

The operating expenses for the segment have increased by 15 % to SEK 77.2 million (67.4). The increase is partly explained by higher staff costs related to more employees, and partly by increased sales-related costs following larger volumes within the segment. The C/I ratio has decreased to 58.1 % (60.6).

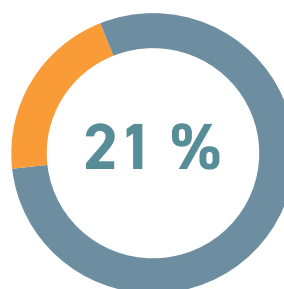
Net loan losses have increased to SEK 25.9 million (11.2) and the net loan loss ratio amounts to 3.2 % (2.2). The main reason for the increase is that the loan losses in the comparison period were positively affected by one-time effects related to new agreements for continuing sales of past due loans. The ongoing pandemic has not affected the loan losses during the first nine months of the year.

For further information about the loan portfolio and results of this segment, see Note 3 Operating segments.

SHARE OF THE GROUP'S LOANS TO THE PUBLIC



SHARE OF THE GROUP'S OPERATING INCOME



<sup>1</sup> Loans to the household sector, stage 1 and 2, gross.

# CREDIT CARDS

## JANUARY - SEPTEMBER 2020

COMPARED TO JANUARY - SEPTEMBER 2019 (unless otherwise stated)

### Overview

In the Credit Cards segment, TF Bank offers credit cards to creditworthy individuals in Germany and Norway. The business in Germany was started in the end of 2018, and the operations are conducted in-house. The work to build a local organisation focused around marketing and customer service is ongoing. Services like risk analysis, finance and IT are provided by central functions within the bank. The product that is marketed in Germany is a so-called Mastercard Gold, and the individual exposure is around EUR 1,600. At the end of the interim period, approximately 38,000 German credit cards had been issued.

The offering in Norway has been part of the bank since the acquisition of the subsidiary BB Bank in July 2015. Since the start of 2020, the business is organised under TF Bank's Norwegian branch. Two credit card products are currently offered to the Norwegian market, Visa and Visa Gold. The individual exposure per card is around NOK 15,000. At the end of the interim period, approximately 19,000 Norwegian credit cards had been issued.

### The loan portfolio

Loans to the public have increased by 99 % to SEK 583 million (293) since year-end. Currency effects negatively affected growth by 5 %. The segment's new lending amounted to SEK 657 million (222).

The underlying credit card portfolio <sup>1</sup> in Germany has increased by EUR 23.1 million to EUR 34.0 million since year-end. The growth has accelerated during the third quarter, which is related to an increased number of newly issued credit cards as well as increased utilisation of cards that previously have been issued. The lockdown of the German society due to the pandemic affected the volumes negatively during the vast part of the second quarter.

The underlying credit card portfolio <sup>1</sup> in Norway has increased by 8 % to NOK 166 million (154) since year-end. The growth was moderate during the first half of the year due to relatively limited marketing activities in the end of 2019, as well as negative impact from the pandemic. During the third quarter, the growth for the Norwegian credit card portfolio has increased.

### Results

The operating profit for the segment amounted to SEK -25.6 million (-2.9). The result in the interim period is affected by the German credit card initiative through, among other things, sales-related costs and provisions for expected credit losses according to IFRS 9.

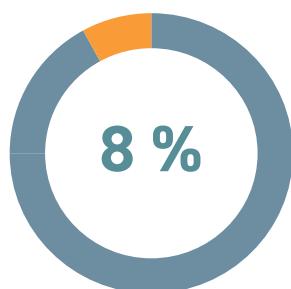
The operating income increased by 105 % to SEK 38.9 million (19.0). The increase is related to the expanding credit card business in Germany. The operating income margin amounted to 13.5 % (13.3) and was affected by the fact that new customers in Germany mainly are generated through loan intermediators.

The operating expenses for the segment amounted to SEK 36.3 million (13.6). Higher volumes as well as the establishment of a local organisation for German credit cards affects the costs during 2020. The C/I ratio amounted to 93.1 % (71.5). Increasing interest income in Germany is expected to generate a lower C/I ratio over time.

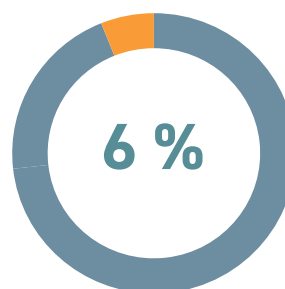
Net loan losses amounted to SEK 28.3 million (8.3). Provisions for expected credit losses in Germany in accordance with the applicable accounting standard IFRS 9 have a significant effect when comparing with the first nine months of 2019. The ongoing pandemic has not affected the net loan losses during the first nine months the year.

For further information about the loan portfolio and results of this segment, see Note 3 Operating segments.

SHARE OF THE GROUP'S LOANS TO THE PUBLIC



SHARE OF THE GROUP'S OPERATING INCOME



<sup>1</sup> Loans to the household sector, stage 1 and 2, gross.



# SIGNIFICANT EVENTS

## Significant events, January - September 2020

During January TF Bank has simplified the legal structure of the Group by completion of the mergers of the three wholly owned subsidiaries BB Bank ASA, Avarda AB and Avarda Oy.

TF Bank has expanded the segment reporting to three segments as from the first quarter 2020. Ecommerce Solutions is split into two business segments, Ecommerce Solutions and Credit Cards.

Due to the communicated urge from Swedish FSA regarding dividends, the Board of Directors of TF Bank has, in connection with the presentation of the Annual report for 2019, decided to withdraw the dividend proposal of SEK 0.50 per share which was presented in the year-end report for 2019.

The countercyclical buffer requirements in Sweden and Norway have been decreased. Following the changes, TF Bank's total capital requirement amounts to 11.8 %.

As a result of the uncertain macroeconomic situation an additional loan loss provision of SEK 30 million was made at the end of the first quarter of 2020. The financial target of an EPS of at least SEK 14.50 in 2020 was also abandoned in connection with the announcement.

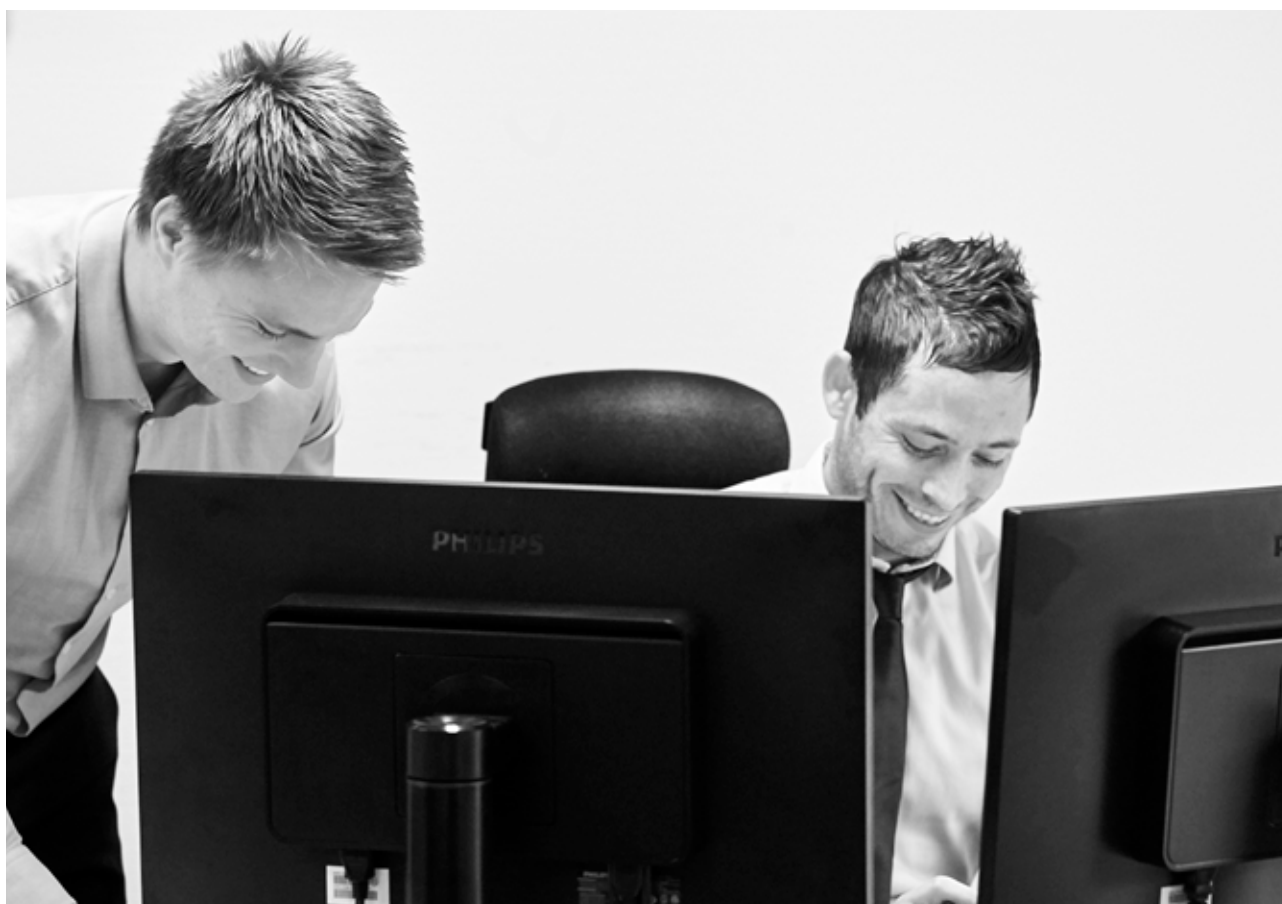
At the Annual General Meeting 7 May, it was resolved that earnings available for distribution was carried forward. John Brehmer was elected as Chairman of the Board and Sara Mindus was new elected as member of the Board. CEO Mattias Carlsson was dismissed from the board of directors and the other members of the Board were re-elected at the Meeting.

The Board of Directors of TF Bank submitted an offer to the holders of warrants to repurchase their warrants. The offer included all outstanding warrants and meant that the holders were offered to sell their warrants to TF Bank at a price corresponding to the market value. The offer was utilised for all warrants.

Within the Ecommerce Solutions segment 23 new agreements with Nordic merchants have been signed during the year.

TF Bank's e-commerce venture Avarda, which is part of the Ecommerce Solutions segment, has during the third quarter initiated a test period with Boozt regarding a payment solution for Booztlet.

The German credit card initiative has been expanded and at the end of the interim period, approximately 38,000 German credit cards have been issued.



# OTHER FINANCIAL INFORMATION

## **Covid-19**

The spread of covid-19 continued to affect TF Bank's operations during the third quarter. In accordance with national recommendations, some of the bank's staff works remotely and travelling within and between countries is severely limited. Since the start of the pandemic, management has had a close dialogue with the respective country managers to be informed of the situation locally in the countries where TF Bank conducts operations. No significant disruptions occurred in the bank's operations during the third quarter. Regarding approved government support measures, TF Bank has obtained support for reduced employer contributions and compensation for sick pay amounting to SEK 0.8 million during 2020, which has reduced the general administrative expenses.

During the second quarter of 2020, management choosed to be more restrictive with new lending within the Consumer Lending segment. When repayment ability is generally deemed to be worse, it is natural to be more selective in new lending. As the credit quality of the loan portfolio has remained stable, new lending within Consumer Lending has gradually increased during the third quarter.

On April 5, TF Bank announced that as a result of the uncertain macroeconomic situation an additional loan loss provision of SEK 30 million was made at the end of the first quarter of 2020. However, the assessment is that both Probability of Default (PD) and Loss Given Default (LGD) will be adversely affected. Our best estimate today is that the provision of SEK 30 million is sufficient to meet increased future credit losses related to a deterioration in macroeconomic development due to the pandemic.

Uncertainty about the humanitarian and economic consequences of the pandemic remains high. It can therefore not be ruled out that TF Bank's operations, new lending and credit losses may be further negatively affected by covid-19 in the future.

## **The share**

TF Bank was listed at Nasdaq Stockholm in the Mid Cap segment on 14 June 2016. The share trades under the ticker name TFBANK and the ISIN code is SE0007331608. At the end of September 2020, the share closed at SEK 88.60, a decrease of 24 % since year-end 2019. In total, 3.9 million shares worth approximately SEK 346 million were traded on Nasdaq Stockholm during the first nine months of 2020.

## **Institutions following TF Bank**

ABG Sundal Collier, Carnegie and Pareto Securities are following the company. All institutions have issued a buy recommendation for the TF Bank share.

## **Financial targets**

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*

TF Bank's aim is that all capital ratios should exceed the regulatory requirement (including pillar 2) by at least 2.5 percentage points.

## **Dividend policy**

TF Bank's dividend policy is to distribute surplus capital in relation to capital targets and the bank's capital planning.

# ACCOUNTING POLICIES

## Accounting policies

The interim report has been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). In addition, amendments to the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board, and the Swedish Financial Supervisory Authority's regulations (FFFS 2008:25) have also been applied.

The Parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board, and the Swedish Financial Supervisory Authority's regulations (FFFS 2008:25).

The accounting policies, computation methods and presentation used for the Group and Parent company are essentially unchanged from the 2019 Annual Report. The interim information on pages 4-43 is an integral part of this financial report.

## Risks and uncertainties

TF Bank faces various types of risks, such as credit risk, market risk, liquidity risk and operational risk. In order to limit and control risk-taking in the business, the Board, which is ultimately responsible for internal controls, has defined policies and instructions for lending and other activities. For a more detailed description of financial risks and the use of financial instruments, and capital adequacy, see notes 2, 8 and 11. Further information can be found in notes 3 and 34 of the annual report 2019.

## Parent company

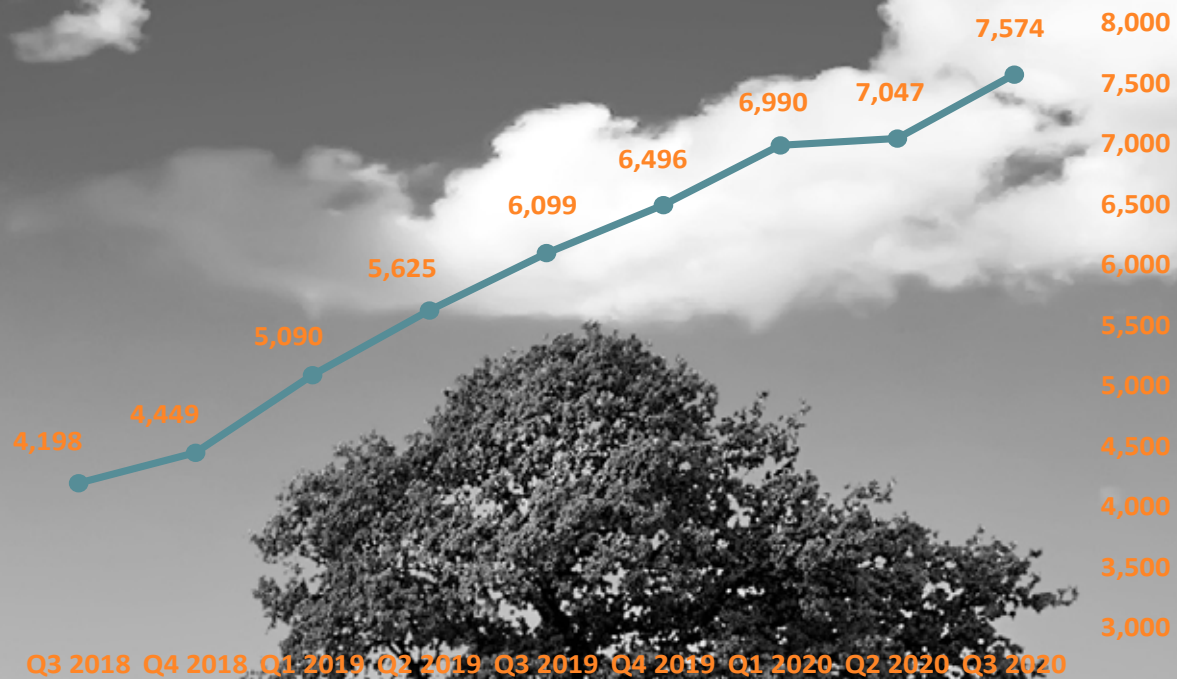
TF Bank AB, corporate identity number 556158-1041, is a bank domiciled in Borås, Sweden. The company has a license to provide banking services. The bank carries out deposit and lending activities in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany and Austria via branch or cross-border banking.

During January 2020, the three wholly owned subsidiaries BB Bank ASA, Avarða AB and Avarða Oy were merged with the Parent company TF Bank AB. Following the mergers, all operations subject to a banking license are conducted in the Parent company. In comparison with 2019, the changes in the legal group structure have a significant impact on the Parent company's income statement, statement of financial position and capital adequacy.

The Parent company's income statement, statement of financial position and capital adequacy are presented on pages 37-42. Comments on TF Bank's results and financial position for the interim period January - September 2020 can be found on page 6-8. The comments are presented in comparison with the Group's figures for 2019.



## LOAN PORTFOLIO PERFORMANCE IN 2018-2020 (SEK MILLION)



# INCOME STATEMENT, CONSOLIDATED

SEK thousand	Note	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
	3					
<b>Operating income</b>						
Interest income		228,537	207,795	674,746	591,893	813,117
Interest expense		-31,018	-26,563	-94,511	-76,219	-106,133
<b>Net interest income</b>		<b>197,519</b>	<b>181,232</b>	<b>580,235</b>	<b>515,674</b>	<b>706,984</b>
Fee and commission income		26,219	17,822	74,571	53,356	72,561
Fee and commission expense		-5,060	-2,790	-12,912	-8,156	-10,493
<b>Net fee and commission income</b>		<b>21,159</b>	<b>15,032</b>	<b>61,659</b>	<b>45,200</b>	<b>62,068</b>
Net results from financial transactions		-562	-618	-142	-432	-188
<b>Total operating income</b>		<b>218,116</b>	<b>195,646</b>	<b>641,752</b>	<b>560,442</b>	<b>768,864</b>
<b>Operating expenses</b>						
General administrative expenses		-73,211	-61,273	-214,505	-182,253	-254,864
Depreciation and amortisation of tangible and intangible assets		-6,646	-4,842	-18,358	-13,296	-18,128
Other operating expenses		-4,655	-5,237	-11,872	-13,568	-17,883
<b>Total operating expenses</b>		<b>-84,512</b>	<b>-71,352</b>	<b>-244,735</b>	<b>-209,117</b>	<b>-290,875</b>
<b>Profit before loan losses</b>		<b>133,604</b>	<b>124,294</b>	<b>397,017</b>	<b>351,325</b>	<b>477,989</b>
Net loan losses	2	-60,990	-46,401	-210,813	-137,224	-188,634
<b>Operating profit</b>		<b>72,614</b>	<b>77,893</b>	<b>186,204</b>	<b>214,101</b>	<b>289,355</b>
Income tax expense		-16,231	-18,237	-42,065	-49,366	-67,429
<b>Net profit for the period</b>		<b>56,383</b>	<b>59,656</b>	<b>144,139</b>	<b>164,735</b>	<b>221,926</b>
<i>Attributable to:</i>						
Shareholders of the Parent Company		54,612	57,930	138,885	159,679	215,160
Additional tier 1 capital holders		1,771	1,726	5,254	5,056	6,766
<i>Basic earnings per share (SEK)</i>		<i>2.54</i>	<i>2.69</i>	<i>6.46</i>	<i>7.43</i>	<i>10.01</i>
<i>Diluted earnings per share (SEK)</i>		<i>2.54</i>	<i>2.69</i>	<i>6.46</i>	<i>7.43</i>	<i>10.01</i>

# STATEMENT OF COMPREHENSIVE INCOME, CONSOLIDATED

SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Net profit for the period</b>	<b>56,383</b>	<b>59,656</b>	<b>144,139</b>	<b>164,735</b>	<b>221,926</b>
<b>Other comprehensive income</b>					
<b>Items that may subsequently be reclassified to the income statement</b>					
Gross exchange rate differences	-	-145	0	876	1,174
Tax on exchange rate differences in the period	-	-317	-	4,104	1,668
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-462</b>	<b>0</b>	<b>4,980</b>	<b>2,842</b>
<b>Total comprehensive income for the period</b>	<b>56,383</b>	<b>59,194</b>	<b>144,139</b>	<b>169,715</b>	<b>224,768</b>
<i>Attributable to:</i>					
<i>Shareholders of the Parent Company</i>	<i>54,612</i>	<i>57,468</i>	<i>138,885</i>	<i>164,659</i>	<i>218,002</i>
<i>Additional tier 1 capital holders</i>	<i>1,771</i>	<i>1,726</i>	<i>5,254</i>	<i>5,056</i>	<i>6,766</i>



# STATEMENT OF FINANCIAL POSITION, CONSOLIDATED

SEK thousand	Note	30 Sep 2020	31 Dec 2019
	2, 4, 5		
<b>ASSETS</b>			
Cash and balances with central banks		1,408,053	390,332
Treasury bills eligible for refinancing		60,032	60,051
Loans to credit institutions		974,099	1,362,459
Loans to the public	6	7,573,883	6,495,780
Shares		20,033	22,061
Goodwill		12,753	12,753
Intangible assets		61,357	56,163
Tangible assets		16,335	21,022
Other assets		8,422	18,998
Current tax assets		25,286	10,528
Deferred tax assets		2,181	2,943
Prepaid expenses and accrued income		16,750	15,158
<b>TOTAL ASSETS</b>		<b>10,179,184</b>	<b>8,468,248</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits and borrowings from the public	7	8,744,641	7,197,075
Other liabilities		71,455	75,440
Current tax liabilities		26,595	25,442
Deferred tax liabilities		20	143
Accrued expenses and prepaid income		111,820	77,497
Subordinated liabilities		198,416	197,583
<b>Total liabilities</b>		<b>9,152,947</b>	<b>7,573,180</b>
<b>Equity</b>			
Share capital		107,500	107,500
Other contributed capital		-	2,786
Net investment hedges		-2,161	-2,161
Foreign currency reserve		5,464	5,464
Retained earnings and net profit for the period		815,434	681,479
<b>Total equity attributable to the shareholders of the Parent Company</b>		<b>926,237</b>	<b>795,068</b>
Tier 1 capital instrument		100,000	100,000
<b>Total equity attributable to the owners of the Parent Company</b>		<b>1,026,237</b>	<b>895,068</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>10,179,184</b>	<b>8,468,248</b>

# STATEMENT OF CHANGES IN EQUITY, CONSOLIDATED

SEK thousand	Share capital <sup>1</sup>	Other contributed capital	Net investment hedges	Foreign currency reserve	Retained earnings and net profit for the period	Tier 1 capital instrument	Total equity
<b>Equity as at 1 Jan 2019</b>	<b>107,500</b>	<b>3,536</b>	<b>2,781</b>	<b>-2,320</b>	<b>515,151</b>	<b>100,000</b>	<b>726,648</b>
Net profit for the period	-	-	-	-	221,926	-	221,926
Gross exchange rate differences	-	-	-6,610	7,784	-	-	1,174
Tax on exchange rate differences in the period	-	-	1,668	-	-	-	1,668
<b>Total comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-4,942</b>	<b>7,784</b>	<b>221,926</b>	<b>-</b>	<b>224,768</b>
Dividend to shareholders	-	-	-	-	-49,450	-	-49,450
Transaction costs, issue of Tier 1 capital	-	-	-	-	-110	-	-110
Interest on Tier 1 capital	-	-	-	-	-6,766	-	-6,766
Share-based compensation	-	-750	-	-	750	-	-
Other	-	-	-	-	-22	-	-22
<b>Equity as at 31 Dec 2019</b>	<b>107,500</b>	<b>2,786</b>	<b>-2,161</b>	<b>5,464</b>	<b>681,479</b>	<b>100,000</b>	<b>895,068</b>
<b>Equity as at 1 Jan 2020</b>	<b>107,500</b>	<b>2,786</b>	<b>-2,161</b>	<b>5,464</b>	<b>681,479</b>	<b>100,000</b>	<b>895,068</b>
Net profit for the period	-	-	-	-	144,139	-	144,139
Gross exchange rate differences	-	-	-	0	-	-	0
<b>Total comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144,139</b>	<b>-</b>	<b>144,139</b>
Interest on Tier 1 capital	-	-	-	-	-5,254	-	-5,254
Redemption of warrants	-	-2,786	-	-	-4,938	-	-7,724
Other	-	-	-	-	8	-	8
<b>Equity as at 30 Sep 2020</b>	<b>107,500</b>	<b>-</b>	<b>-2,161</b>	<b>5,464</b>	<b>815,434</b>	<b>100,000</b>	<b>1,026,237</b>

<sup>1</sup> Share capital comprises of 21 500 000 shares of SEK 5 each.

# CASH FLOW STATEMENT, CONSOLIDATED

SEK thousand	Jan-Sep 2020	Jan-Sep2019	Jan-Dec 2019
<b>Operating activities</b>			
Operating profit	186,204	214,101	289,355
<i>Adjustment for items not included in cash flow</i>			
Depreciation and amortisation of tangible and intangible assets	18,358	13,296	18,128
Accrued interest income and expense	5,232	-13,311	-11,217
Other non-cash items	841	-24,009	-14,173
Paid income tax	-55,670	-51,569	-43,027
	<b>154,965</b>	<b>138,508</b>	<b>239,066</b>
Increase/decrease in loans to the public	-1,078,103	-1,649,731	-2,046,555
Increase/decrease in other short-term receivables	16,145	22,287	22,448
Increase/decrease in deposits and borrowings from the public	1,547,566	1,349,639	2,100,612
Increase/decrease in other short-term liabilities	22,417	26,605	26,068
<b>Cash flow from operating activities</b>	<b>662,990</b>	<b>-112,692</b>	<b>341,639</b>
<b>Investing activities</b>			
Investments in tangible assets	-1,107	-1,139	-1,263
Investments in intangible assets	-17,758	-23,742	-30,137
<b>Cash flow from investing activities</b>	<b>-18,865</b>	<b>-24,881</b>	<b>-31,400</b>
<b>Financing activities</b>			
Issue of Tier 2 capital	-	100,000	100,000
Issue of Tier 1 capital	-	-110	-110
Interest on Tier 1 capital	-5,254	-5,056	-6,766
Redemption of warrants	-7,724	-	-
Dividends paid to shareholders	-	-49,450	-49,450
<b>Cash flow from financing activities</b>	<b>-12,978</b>	<b>45,384</b>	<b>43,674</b>
<b>Cash flow for the period</b>	<b>631,147</b>	<b>-92,189</b>	<b>353,913</b>
Cash and cash equivalents at the beginning of period	1,812,842	1,444,591	1,444,591
Exchange rate difference in cash and cash equivalents	-1,805	23,601	14,338
<b>Cash and cash equivalents at the end of period</b>	<b>2,442,184</b>	<b>1,376,003</b>	<b>1,812,842</b>
<i>Cash flow from operating activities includes interest expenses paid and interest payments received</i>			
Interest expenses paid	86,713	84,864	109,860
Interest payments received	572,128	533,614	710,958
<b>Components of cash and cash equivalents</b>			
Cash and balances with central banks	1,408,053	361,169	390,332
Treasury bills eligible for refinancing	60,032	61,041	60,051
Loans to credit institutions	974,099	953,793	1,362,459
<b>Total cash and cash equivalents</b>	<b>2,442,184</b>	<b>1,376,003</b>	<b>1,812,842</b>



# NOTES

## NOTE 1 General information

### OWNERSHIP OF TF BANK AB AS AT 30 SEPTEMBER 2020 (ACCORDING TO THE SHAREHOLDERS' REGISTER)

Shareholder	%
TFB Holding AB	33.63
Tiberon AB	14.79
Erik Selin Fastigheter AB	12.58
Proventus Aktiebolag	5.16
Jack Weil	4.65
Futur Pension	3.86
Nordnet Pensionsförsäkring AB	3.28
Merizole Holding LTD	2.36
Skandia fonder	1.28
Carnegie fonder	1.20
Other shareholders	17.21
<b>Total</b>	<b>100.00</b>

In the beginning of 2020, mergers between TF Bank AB and its wholly owned subsidiaries Avarda AB, Avarda Oy and BB Bank ASA. Avarda Oy's operations are conducted through the branch in Finland and BB Bank ASA's operations are conducted through a newly established branch in Norway.

The term "Group" refers to TF Bank AB together with its branches and subsidiaries:

#### Parent Company

- TF Bank AB (556158-1041)

#### Branches

- TF Bank AB, branch Finland (2594352-3)
- TF Bank AB, branch Poland (PL9571076774)
- TF Bank AB, branch Estonia (14304235)
- BB - TF Bank Norge NUF (923 194 592)

#### Subsidiaries

- TFB Service SIA (40203015782) 100%
- TFB Service UAB (304785170) 100%
- TFB Service GmbH (HRB 208869 B) 100%

## NOTE 2 Credit risk

### Financial risks

The Group's activities are exposed to a variety of financial risks: market risk (considerable currency and interest rate risk in the cash flow), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial results. TF Bank uses derivative instruments to hedge foreign currency exposure and applies hedge accounting for some net investments in its foreign operations.

The Board of Directors establishes written policies and guidelines. Compliance with the governing documents as well as the level of credit risk in the Group are measured and reported to the Group's management and Board of Directors on an ongoing basis.

Credit risk is the risk that a counterparty causes the Group a financial loss by not fulfilling its contractual obligations. Credit risk arises primarily through lending to the public but also through cash and cash equivalents and derivatives with a positive value. Credit risk is the most significant risk in the Group and is monitored closely by the relevant functions and by the Board of Directors, which has the ultimate responsibility for managing credit risk. The Board of Directors has issued a credit policy which establishes the framework for the Group's lending activities. A credit committee monitors the development of the level of credit risk in the loan portfolios on a continuous basis. It makes decisions on, and implements, changes to the Group's lending within the framework of the established credit policy and also proposes amendments to the policy to the Board of Directors. A report on performance is provided at every Board meeting.

Before a loan is issued, a risk assessment is done of the customer's creditworthiness, taking into account the customer's financial position, past history and other factors. Individual risk limits are defined based on internal and/or external credit assessments in accordance with the limits set by the Board of Directors. The Group's use of credit limits for loans to the public is strictly limited and is regularly monitored. The Group cannot enter into credit agreements with legal entities without the approval of the Board of Directors. By setting limits for the maximum exposure to each counterparty, the Board of Directors limits the credit risk relating to cash and cash equivalents.

The Group's credit approval process maintains high standards regarding ethics, quality and control. Despite credit risk being the largest risk exposure for the Group, the provision for credit losses is small in proportion to the outstanding loan volume (see Note 6). The reason

Note 2 cont.

for this is that the Group regularly sells past due loans to debt collection agencies in markets where the Board of Directors considers the price level to be favourable for the Group's performance and risk profile. This is currently the case for most markets. As a result, the Group continuously realises expected credit losses through the sale of past due loans. The remaining portfolio has a limited number of non-performing loans (stage 3) and consequently a relatively low level of provisions.

The objective of the Group's process for monitoring past due payments and unsettled receivables is to minimise credit losses by detecting payment issues early and implementing rapid intervention where needed. The monitoring is supported by a separate "pre-collection" system for past due payments involving automatic monitoring and reminders when payments are past due.

The Group's loans to the public consist primarily of unsecured consumer loans. As a result, the Group does not list credit risk exposures in a separate table, as there are limited assets pledged as security.

The handling of applications from new customers is based primarily on information provided by the customer, information about customers in similar sociodemographic groups and other variables about the individual customer retrieved from external sources. How the specified information is used and weighted in the model is determined from a risk perspective through in-depth analysis of the individual customer and the Group's existing customer base. In order to make a risk assessment that is as precise, cost-effective and accurate as possible, the Group can use both internal ratings and ratings from external suppliers. Both models are performed independently, but both can be used in the Group's credit policy. The complete model is only used for new customers; existing customers have payment history and similar updated variables that have been proven to be a good source of credit assessment.

The credit quality of other fully performing financial assets in accordance with Standard & Poor's local short-term rating is shown below:

Group SEK thousand	30 Sep 2020	31 Dec 2019
<b>Cash and balances with central banks</b>		
AAA	178,757	152,219
AA+	1,179,413	188,584
AA-	37,414	37,033
A-	12,469	12,496
<b>Treasury bills eligible for refinancing</b>		
AAA	60,032	60,051
<b>Loans to credit institutions</b>		
A-1+	471,678	619,124
A-1	431,741	693,471
A-2	49,448	40,328
Unrated	21,232	9,536
<b>Other assets</b>		
A-1+	2,847	3,520
A-1	19,795	21,796
Unrated	5,467	14,839
<b>Total</b>	<b>2,470,293</b>	<b>1,852,997</b>

Other assets include derivatives with a positive value and level 1 liquid asset consisting of investment in the DNB Global Treasury Fund.

Note 2 cont.

#### Impairment of financial assets

The Group has a model for calculating loan loss provisions based on expected loan losses. Financial assets that are subject to impairment losses are divided into three categories based on the risk of default. The first category includes assets where no significant increase in credit risk has occurred at the reporting date, in the second, a significant increase in credit risk has occurred, i.e. the loan is 30 days past due or more, and in the third category there is objective evidence of impairment, i.e. the loan is more than 90 days past due. For assets in the first category, write-downs are based on expected losses over the next 12 months, while for category two and three, expected losses are reported over the entire lifetime of the asset. Expected loan losses are calculated based on historical data of default for each period.

The provisions are calculated by multiplying the exposure at default with the probability of default and the loss given default. TF Bank's model for calculating provisions is based on historical probability of default in each market. The model is supplemented by the company's assumptions about the future based on the current loan portfolio and adjustments due to the expected macroeconomic scenario. The value of the estimated provisions is discounted at the original borrowing rate.

The provision for non-performing loans (stage 3) is made with the difference between the asset's carrying amount and the present value of future cash flows, discounted by the original borrowing rate. The expected future cash flow is based on calculations that take into account historical repayment rates applied to each generation of non-performing loans.

Loans sold are written off against the reserve for losses and the difference between the current value of the asset and the present value is reported as a recognised loan loss. Non-performing loans (stage 3) are reported as reported loan losses when a loss event has been identified. Amounts received from previously identified loan losses are recognised in the income statement.

#### NET LOAN LOSSES

Group SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Change in provision for sold past due loans	-15,992	-30,030	-69,463	-83,985	-113,159
Realised loan losses	-8,167	-10,859	-29,814	-31,719	-48,648
Recovered from previous realised loan losses	114	1,977	293	5,268	6,949
Change in provision for expected loan losses, stage 1-3 <sup>1</sup>	-36,945	-7,489	-111,829	-26,788	-33,776
<b>Net loan losses</b>	<b>-60,990</b>	<b>-46,401</b>	<b>-210,813</b>	<b>-137,224</b>	<b>-188,634</b>

Loan losses are attributable to Loans to the public and classified as amortised cost.

<sup>1</sup> Including net change from a review of provisions in the portfolio with loans past due 90 days or more within the segment Consumer Lending during the fourth quarter of 2019.

### NOTE 3 Operating segments

The CEO has ultimate responsibility for the decisions taken by the Group. Management has defined the operating segments based on the information determined by the CEO and used as a basis for decisions on the allocation of resources and evaluation of results. Management evaluates the operating segments' performance based on operating profit.

#### CONSUMER LENDING

Income statement, SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Net interest income	145,200	143,851	443,880	409,311	562,723
Net fee and commission income	8,816	7,143	26,201	21,135	29,506
Net results from financial transactions	-440	-482	-112	-337	-145
<b>Total operating income</b>	<b>153,576</b>	<b>150,512</b>	<b>469,969</b>	<b>430,109</b>	<b>592,084</b>
General administrative expenses	-38,150	-37,235	-114,114	-110,114	-151,979
Depreciation and amortisation of tangible and intangible assets	-3,011	-2,769	-9,246	-7,440	-10,315
Other operating expenses	-3,428	-3,598	-7,891	-10,571	-14,375
<b>Total operating expenses</b>	<b>-44,589</b>	<b>-43,602</b>	<b>-131,251</b>	<b>-128,125</b>	<b>-176,669</b>
<b>Profit before loan losses</b>	<b>108,987</b>	<b>106,910</b>	<b>338,718</b>	<b>301,984</b>	<b>415,415</b>
Net loan losses	-43,256	-39,719	-156,622	-117,745	-152,393
<b>Operating profit</b>	<b>65,731</b>	<b>67,191</b>	<b>182,096</b>	<b>184,239</b>	<b>263,022</b>

Balance sheet, SEK thousand	30 Sep 2020	31 Dec 2019
<b>Loans to the public</b>		
Household sector	5,731,070	5,144,824
<b>Total loans to the public</b>	<b>5,731,070</b>	<b>5,144,824</b>
<b>Household sector</b>		
Stage 1, net	5,368,033	4,851,249
Stage 2, net	157,316	192,081
Stage 3, net <sup>1</sup>	205,721	101,494
<b>Total household sector</b>	<b>5,731,070</b>	<b>5,144,824</b>

Key figures <sup>2</sup>	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Operating income margin, %	11.8	13.8	11.8	13.8	13.4
Net loan loss ratio, %	3.6	3.7	3.6	3.7	3.5
Cost/Income ratio, %	29.0	29.0	27.9	29.8	29.8
New lending, SEK thousand	1,032,516	1,003,206	2,894,283	2,896,990	3,940,581

<sup>1</sup> The Group continuously sells part of the past due loans before they reach stage 3.

<sup>2</sup> See separate section with definitions, page 45.



Note 3 cont.

#### ECOMMERCE SOLUTIONS <sup>1</sup>

Income statement, SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Net interest income	34,194	30,203	95,593	87,405	114,846
Net fee and commission income	13,023	7,744	37,274	24,000	32,587
Net results from financial transactions	-96	-109	-24	-76	-34
<b>Total operating income</b>	<b>47,121</b>	<b>37,838</b>	<b>132,843</b>	<b>111,329</b>	<b>147,399</b>
General administrative expenses	-22,852	-19,978	-68,852	-62,134	-85,956
Depreciation and amortisation of tangible and intangible assets	-3,061	-1,768	-7,912	-5,093	-6,765
Other operating expenses	-128	-122	-463	-185	-297
<b>Total operating expenses</b>	<b>-26,041</b>	<b>-21,868</b>	<b>-77,227</b>	<b>-67,412</b>	<b>-93,018</b>
<b>Profit before loan losses</b>	<b>21,080</b>	<b>15,970</b>	<b>55,616</b>	<b>43,917</b>	<b>54,381</b>
Net loan losses	-7,281	-3,428	-25,868	-11,202	-21,223
<b>Operating profit</b>	<b>13,799</b>	<b>12,542</b>	<b>29,748</b>	<b>32,715</b>	<b>33,158</b>

Balance sheet, SEK thousand	30 Sep 2020	31 Dec 2019
<b>Loans to the public</b>		
Household sector	1,244,180	1,039,342
Corporate sector <sup>2</sup>	15,988	18,780
<b>Total loans to the public</b>	<b>1,260,168</b>	<b>1,058,122</b>
<b>Household sector</b>		
Stage 1, net	1,171,972	956,843
Stage 2, net	64,308	75,954
Stage 3, net <sup>3</sup>	7,900	6,545
<b>Total household sector</b>	<b>1,244,180</b>	<b>1,039,342</b>

Key figures <sup>4</sup>	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Operating income margin, %	15.0	16.6	15.0	16.6	15.2
Net loan loss ratio, %	3.2	2.2	3.2	2.2	2.2
Cost/Income ratio, %	55.3	57.8	58.1	60.6	63.1
New lending, SEK thousand	561,395	393,119	1,611,286	1,257,178	1,710,353

<sup>1</sup> The comparative figures for 2019 are restated due to that Ecommerce Solutions has been divided into two segments, Ecommerce Solutions and Credit Cards.

<sup>2</sup> Lending to the corporate sector consists of a loan in stage 1 to one of the segments foreign partners.

<sup>3</sup> The group continuously sells a majority of past due loans before they reach stage 3.

<sup>4</sup> See separate section with definitions, page 45.

Note 3 cont.

#### CREDIT CARDS

Income statement, SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Net interest income	18,125	7,178	40,762	18,958	29,415
Net fee and commission income	-680	145	-1,816	65	-25
Net results from financial transactions	-26	-27	-6	-19	-9
<b>Total operating income</b>	<b>17,419</b>	<b>7,296</b>	<b>38,940</b>	<b>19,004</b>	<b>29,381</b>
General administrative expenses	-12,209	-4,060	-31,539	-10,005	-16,929
Depreciation and amortisation of tangible and intangible assets	-574	-305	-1,200	-763	-1,048
Other operating expenses	-1,099	-1,517	-3,518	-2,812	-3,211
<b>Total operating expenses</b>	<b>-13,882</b>	<b>-5,882</b>	<b>-36,257</b>	<b>-13,580</b>	<b>-21,188</b>
<b>Profit before loan losses</b>	<b>3,537</b>	<b>1,414</b>	<b>2,683</b>	<b>5,424</b>	<b>8,193</b>
Net loan losses	-10,453	-3,254	-28,323	-8,277	-15,018
<b>Operating profit</b>	<b>-6,916</b>	<b>-1,840</b>	<b>-25,640</b>	<b>-2,853</b>	<b>-6,825</b>

Balance sheet, SEK thousand	30 Sep 2020	31 Dec 2019
<b>Loans to the public</b>		
Household sector	582,645	292,834
<b>Total loans to the public</b>	<b>582,645</b>	<b>292,834</b>
<b>Household sector</b>		
Stage 1, net	549,310	271,004
Stage 2, net	12,678	15,281
Stage 3, net	20,657	6,549
<b>Total household sector</b>	<b>582,645</b>	<b>292,834</b>

Key figures <sup>1</sup>	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Operating income margin, %	13.5	13.3	13.5	13.3	14.1
Net loan loss ratio, %	9.6	5.1	9.6	5.1	7.2
Cost/Income ratio, %	79.7	80.6	93.1	71.5	72.1
New lending, SEK thousand	334,627	88,251	657,416	221,984	386,368

<sup>1</sup> See separate section with definitions, page 45.

Note 3 cont.

#### GROUP INFORMATION

Income statement, SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Operating income</b>					
Consumer Lending	153,576	150,512	469,969	430,109	592,084
Ecommerce Solutions	47,121	37,838	132,843	111,329	147,399
Credit Cards	17,419	7,296	38,940	19,004	29,381
<b>Total operating income</b>	<b>218,116</b>	<b>195,646</b>	<b>641,752</b>	<b>560,442</b>	<b>768,864</b>
<b>Operating profit</b>					
Consumer Lending	65,731	67,191	182,096	184,239	263,022
Ecommerce Solutions	13,799	12,542	29,748	32,715	33,158
Credit Cards	-6,916	-1,840	-25,640	-2,853	-6,825
<b>Total operating profit</b>	<b>72,614</b>	<b>77,893</b>	<b>186,204</b>	<b>214,101</b>	<b>289,355</b>

Balance sheet, SEK thousand	30 Sep 2020	31 Dec 2019
<b>Loans to the public</b>		
Consumer Lending	5,731,070	5,144,824
Ecommerce Solutions	1,260,168	1,058,122
Credit Cards	582,645	292,834
<b>Total loans to the public</b>	<b>7,573,883</b>	<b>6,495,780</b>

**NOTE 4** Classification of financial assets and liabilities

Group 30 Sep 2020 SEK thousand	Financial instru- ments at fair value through profit or loss	Fair value through other com- prehensive income	Amortised cost	Derivatives used for hedge accounting	Non- financial assets and liabilities	Total
	Compulsory					
Assets						
Cash and balances with central banks	-	-	1,408,053	-	-	1,408,053
Treasury bills eligible for refinancing	-	60,032	-	-	-	60,032
Loans to credit institutions	-	-	974,099	-	-	974,099
Loans to the public	-	-	7,573,883	-	-	7,573,883
Shares	20,033	-	-	-	-	20,033
Goodwill	-	-	-	-	12,753	12,753
Intangible assets	-	-	-	-	61,357	61,357
Tangible assets	-	-	-	-	16,335	16,335
Current tax assets	-	-	-	-	25,286	25,286
Deferred tax assets	-	-	-	-	2,181	2,181
Prepaid expenses and accrued income	-	-	-	-	16,750	16,750
Derivatives	2,847	-	-	-	-	2,847
Other assets	-	-	-	-	5,575	5,575
Total assets	22,880	60,032	9,956,035	-	140,237	10,179,184
Liabilities						
Deposits and borrowings from the public	-	-	8,744,641	-	-	8,744,641
Current tax liabilities	-	-	-	-	26,595	26,595
Deferred tax liabilities	-	-	-	-	20	20
Accrued expenses and prepaid income	-	-	-	-	111,820	111,820
Subordinated liabilities	-	-	198,416	-	-	198,416
Derivatives	7,294	-	-	-	-	7,294
Other liabilities	-	-	-	-	64,161	64,161
Total liabilities	7,294	-	8,943,057	-	202,596	9,152,947



Note 4 cont.

Group 31 Dec 2019 SEK thousand	Financial instru- ments at fair value through profit or loss	Fair value through other com- prehensive income	Amortised cost	Derivatives used for hedge accounting	Non- financial assets and liabilities	Total
	Compulsory					
Assets						
Cash and balances with central banks	-	-	390,332	-	-	390,332
Treasury bills eligible for refinancing	-	60,051	-	-	-	60,051
Loans to credit institutions	-	-	1,362,459	-	-	1,362,459
Loans to the public	-	-	6,495,780	-	-	6,495,780
Shares	22,061	-	-	-	-	22,061
Goodwill	-	-	-	-	12,753	12,753
Intangible assets	-	-	-	-	56,163	56,163
Tangible assets	-	-	-	-	21,022	21,022
Current tax assets	-	-	-	-	10,528	10,528
Deferred tax assets	-	-	-	-	2,943	2,943
Prepaid expenses and accrued income	-	-	-	-	15,158	15,158
Derivatives	3,520	-	-	-	-	3,520
Other assets	-	-	-	-	15,478	15,478
Total assets	25,581	60,051	8,248,571	-	134,045	8,468,248
Liabilities						
Deposits and borrowings from the public	-	-	7,197,075	-	-	7,197,075
Current tax liabilities	-	-	-	-	25,442	25,442
Deferred tax liabilities	-	-	-	-	143	143
Accrued expenses and prepaid income	-	-	-	-	77,497	77,497
Subordinated liabilities	-	-	197,583	-	-	197,583
Derivatives	447	-	-	2,520	-	2,967
Other liabilities	-	-	-	-	72,473	72,473
Total liabilities	447	-	7,394,658	2,520	175,555	7,573,180

## NOTE 5 Financial assets and liabilities measured at fair value

### Fair value

For financial instruments measured at fair value in the balance sheet, disclosures are required on fair value measurement by level according to the fair value hierarchy below:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Other observable inputs for assets or liabilities are quoted market prices included in Level 1, either directly, i.e. in the form of quoted prices, or indirectly, i.e. derived from quoted prices (Level 2).
- Data for assets or liabilities which are not based on observable market data (non-observable inputs) (Level 3).

The Group also provides information regarding the fair value of certain assets for information purposes.

Group, 30 Sep 2020 SEK thousand	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Treasury bills eligible for refinancing	60,032	-	-	60,032
Shares	19,795	238	-	20,033
Derivatives	-	2,847	-	2,847
<b>Total assets</b>	<b>79,827</b>	<b>3,085</b>	<b>-</b>	<b>82,912</b>
<b>Liabilities</b>				
Subordinated liabilities	198,416	-	-	198,416
Derivatives	-	7,294	-	7,294
<b>Total liabilities</b>	<b>198,416</b>	<b>7,294</b>	<b>-</b>	<b>205,710</b>

Group, 31 Dec 2019 SEK thousand	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Treasury bills eligible for refinancing	60,051	-	-	60,051
Shares	21,796	265	-	22,061
Derivatives	-	3,520	-	3,520
<b>Total assets</b>	<b>81,847</b>	<b>3,785</b>	<b>-</b>	<b>85,632</b>
<b>Liabilities</b>				
Subordinated liabilities	197,583	-	-	197,583
Derivatives	-	2,967	-	2,967
<b>Total liabilities</b>	<b>197,583</b>	<b>2,967</b>	<b>-</b>	<b>200,550</b>

### Financial instruments in Level 2

The fair value of financial instruments not traded in an active market (e.g. OTC derivatives) is determined using various valuation techniques. These valuation techniques use observable market data where available and rely as little as possible on entity-specific information. An instrument is classified as Level 2 if all significant inputs required for fair value measurement of an instrument are observable.

An instrument is classified as Level 3 in cases where one or more of the significant inputs are not based on observable market data.

Specific valuation techniques used to measure financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Fair value of currency swap contracts is determined using exchange rates at the balance sheet date.

For loans to the public the fair value is based on discounted cash flows using an interest rate based on the market rate at the balance sheet date, which was 14.72 % as at 30 September 2020 and 16.09 % as at 31 December 2019.

Note 5 cont.

Group 30 Sep 2020 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
<b>Assets</b>			
Cash and balances with central banks	1,408,053	1,408,053	-
Treasury bills eligible for refinancing	60,032	60,032	-
Loans to credit institutions	974,099	974,099	-
Loans to the public	7,573,883	7,573,883	-
Shares	20,033	20,033	-
Derivatives	2,847	2,847	-
<b>Total assets</b>	<b>10,038,947</b>	<b>10,038,947</b>	-
<b>Liabilities</b>			
Deposits from the public	8,744,641	8,744,641	-
Subordinated liabilities	198,416	198,416	-
Derivatives	7,294	7,294	-
<b>Total liabilities</b>	<b>8,950,351</b>	<b>8,950,351</b>	-

Group 31 Dec 2019 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
<b>Assets</b>			
Cash and balances with central banks	390,332	390,332	-
Treasury bills eligible for refinancing	60,051	60,051	-
Loans to credit institutions	1,362,459	1,362,459	-
Loans to the public	6,495,780	6,495,780	-
Shares	22,061	22,061	-
Derivatives	3,520	3,520	-
<b>Total assets</b>	<b>8,334,203</b>	<b>8,334,203</b>	-
<b>Liabilities</b>			
Deposits from the public	7,197,075	7,197,075	-
Subordinated liabilities	197,583	197,583	-
Derivatives	2,967	2,967	-
<b>Total liabilities</b>	<b>7,397,625</b>	<b>7,397,625</b>	-

**NOTE 6 Loans to the public**

Group SEK thousand	30 Sep 2020	31 Dec 2019
Loans to the household sector	7,557,895	6,477,000
Loans to the corporate sector <sup>1</sup>	15,988	18,780
<b>Total loans to the public</b>	<b>7,573,883</b>	<b>6,495,780</b>
<b>Loans to the household sector, gross</b>		
Stage 1, gross	7,219,939	6,167,888
Stage 2, gross	267,406	311,638
Stage 3, gross <sup>2</sup>	435,310	223,773
<b>Total loans to the household sector, gross</b>	<b>7,922,655</b>	<b>6,703,299</b>
<b>Provisions for expected loan losses, household sector</b>		
Stage 1	-130,624	-88,792
Stage 2	-33,104	-28,322
Stage 3 <sup>2</sup>	-201,032	-109,185
<b>Total provisions for expected loan losses, household sector</b>	<b>-364,760</b>	<b>-226,299</b>
<b>Loans to the household sector, net</b>		
Stage 1, net	7,089,315	6,079,096
Stage 2, net	234,302	283,316
Stage 3, net <sup>2</sup>	234,278	114,588
<b>Total loans to the household sector, net</b>	<b>7,557,895</b>	<b>6,477,000</b>
<i>Geographic distribution of net loans</i>		
Norway	2,401,577	2,140,257
Finland	1,982,026	1,671,639
Estonia	826,738	783,695
Sweden	692,587	709,750
Latvia	599,347	503,732
Poland	479,116	433,828
Germany	411,024	124,940
Lithuania	132,656	70,106
Denmark	35,528	40,813
Austria	13,284	17,020
<b>Total loans, net book value</b>	<b>7,573,883</b>	<b>6,495,780</b>

**CHANGE IN PROVISION FOR NET LOAN LOSSES**

Group SEK thousand	30 Sep 2020	31 Dec 2019
<b>Opening balance</b>	<b>-226,299</b>	<b>-143,009</b>
Change in provision for sold loans	-69,463	-113,159
Reversal of provision for sold loans	69,463	113,159
Change in provision for expected loan losses in stage 1	-42,373	-18,517
Change in provision for expected loan losses in stage 2	-4,806	-8,691
Change in provision for expected loan losses in stage 3	-93,933	-54,375
Exchange rate differences	2,651	-1,707
<b>Closing balance</b>	<b>-364,760</b>	<b>-226,299</b>

<sup>1</sup> Lending to the corporate sector consists of a loan in stage 1 to one of the segments foreign partners in Ecommerce Solutions.

<sup>2</sup> The Group continuously sells part of the past due loans before they reach stage 3.



**NOTE 7** Deposits and borrowings from the public

Group SEK thousand	30 Sep 2020	31 Dec 2019
Germany	4,663,446	3,288,116
Norway	2,687,443	2,245,601
Sweden	1,024,417	1,221,550
Finland	369,335	441,808
<b>Total deposits and borrowings from the public</b>	<b>8,744,641</b>	<b>7,197,075</b>

Deposits from the public only occur in the household sector. Deposits in Sweden, Norway and Germany are payable on demand and on maturity. Deposits in Finland are payable on demand. Deposits with maturity amounts to 33 % (23) of total deposits from the public.

**CHANGES IN DEPOSITS AND BORROWINGS FROM THE PUBLIC**

Group SEK thousand	30 Sep 2020	31 Dec 2019
Opening balance	7,197,075	5,096,463
Change	1,797,498	1,973,123
Exchange rate differences	-249,932	127,489
<b>Closing balance</b>	<b>8,744,641</b>	<b>7,197,075</b>

**NOTE 8** Capital adequacy analysis

TF Bank has simplified the group structure by merging TF Bank with its wholly owned subsidiaries BB Bank ASA, Avarda AB and Avarda Oy. This means that the bank no longer has a consolidated situation in accordance with capital adequacy regulatory framework. This simplified capital adequacy analysis for the Group is prepared solely for comparability between periods.

**THE GROUP'S CAPITAL SITUATION**

Group SEK thousand	30 Sep 2020	31 Dec 2019
Common Equity Tier 1 capital (CET1)	905,669	793,733
Additional Tier 1 capital (AT1)	100,000	100,000
Tier 2 capital	198,416	197,583
<b>Own funds <sup>1</sup></b>	<b>1,204,085</b>	<b>1,091,316</b>
<b>Risk exposure amount</b>	<b>7,089,603</b>	<b>6,266,037</b>
- of which: credit risk	6,132,965	5,309,328
- of which: credit valuation adjustment	2,601	2,672
- of which: market risk	-	-
- of which: operational risk	954,037	954,037
<b>Capital ratios</b>		
CET1 capital ratio, %	12.8	12.7
Tier 1 capital ratio, %	14.2	14.3
Total capital ratio, %	17.0	17.4

<sup>1</sup> After any regulatory adjustments.

Note 8 cont.

#### THE GROUP'S CAPITAL REQUIREMENTS

Group SEK thousand	30 Sep 2020		31 Dec 2019	
	Amount	Percent <sup>1</sup>	Amount	Percent <sup>1</sup>
<b>Capital requirement</b>				
CET1 capital requirement	319,032	4.5	281,972	4.5
Tier 1 capital requirement	425,376	6.0	375,962	6.0
Total capital requirement	567,168	8.0	501,283	8.0
<b>Institution-specific buffer requirement</b>				
Total buffer requirement	198,509	2.8	230,590	3.7
- of which, capital conservation buffer requirement	177,240	2.5	156,651	2.5
- of which, countercyclical buffer requirement	21,269	0.3	73,939	1.2
<b>Total CET1 capital requirement including buffer requirement</b>				
CET1 capital requirement including buffer requirement	517,541	7.3	512,562	8.2
CET1 capital available to use as buffer	586,637	8.3	511,761	8.2
<b>Additional capital requirement under Pillar 2</b>				
CET1 capital	48,609	0.7	38,287	0.6
Tier 1 capital	59,025	0.8	46,492	0.7
Total capital	72,913	1.0	57,431	0.9
- of which, concentration risk	72,313	1.0	55,548	0.9
- of which, currency risk	600	0.0	1,883	0.0
<b>Total capital requirement (including Pillar 2)</b>				
CET1 capital	566,150	8.0	550,849	8.8
Tier 1 capital	682,910	9.6	653,044	10.4
Total capital	838,590	11.8	789,304	12.6

#### GROUP'S OWN FUNDS

Group SEK thousand	30 Sep 2020	31 Dec 2019
<b>CET1 capital</b>		
Share capital	107,500	107,500
Other contributed capital	-	2,786
Reserves	3,303	3,303
Retained earnings including net profit for the period	815,434	681,479
Adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends <sup>2</sup>	-27,872	-
- Transitional arrangements IFRS 9	81,414	67,581
- Intangible assets	-61,357	-56,163
- Goodwill	-12,753	-12,753
<b>Total CET1 capital</b>	<b>905,669</b>	<b>793,733</b>
<b>Additional Tier 1 capital</b>		
Perpetual subordinated loan	100,000	100,000
<b>Tier 2 capital</b>		
Fixed term subordinated loan	198,416	197,583
<b>Own funds</b>	<b>1,204,085</b>	<b>1,091,316</b>

<sup>1</sup> Capital requirements expressed as a percentage of the risk exposure amount.

<sup>2</sup> Deduction of dividends from own funds have been made in accordance with the Board of Directors' proposal to the Annual General Meeting and the dividend policy for interim results.

Note 8 cont.

**SPECIFICATION OF RISK EXPOSURE AMOUNT AND CAPITAL REQUIREMENT**

Group SEK thousand	30 Sep 2020		31 Dec 2019	
	Risk exposure amount	Capital requirement 8 %	Risk exposure amount	Capital requirement 8 %
<b>Credit risk under the standardised approach</b>				
Corporate exposures	16,426	1,314	19,097	1,528
Household exposures	5,608,676	448,694	4,823,663	385,893
Exposures secured by collateral	224	18	276	22
Exposures in default	260,884	20,871	127,657	10,213
Exposures to institutions with a short-term credit assessment	210,713	16,857	288,975	23,118
Equity exposures	238	19	264	21
Other items	35,804	2,864	49,396	3,952
<b>Total</b>	<b>6,132,965</b>	<b>490,637</b>	<b>5,309,328</b>	<b>424,747</b>
<b>Credit valuation adjustment</b>				
Standardised method	2,601	208	2,672	214
<b>Total</b>	<b>2,601</b>	<b>208</b>	<b>2,672</b>	<b>214</b>
<b>Market risk<sup>1</sup></b>				
Foreign exchange risk	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operational risk</b>				
Standardised approach	954,037	76,323	954,037	76,323
<b>Total</b>	<b>954,037</b>	<b>76,323</b>	<b>954,037</b>	<b>76,323</b>
<b>Total risk exposure amount and total capital requirement</b>	<b>7,089,603</b>	<b>567,168</b>	<b>6,266,037</b>	<b>501,284</b>

<sup>1</sup> The capital requirement for foreign exchange risk is calculated in accordance with Article 351 of Regulation (EU) 575/2013.

**NOTE 9 Pledged assets, contingent liabilities and commitments**

Group SEK thousand	30 Sep 2020	31 Dec 2019
<b>Pledged assets</b>		
Loans	-	31,737
Other assets	-	414
<b>Total</b>	<b>-</b>	<b>32,151</b>

The subsidiary BB Bank continuously pledged parts of its loans as collateral in 2019. The pledge was related to collateral for BB Bank's credit facility of NOK 30 million. As a result of the merger between TF Bank AB and BB Bank ASA in the beginning of 2020, the credit facility was closed and there are no longer any pledged assets in the Group.

Group SEK thousand	30 Sep 2020	31 Dec 2019
<b>Commitments</b>		
Unutilized credit limits	795,611	535,974
Future total minimum lease payments for non-cancellable operating leases	27,606	24,279
<b>Total</b>	<b>823,217</b>	<b>560,253</b>

According to the Board's assessment, TF Bank has no contingent liabilities.

**NOTE 10 Transactions with related parties**

Consortio Invest AB, corporate identity number 556925-2819, has largely the same owners as TF Bank's largest owner TFB Holding AB, corporate identity number 556705-2997. Transactions with other related parties, as shown in the table below, refer to transactions between TF Bank and the companies that are part of the Consortio Group. All transactions are priced at market.

Group SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<i>The following transactions took place between companies within the Group:</i>					
General administrative expenses	-771	-422	-2,310	-1,119	-2,033
<b>Total</b>	<b>-771</b>	<b>-422</b>	<b>-2,310</b>	<b>-1,119</b>	<b>-2,033</b>
<i>The following transactions have been made with other related parties:</i>					
Interest income (transaction costs)	-11,229	-17,239	-37,184	-53,037	-71,212
General administrative expenses	-1,014	-1,139	-2,700	-3,483	-4,584
<b>Total</b>	<b>-12,243</b>	<b>-18,378</b>	<b>-39,884</b>	<b>-56,520</b>	<b>-75,796</b>
<i>Acquisition of assets and liabilities from other related parties:</i>					
Ecommerce Solutions	131,135	183,699	484,449	607,954	793,497
<b>Total</b>	<b>131,135</b>	<b>183,699</b>	<b>484,449</b>	<b>607,954</b>	<b>793,497</b>

Group SEK thousand	30 Sep 2020	31 Dec 2019
<i>Assets and liabilities at the end of the period as a result of transactions with other related parties:</i>		
Other assets	-	100
Other liabilities	2,811	6,565



# INCOME STATEMENT, PARENT COMPANY

SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
<b>Operating income</b>					
Interest income	228,537	145,900	674,746	423,688	575,453
Interest expense	-30,870	-17,201	-94,109	-50,450	-70,111
<b>Net interest income</b>	<b>197,667</b>	<b>128,699</b>	<b>580,637</b>	<b>373,238</b>	<b>505,342</b>
Fee and commission income	26,219	8,971	74,571	27,481	36,807
Fee and commission expense	-5,060	-1,195	-12,912	-4,115	-5,545
<b>Net fee and commission income</b>	<b>21,159</b>	<b>7,776</b>	<b>61,659</b>	<b>23,366</b>	<b>31,262</b>
Net results from financial transactions	-563	2,465	-142	-15,284	-6,205
<b>Total operating income</b>	<b>218,263</b>	<b>138,940</b>	<b>642,154</b>	<b>381,320</b>	<b>530,399</b>
<b>Operating expenses</b>					
General administrative expenses	-75,045	-41,491	-219,477	-126,614	-177,416
Depreciation and amortisation of tangible and intangible assets	-5,222	-1,985	-14,416	-5,032	-7,066
Other operating expenses	-4,637	-4,943	-11,826	-12,877	-16,786
<b>Total operating expenses</b>	<b>-84,904</b>	<b>-48,419</b>	<b>-245,719</b>	<b>-144,523</b>	<b>-201,268</b>
<b>Profit before loan losses</b>	<b>133,359</b>	<b>90,521</b>	<b>396,435</b>	<b>236,797</b>	<b>329,131</b>
Net loan losses	-60,990	-36,057	-210,813	-111,526	-145,770
<b>Operating profit</b>	<b>72,369</b>	<b>54,464</b>	<b>185,622</b>	<b>125,271</b>	<b>183,361</b>
Appropriations	-	-	-	-	20,659
Income tax expense	-16,230	-11,917	-42,064	-27,781	-42,272
<b>Net profit for the period</b>	<b>56,139</b>	<b>42,547</b>	<b>143,558</b>	<b>97,490</b>	<b>161,748</b>

# STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY

SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Net profit for the period	56,139	42,547	143,558	97,490	161,748
Other comprehensive income					
Items that may subsequently be reclassified to the income statement					
Exchange rate differences during the period, net of tax	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	56,139	42,547	143,558	97,490	161,748

# STATEMENT OF FINANCIAL POSITION, PARENT COMPANY

SEK thousand	30 Sep 2020	31 Dec 2019
<b>ASSETS</b>		
Cash and balances with central banks	1,408,053	238,113
Treasury bills eligible for refinancing	60,032	60,051
Loans to credit institutions	973,266	1,022,247
Loans to the public	7,573,883	4,305,139
Shares	20,033	21,796
Shares in group companies	316	515,511
Goodwill	11,796	-
Intangible assets	61,357	28,156
Tangible assets	2,340	1,665
Other assets	8,208	7,429
Current tax assets	26,002	11,162
Deferred tax assets	2,181	1,548
Prepaid expenses and accrued income	17,132	12,560
<b>TOTAL ASSETS</b>	<b>10,164,599</b>	<b>6,225,377</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Deposits and borrowings from the public	8,744,641	5,136,820
Other liabilities	57,471	36,497
Current tax liabilities	26,595	-
Deferred tax liabilities	20	7
Accrued expenses and prepaid income	111,216	56,700
Subordinated liabilities	198,416	197,583
<b>Total liabilities</b>	<b>9,138,359</b>	<b>5,427,607</b>
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	107,500	107,500
Statutory reserve	1,000	1,000
Development costs fund	59,353	27,464
Other contributed capital	-	2,786
<b>Total restricted equity</b>	<b>167,853</b>	<b>138,750</b>
<b>Non-restricted equity</b>		
Tier 1 capital instrument	100,000	100,000
Retained earnings	614,829	397,272
Total comprehensive income for the period	143,558	161,748
<b>Total non-restricted equity</b>	<b>858,387</b>	<b>659,020</b>
<b>Total equity</b>	<b>1,026,240</b>	<b>797,770</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>10,164,599</b>	<b>6,225,377</b>

## NOTE 11 Capital adequacy analysis

### Background

Information about the bank's capital adequacy includes information in accordance with Chapter 6, Sections 3-4 of the Swedish FSA's regulations and general guidelines (FFFS 2008:25) on annual accounts of credit institutions and securities companies and related information contained in articles 92(3)(d, f) 436(b) and 438 of Regulation (EU) No 575/2013 and Chapter 8, Section 7 of the Swedish FSA's regulations and general guidelines on regulatory requirements and capital buffers (FFFS 2014:12) and column A, Annex 6 of the Commission Implementing Regulation (EU) No 1423/2013 and in accordance with the Swedish FSA's regulations (FFFS 2019:2) on amendments for regulations and general guidelines (FFFS 2008:25). Other information required pursuant to FFFS 2014:12 and Regulation (EU) No 575/2013 is provided on the bank's website [www.tfbankgroup.com](http://www.tfbankgroup.com).

TF Bank is the responsible institution and is under the supervision of the Swedish FSA. As a result, the company is subject to the rules governing credit institutions in Sweden. TF Bank AB was listed on the stock exchange in 2016, which means that the stock exchange rules are also applicable.

### Information about own funds and capital requirements

The Parent Company's statutory capital requirements are governed by the Swedish Special Supervision of Credit Institutions and Investment Firms Act (2014:968), Regulation (EU) No 575/2013, the Act on Capital Buffers (2014:966) and the Swedish Financial Supervisory Authority's regulations and general recommendations on regulatory requirements and capital buffers (FFFS 2014:12).

The purpose of the regulations is to ensure that that Parent Company can manage risks and protect customers. The regulations state that own funds must cover the capital requirements including the minimum capital requirements according to Pillar 1 and applicable buffer requirements.

Reporting to the Swedish FSA is only made for the legal entity TF Bank AB after the group structure was simplified by merging TF Bank AB with its wholly owned subsidiaries BB Bank ASA, Avarda AB and Avarda Oy.

On 7 February 2020 the Swedish FSA approved TF Bank's application to include the interim profit in own funds for TF Bank AB subject to the auditor's review of the surplus, and that the surplus has been calculated in accordance with applicable accounting rules, that the foreseeable costs and dividends have been deducted in accordance with Regulation (EU) No 575/2013 and that the calculation has been made in accordance with Regulation (EU) No 241/2014. The CET1 capital complies with the requirements of Regulation (EU) No 575/2013.

### IFRS 9 Transitional arrangements

The Bank has notified the Swedish Financial Supervisory Authority that the Bank applies the transitional arrangements according to Article 473a of 2017/2395/EU pursuant to paragraphs 2 and 4. Table according to "Final Report on the guidelines on uniform disclosure of IFRS 9 transitional arrangements", EBA, 12/01/2018, is included in the information published under Part 8 of 575/2013/EU and can be found on the Bank's website [www.tfbankgroup.com](http://www.tfbankgroup.com).

### Leverage ratio

The leverage ratio is a non-risk sensitive capital requirement defined in Regulation (EU) no 575/2013 (CRR). The ratio states the amount of equity in relation to total assets including items that are not recognized in the balance sheet and is calculated by the Tier 1 capital as a percentage of the total exposure measure. TF Bank's leverage ratio was 9.7 % per 30 September 2020 and 12.9 % per 31 December 2019.

## THE PARENT COMPANY'S CAPITAL SITUATION

Parent company SEK thousand	30 Sep 2020	31 Dec 2019
Common Equity Tier 1 capital (CET1)	906,629	729,710
Additional Tier 1 capital (AT1)	100,000	100,000
Tier 2 capital	198,416	197,583
<b>Own funds <sup>1</sup></b>	<b>1,205,045</b>	<b>1,027,293</b>
<b>Risk exposure amount</b>	<b>7,076,068</b>	<b>5,035,725</b>
- of which: credit risk	6,119,430	4,120,480
- of which: credit valuation adjustment	2,601	2,363
- of which: market risk	-	178,343
- of which: operational risk	954,037	734,539
<b>Capital ratios</b>		
CET1 capital ratio, %	12.8	14.5
Tier 1 capital ratio, %	14.2	16.5
Total capital ratio, %	17.0	20.4

<sup>1</sup> After any regulatory adjustments.

Note 11 cont.

#### THE PARENT COMPANY'S CAPITAL REQUIREMENTS

Parent company SEK thousand	30 Sep 2020		31 Dec 2019	
	Amount	Percent <sup>1</sup>	Amount	Percent <sup>1</sup>
<b>Capital requirement</b>				
CET1 capital	318,423	4.5	226,608	4.5
Tier 1 capital	424,564	6.0	302,144	6.0
Total capital	566,085	8.0	402,858	8.0
<b>Institution-specific buffer requirement</b>				
Total buffer requirement	198,130	2.8	173,229	3.4
- of which, capital conservation buffer requirement	176,902	2.5	125,893	2.5
- of which, countercyclical buffer requirement	21,228	0.3	47,336	0.9
<b>Total CET1 capital requirement including buffer requirement</b>				
CET1 capital requirement including buffer requirement	516,553	7.3	399,837	7.9
CET1 capital available to use as buffer	588,206	8.3	503,102	10.0
<b>Additional capital requirement under Pillar 2</b>				
CET1 capital	48,536	0.7	32,742	0.7
Tier 1 capital	58,937	0.8	39,758	0.8
Total capital	72,804	1.0	49,113	1.0
- of which, concentration risk	72,158	1.0	46,795	0.9
- of which, currency risk	646	0.0	2,318	0.1
<b>Total capital requirement (including Pillar 2)</b>				
CET1 capital	565,089	8.0	432,579	8.6
Tier 1 capital	681,631	9.6	515,131	10.2
Total capital	837,019	11.8	625,200	12.4

#### THE PARENT COMPANY'S OWN FUNDS

Parent company SEK thousand	30 Sep 2020	31 Dec 2019
<b>CET1 capital</b>		
Share capital	107,500	107,500
Other reserves	60,353	28,464
Other contributed capital	-	2,786
Retained earnings including net profit for the period	758,387	559,020
Adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends <sup>2</sup>	-27,872	-
- Transitional arrangements IFRS 9	81,414	60,096
- Intangible assets	-61,357	-28,156
- Goodwill	-11,796	-
<b>Total CET1 capital</b>	<b>906,629</b>	<b>729,710</b>
<b>Additional Tier 1 capital</b>		
Perpetual subordinated loan	100,000	100,000
<b>Tier 2 capital</b>		
Fixed term subordinated loan	198,416	197,583
<b>Own funds</b>	<b>1,205,045</b>	<b>1,027,293</b>

<sup>1</sup> Capital requirements expressed as a percentage of the risk exposure amount.

<sup>2</sup> Deduction of dividends from own funds have been made in accordance with the Board of Directors' proposal to the Annual General Meeting and the dividend policy for interim results.

Note 11 cont.

**SPECIFICATION OF RISK EXPOSURE AMOUNT AND CAPITAL REQUIREMENT**

Parent company SEK thousand	30 Sep 2020		31 Dec 2019	
	Risk exposure amount	Capital requirement 8 %	Risk exposure amount	Capital requirement 8 %
<b>Credit risk under the standardised approach</b>				
Institute exposures	-	-	1,761	141
Corporate exposures	16,426	1,314	270,774	21,662
Household exposures	5,608,676	448,694	3,006,377	240,510
Exposures secured by collateral	224	18	-	-
Exposures in default	260,884	20,871	92,312	7,385
Exposures to institutions with a short-term credit assessment	210,497	16,840	217,425	17,394
Equity exposures	554	44	515,511	41,241
Other items	22,169	1,773	16,320	1,306
<b>Total</b>	<b>6,119,430</b>	<b>489,554</b>	<b>4,120,480</b>	<b>329,639</b>
<b>Credit valuation adjustment</b>				
Standardised method	2,601	208	2,363	189
<b>Total</b>	<b>2,601</b>	<b>208</b>	<b>2,363</b>	<b>189</b>
<b>Market risk <sup>1</sup></b>				
Foreign exchange risk	-	-	178,343	14,267
<b>Total</b>	<b>-</b>	<b>-</b>	<b>178,343</b>	<b>14,267</b>
<b>Operational risk</b>				
Standardised approach	954,037	76,323	734,539	58,763
<b>Total</b>	<b>954,037</b>	<b>76,323</b>	<b>734,539</b>	<b>58,763</b>
<b>Total risk exposure amount and total capital requirement</b>	<b>7,076,068</b>	<b>566,085</b>	<b>5,035,725</b>	<b>402,858</b>

<sup>1</sup> The capital requirement for foreign exchange risk is calculated in accordance with Article 351 of Regulation (EU) 575/2013.



# ASSURANCE BY THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and the CEO certify that the interim report gives a true and fair view of the operations, financial position and results of the Parent Company and the Group and describes the material risks and uncertainties that the Parent Company and the Group are exposed to.

Borås, 14 October 2020

John Brehmer  
*Chairman*

Mari Thjømøe

Bertil Larsson

Charlotta Björnberg-Paul

Tone Bjørnov

Sara Mindus

Mattias Carlsson  
*President and CEO*

# REPORT OF REVIEW OF INTERIM FINANCIAL INFORMATION

## Introduction

We have reviewed the condensed interim financial information (interim report) of TF Bank AB (publ) as of 30 September 2020 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit institutions and Securities Companies, regarding the Group, and with the Swedish Annual Accounts Act for Credit institutions and Securities Companies, regarding the Parent Company.

Stockholm 14 October 2020  
PricewaterhouseCoopers AB

Martin By  
*Authorised Public Accountant*  
*Auditor in Charge*

Frida Main  
*Authorised Public Accountant*

# DEFINITIONS

*TF Bank uses Alternative Performance Measures that are not defined in the applicable financial reporting framework (IFRS). The Alternative Performance Measures are used to increase understanding of the bank's financial performance among users of the financial statements. Alternative Performance Measures may be calculated in different ways and do not need to be comparable with similar key ratios used by other companies. TF Bank definitions of the Alternative Performance Measures are shown below.*

## **ADJUSTED NET PROFIT**

Net profit for the period adjusted for items affecting comparability in 2018 attributable to reclassification of customer balances with inactive status that have arisen before 2018.

## **ADJUSTED RETURN ON EQUITY**

Adjusted net profit for the period attributable to the shareholders of the parent company divided by average equity attributable to the shareholders of the parent company. Rolling 12 months.

## **ADJUSTED RETURN ON LOANS TO THE PUBLIC**

Adjusted net profit for the year attributable to the shareholders of the parent company divided by average loans to the public. Rolling 12 months.

## **CET1 CAPITAL RATIO**

CET1 capital as a percentage of total risk exposure amount.

## **COST/INCOME RATIO**

Operating expenses divided by operating income.

## **EARNINGS PER SHARE**

Net profit for the period attributable to the shareholders of the parent company divided by the average number of outstanding shares.

## **EMPLOYEES (FTE)**

Average number of full-time employees, including employees on parental leave.

## **LEVERAGE RATIO**

Tier 1 capital as a percentage of total assets including off-balance sheet items.

## **NET LOAN LOSS RATIO**

Net loan losses divided by average loans to the public. Rolling 12 months.

## **NEW LENDING**

New loans (the cash flow) in the period. For Ecommerce Solutions the volume is reduced by product returns.

## **OPERATING INCOME MARGIN**

Total operating income divided by average loans to the public. Rolling 12 months.

## **RETURN ON EQUITY**

Net profit for the period attributable to the shareholders of the parent company as a percentage of equity attributable to the shareholders of the parent company. Rolling 12 months.

## **RETURN ON LOANS TO THE PUBLIC**

Net profit for the period attributable to the shareholders of the parent company divided by average loans to the public. Rolling 12 months.

## **TIER 1 CAPITAL RATIO**

Tier 1 capital, i.e., CET1 capital and Additional Tier 1 capital, as a percentage of total risk exposure amount.

## **TOTAL CAPITAL RATIO**

Own funds as a percentage of the total risk exposure amount.

# FINANCIAL CALENDAR AND CONTACTS

## FINANCIAL CALENDAR

28 January 2021	Year-end report January - December 2020
19 March 2021	Annual report 2020 is published
19 April 2021	Interim report January - March 2021
4 May 2021	Annual General Meeting 2021

This is information which TF Bank is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on 15<sup>th</sup> October 2020 at 07:00 CET.

## PRESENTATION FOR INVESTORS, ANALYSTS AND MEDIA

A live conference call will be held on 15<sup>th</sup> October at 08:15 CET, where CEO Mattias Carlsson and CFO Mikael Meomuttel will present the report and answer questions. The presentation material is written in English while the conference call will be held in Swedish. To participate, call +46 (0)8 5055 8355 or +44 (0)33 3300 9273. International investors will have an opportunity to ask questions in English during the Q&A session. A recording of the conference call, including the presentation material, will be available on the bank's website, [www.tfbankgroup.com/en/section/investor-relations](http://www.tfbankgroup.com/en/section/investor-relations).

## CONTACTS

### *Investor Relations*

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TF Bank AB (publ.)

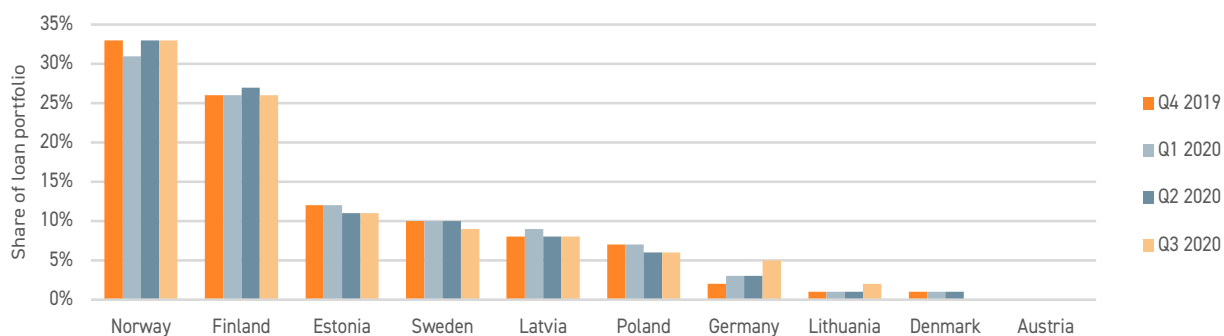
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# TF BANK'S GEOGRAPHICAL PRESENCE



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