



1st Quarter 2023

RESULT PRESENTATION

HIGHLIGHTS JANUARY – MARCH 2023



- Loan portfolio increased by 5%* in the quarter
 - Loan book growth in Credit Cards came in at a healthy 16%
- Operating profit 118 MSEK, +14% vs Q1-2022
 - Increase in operating profit for the Credit Cards segment
- Issued Tier 2 bonds in the amount of SEK 150 million

* in local currencies

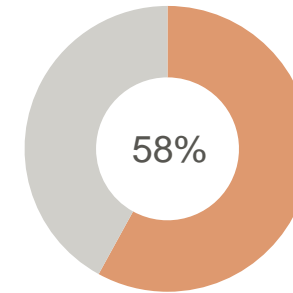
CONSUMER LENDING



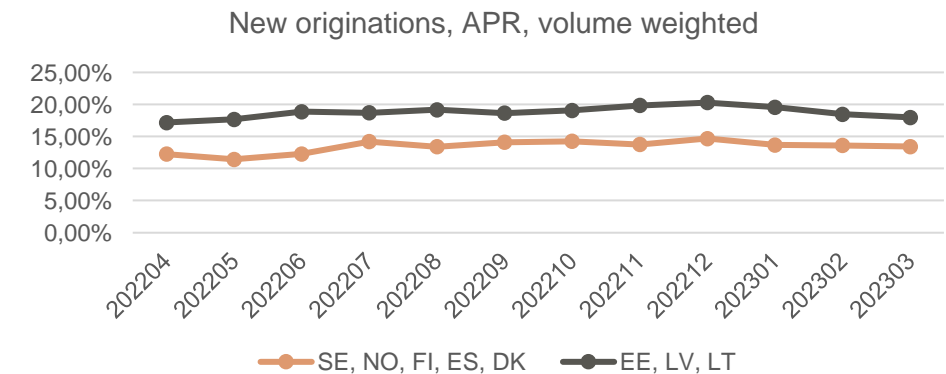
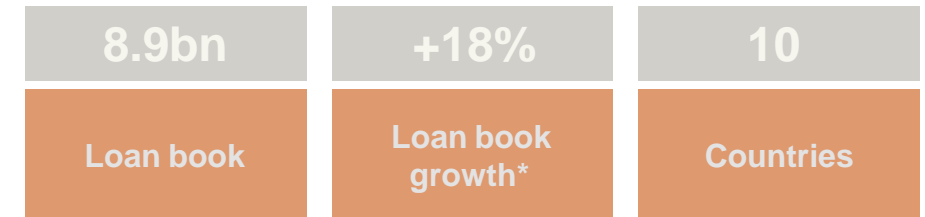
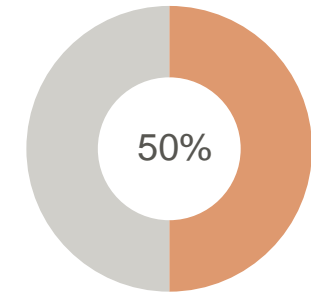
- Increase in back book APR, in line or above increase in funding cost
- The recent quarter saw some de-risking activity, especially in the Baltics, leading to a slightly lower APR in the front book
- Diversified portfolio with Nordic base
- Product offering tailored for each market
 - Average loan size on book of SEK – 69,000
 - Tenor typically between 12 and 60 months
- Marketed through direct channels, own data base and external partners

* year-on-year

Share of TF Bank's loan book



Share of TF Bank's operating income



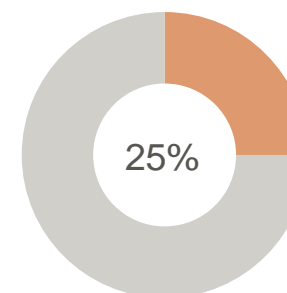
CREDIT CARDS



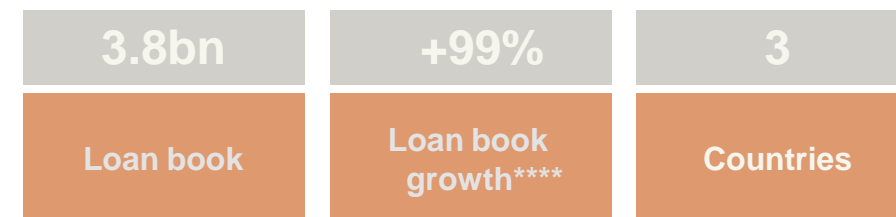
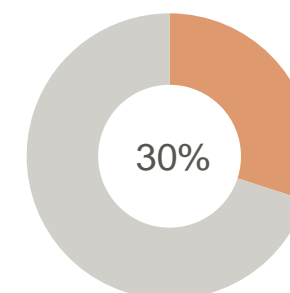
- Record volumes during the first quarter
- Seasonally Q1 is weak in terms of card usage although March came in strong
- Active customers and net assets grew to 160,000 (141,000) and 3,781 MSEK (3,264) during the quarter
- Target group is German, Austrian and Norwegian consumers
- Simple and transparent offering – gold card with no fees
- Different income profile compared to consumer loans
 - "Low and grow" strategy
- Addressable market in number of consumers
 - Germany 35 M*, Norway 3 M** and Austria 3 M***

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

Share of TF Bank's loan book



Share of TF Bank's operating income



Mid-term unit economics

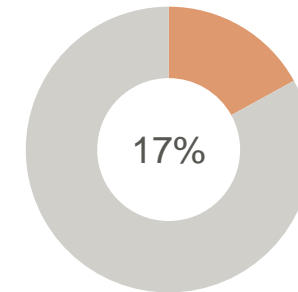
Mid-term unit economics	
Net banking income margin	18%
Marketing cost	5%
Net loan loss ratio	4%
Operating expenses ratio	3%
Net operating profit margin	6%

ECOMMERCE SOLUTIONS

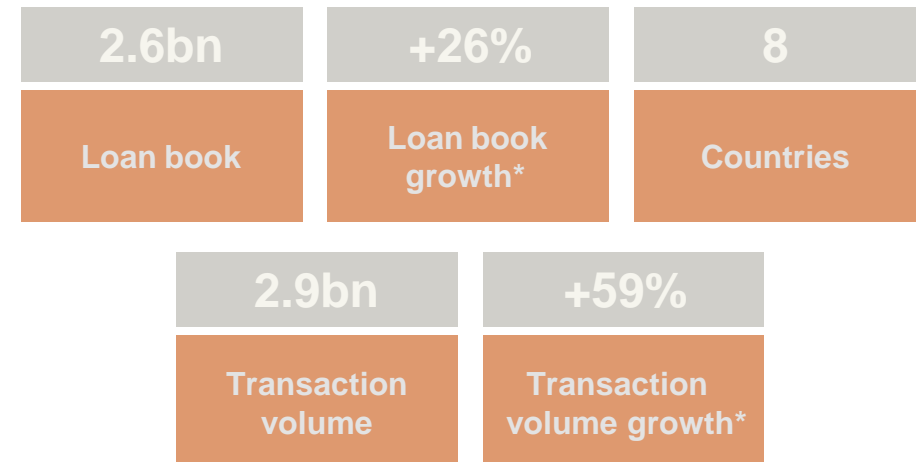
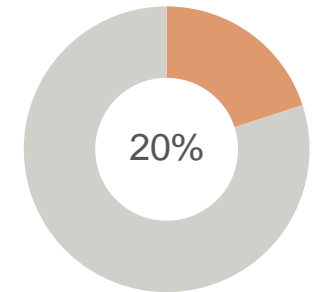


- First full quarter with the Jollyroom cooperation
 - Expected transaction volume of more than SEK 2 billion
- Repricing to compensate for higher funding costs is ongoing
- Although many sectors in retail see lower demand the Bank is able to attract new merchant partners to fuel the growth
- Digital payment solutions offered in the Nordic region, the Baltics and Poland
- Best-in-class white label Checkout+ maintain focus on our partners throughout the whole customer journey

Share of TF Bank's loan book

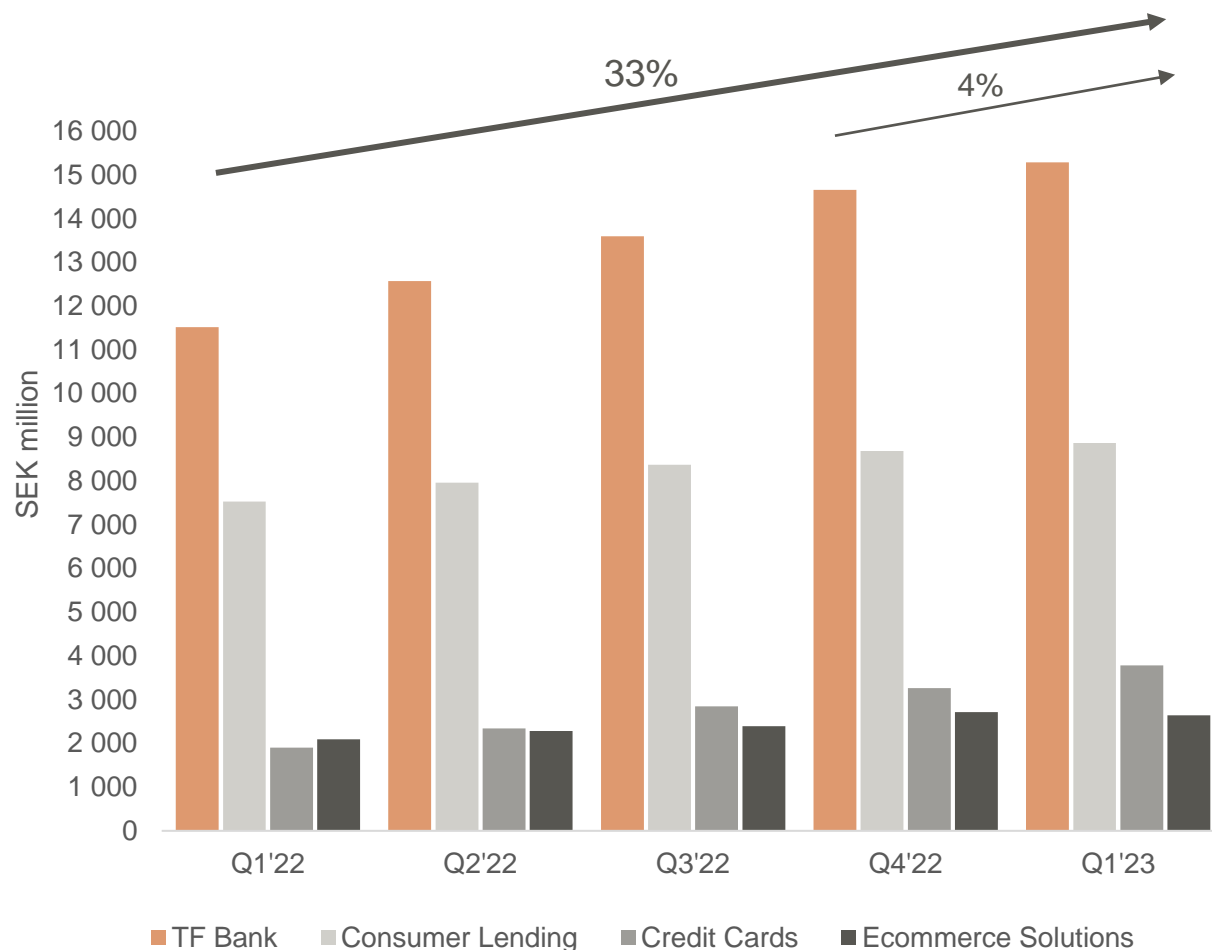


Share of TF Bank's operating income



* year-on-year

LOAN BOOK GROWTH



- TF Bank: Growth in Q1 = 4% (5%*)
 - Year-on-year 33% (28%*)
- Consumer Lending: Q1 = 2% (4%*)
 - Year-on-year 18% (16%*)
- Credit Cards: Q1 = 16% (16%*)
 - Year-on-year 99%
- Ecommerce Solutions: Q1 = -3% (-3%*)
 - Year-on-year 26% (20%*)

* in local currencies

GROWTH AND DIVERSIFICATION



Sweden

- Focus on profitability and e-commerce.

Norway

- Continued positive long term outlook on the Norwegian economy. Focus on growth and margins. The credit card business keeps growing in importance.

Finland

- High competition in consumer lending. Low risk loan book.

The Baltic states

- Portfolio management and profitability focus in consumer lending. Underwriting at a stricter level.

Poland

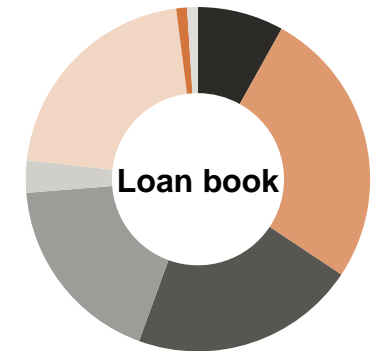
- Focus on e-commerce and profitability. Consumer lending is in run-off. Higher interest rate put pressure on margins.

Germany and Austria

- Credit card product in high demand. Competitive CAC*. New card issuing at an all time high leading to higher upfront costs.

New markets

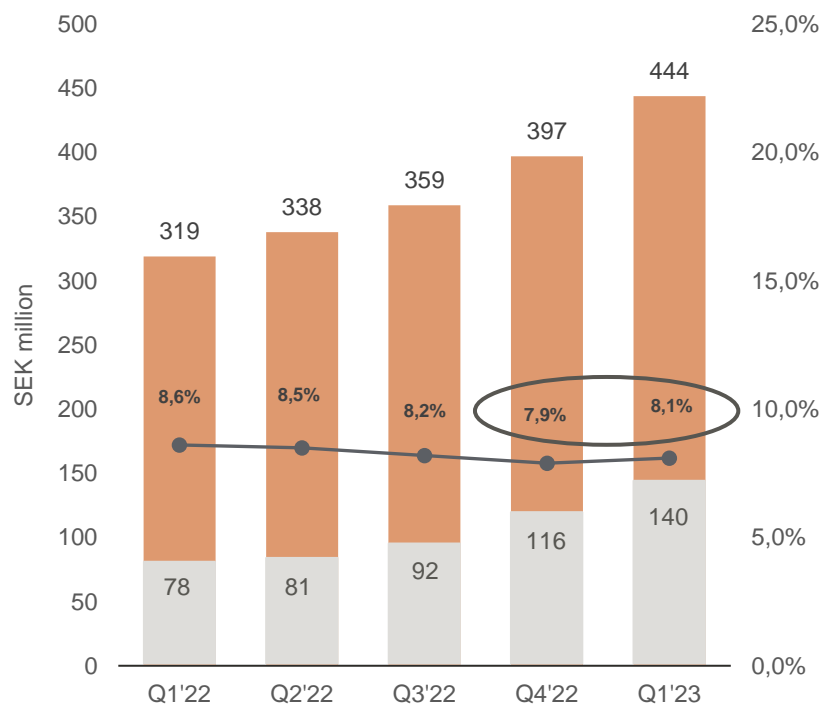
- Denmark and Spain underwriting kept low (1 MEUR/market/month) – building credit experience where Spain has reached significant milestones in Q1.



■ Sweden ■ Norway ■ Finland
 ■ Baltics ■ Poland ■ Germany
 ■ Austria ■ Denmark ■ Spain

* Customer acquisition cost

STABILISED RISK-ADJUSTED MARGIN

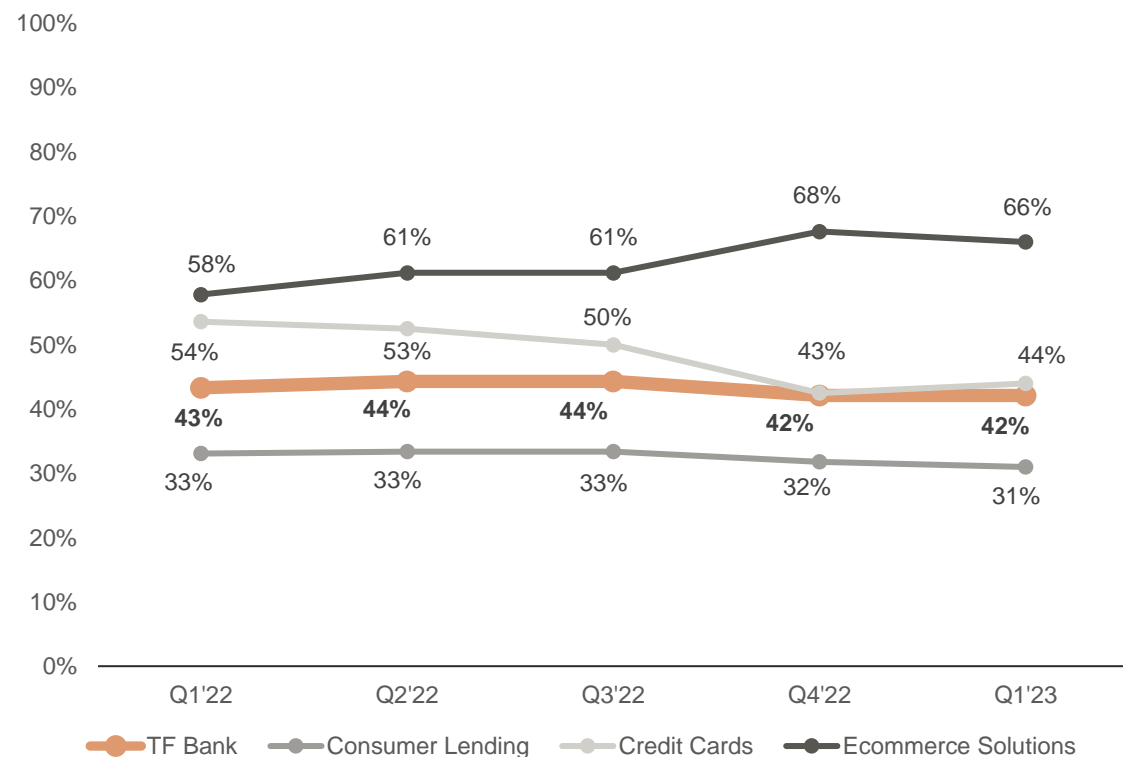


■ Operating income ■ Net loan losses ■ Risk-adjusted margin

- **Operating income**
 - Funding costs transferred to customers
 - Higher operating income margin
- **Net loan losses**
 - Inflation a challenge for households
 - Higher net loan loss ratio
- **Risk-adjusted income**
 - Increased +23 MSEK vs Q4-2022
 - Credit Cards the main driver

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

OPEX – COST/INCOME RATIO BY SEGMENT

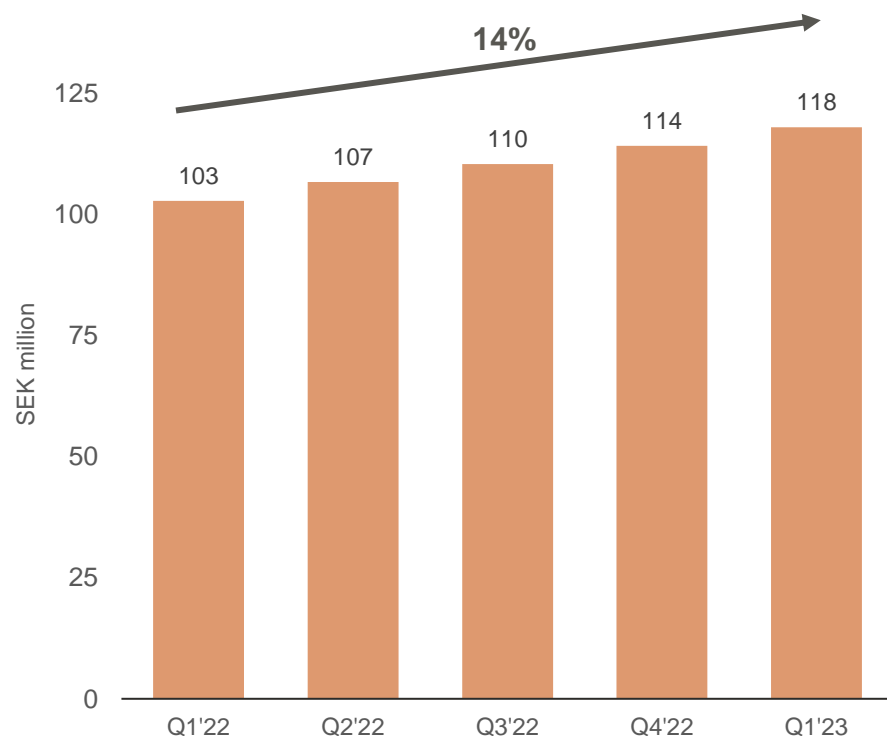


- **Expenses Q1-23 vs. Q1-22, +35%**
 - More employees and sales related costs
 - Higher marketing costs for Credit Cards
 - Cost/income ratio 42%
- **Cost/income ratio per segment in Q1-23**
 - Consumer Lending 31%
 - Credit Cards 44%
 - Ecommerce Solutions 66%

INCREASED PROFIT QUARTER-BY-QUARTER



Operating profit

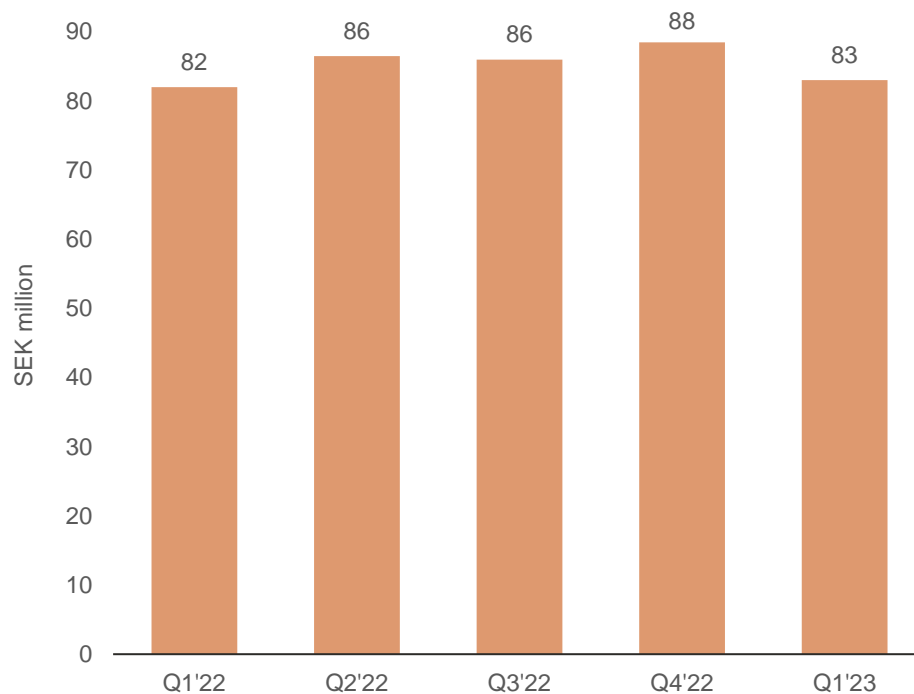


- **Operating profit Q1-23 vs. Q1-22, +14%**
 - Driven by segment Credit Cards
 - Earnings per share, 4.07 SEK
- **High profitability in challenging environment**
 - Return on equity, 22%
 - Return on assets, 2.3%

CONSUMER LENDING: HIGHER MARGIN & LOSSES



Operating profit

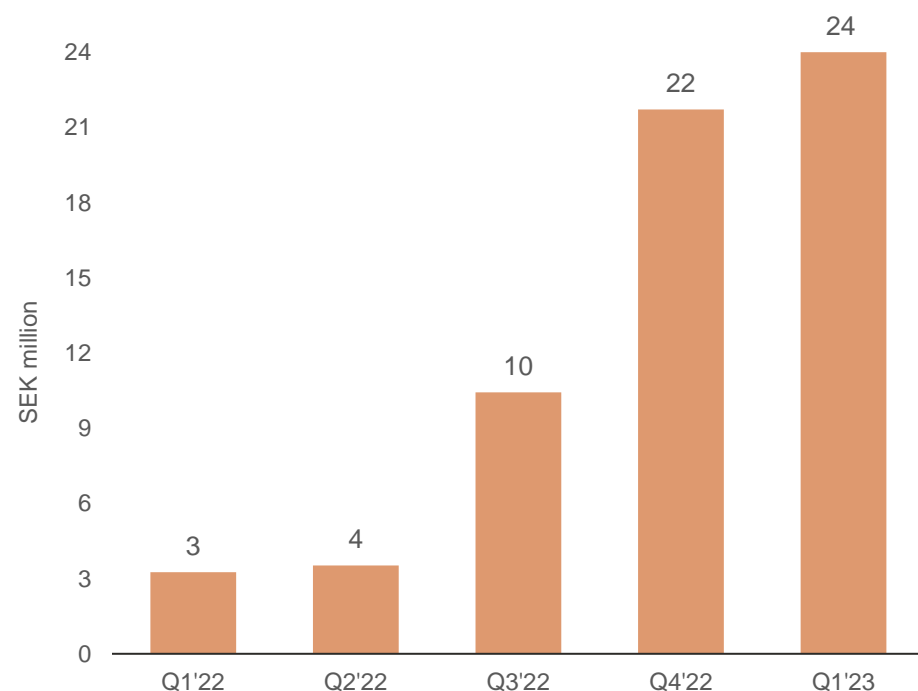


- **Operating profit Q1-23 vs. Q1-22, +1%**
 - Funding costs transferred to customers
 - Higher net loan loss ratio
- **Slightly lower profitability in Q1-23**
 - Return on assets, 2.9%
 - Strong volumes in March

CREDIT CARDS: GROWING OPERATING PROFIT



Operating profit

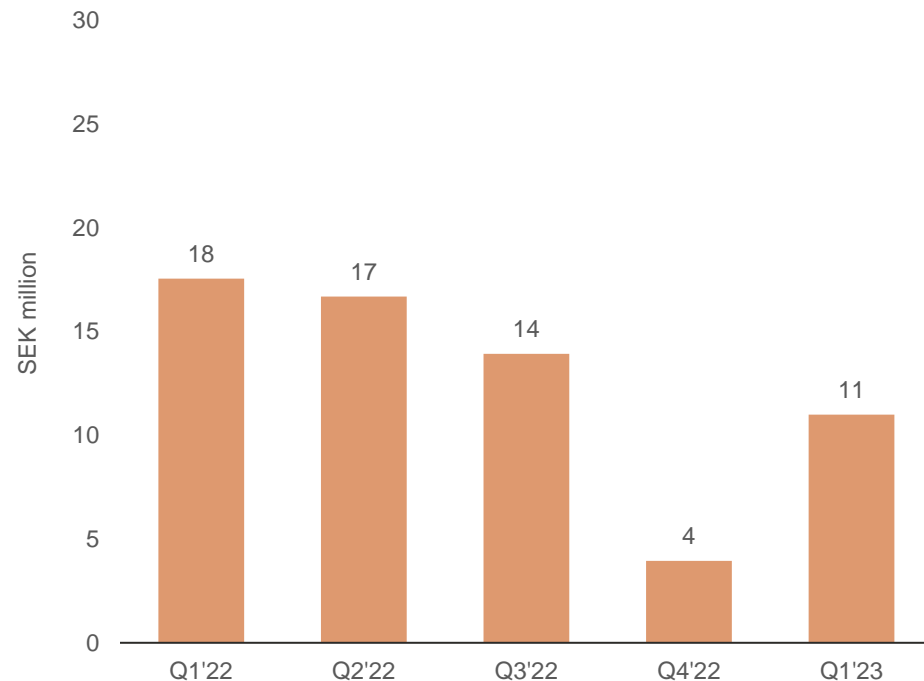


- **Operating profit Q1-23, 24 MSEK**
 - Profit turnaround in 2022
 - Growing operating income
 - Higher marketing costs
- **Positive trend for profitability**
 - Lower cost/income ratio
 - Return on assets, 2.1%

ECOMMERCE SOLUTIONS: SEASONAL EFFECTS

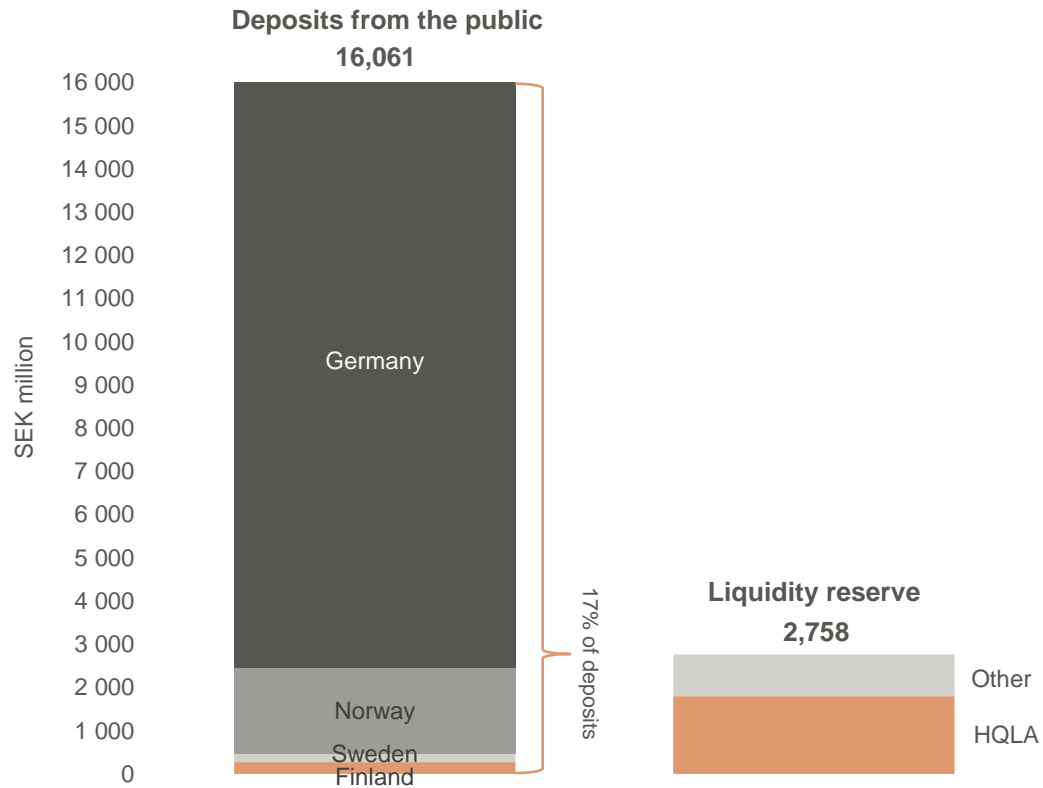


Operating profit



- **Operating profit Q1-23, 11 MSEK**
 - Higher interest expenses
 - Investments for growth
- **Lower profitability**
 - Return on assets, 1.2%

FUNDING AND LIQUIDITY

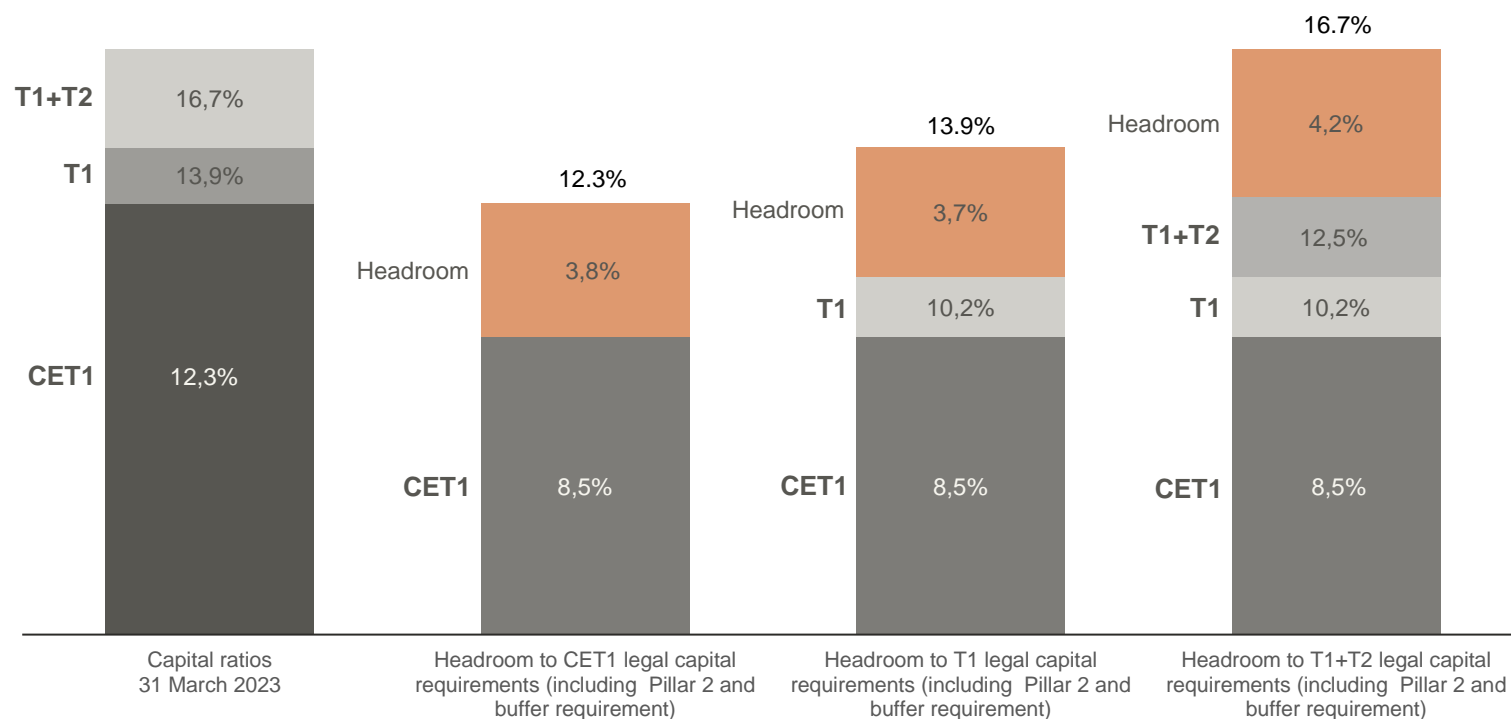


- **Retail deposits in 4 markets**
 - Germany (SEK 13.6 billion)
 - Norway (SEK 2.0 billion)
 - Sweden (SEK 0.3 billion)
 - Finland (SEK 0.2 billion)
 - Fixed-term deposits: 39%
- **Liquidity reserve: 17% of deposits**
 - Treasury bills 1.6 billion*
 - Government bonds 0.2 billion**
 - Other liquidity 1.0 billion

* EU-commission, Finland and Sweden with an average remaining term to maturity of 3 months

** Norway, maturity date 2026-02-19

CAPITAL SITUATION



- Stable CET1 and T1 ratio in Q1-2023
- Successful issue of T2 instruments, 150 MSEK
- Higher countercyclical buffer requirements
- Intention to redeem T1 instruments in June, 100 MSEK

LOOKING AHEAD



- Ambition to continue grow faster than the market in 2023
- Strong performance in credit cards with record number of issued cards gives further evidence for continued strong growth
- With rate hikes at a slower pace the repricing of the back book has caught up with increasing funding cost
- The outlook on underlying credit quality is looking more positive than in Q1 but its too early to call it the end
- We foresee an increase in competition for deposits on the back of rate hikes and Silicon Valley Bank





Q&A Session



Appendix

CORPORATE PROFILE



Our Products

Operating with modern and scalable infrastructure offering our retail customers online consumer loans, deposits and credit cards. For retailers we offer leading ecommerce and brick-and-mortar payment solutions

Our DNA

We aim to deliver effortless banking to our customers by being reliable, responsible and straightforward in our dealings with them

Our Geographical footprint

We serve customers in the Nordics, Germany, Austria, Spain, the Baltics and Poland.

The investment case

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

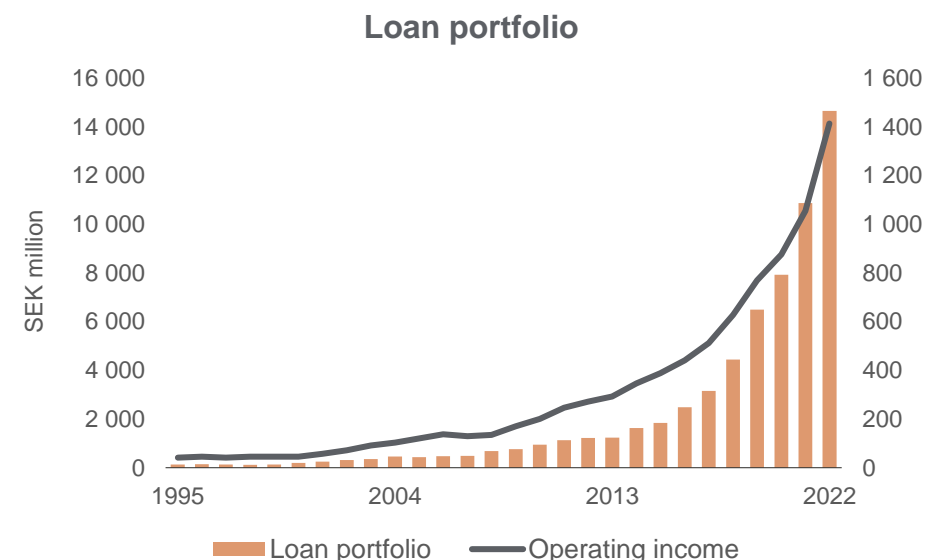
LONG TRACK RECORD OF PROFITABLE GROWTH



Long experience and proven business model

- 30 years+ experience from consumer finance industry
- Highly profitable core markets with proven model for geographical expansion into new high-growth markets
- Three complementary business segments

Strong track record on growth and profitability



Board of Directors



John Brehmer

Chairman of the Board since 2020

Board member since 2010

Current commitments:

Chairman: Mederion AB, Tiberon AB, Zebware AB

Board member: Consortio Invest AB, Consortio Business Center AB

Holdings in company: 3 361 852 shares



Mari Thjømøe

Board member since 2017

Current commitments:

Chairman: Seilspport Maritimt Forlag AS, ThjømøeKranen AS

Board member: Tryg A/S, Deezer S.A., Hafslund AS, FCG Fonder AB, Norconsult AS, Sintef Eiendom Holding AS

Holdings in company: 11 850 shares



Sara Mindus

Board member since 2020

Current commitments:

Board member: K-Fast Holding AB, Besqab AB, Dreams AB, Colibri Ventures AB, Faboss Invest AB, Sara Mindus AB

Holdings in company: 25 000 shares



Michael Lindengren

Board member since 2021

Current commitments:

Chairman: Acrap AB

Deputy chairman: Tidaholms Sparbank

Board member: Sparbanksstiftelsen Sjuhärad, Sparbanken Sjuhärad (publ) AB, Simplicity AB

Holdings in company: 5 000 shares



Niklas Johansson

Board member since 2022

Current commitments:

Chairman: Apoteket AB:s Pensionsstiftelse, AREIM AB

Board member: Livförsäkringsbolaget Skandia, Euroclear Sweden AB

Holdings in company: 300 shares



Fredrik Oweson

Board member since 2022

Current commitments:

Chairman: Scope Capital SA, Woffel SA

Board member: Swedish Bra Holding AB, Artificial Solutions International AB

Holdings in company: 0 shares

Executive management team



Mattias Carlsson
CEO

Education: MSc, Engineering Physics, Uppsala University.

At TF Bank since 2008 as CEO until 2015, Chairman of the board between 2015 and 2017 and CEO from 2017. Previous experience from Resurs Bank and SEB.

Current commitments: Tobisflöte Holding AB (chairman), Tronstad Consulting AB (board member) TFB Service AB (Board member)

Holdings in company: 261 651 shares



Mikael Meomuttel
CFO, Deputy CEO and Head of Investor Relations

Education: MSc, Business/Economics and Finance, University of Borås/University of Gothenburg.

At TF Bank since 2009, 2014 Deputy CEO and from 2018 also the Group's Head of IR. Previously, among other things, been Financial Controller at Consortio Fashion Group AB (CFG).

Current commitments: Torhamnsskär Holding AB (chairman)

Holdings in company: 28 000 shares



Espen Johannesen
COO

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

At the Group since 2015 as CEO of BB Bank 2015-2020 (now branch Norway). More than 10 year's of experience in consumer finance.

Holdings in company: 45 198 shares

Contact

Investor relations

Mikael Meomuttel

+46 706 26 95 33

ir@tfbank.se

www.tfbankgroup.com