



3<sup>rd</sup> Quarter 2021

RESULT PRESENTATION

# HIGHLIGHTS JULY – SEPTEMBER 2021



- TF Bank's loan portfolio has reached SEK 10 billion
  - Loan book growth of 9%\* during the quarter
  - Record sales volume, over SEK 1 billion/month
- Operating profit 92 MSEK, +27% vs Q3-2020
- The Finnish covid rate cap expired at the end of September

\* Development of the loan portfolio in local currencies

# NEW FINANCIAL TARGETS 2021



**Growth** TF Bank's aim is to achieve a loan portfolio of SEK 20 billion by first half of 2025

**Profitability** TF Bank's aim is to achieve a return on equity well above 20%

**Capital structure** TF Bank's aim is that all capital ratios should exceed the regulatory requirement (including pillar 2 and buffer requirements) 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

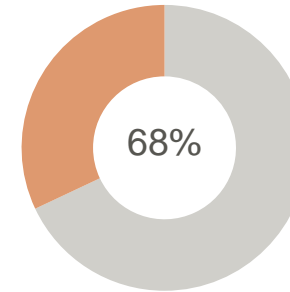
# CONSUMER LENDING



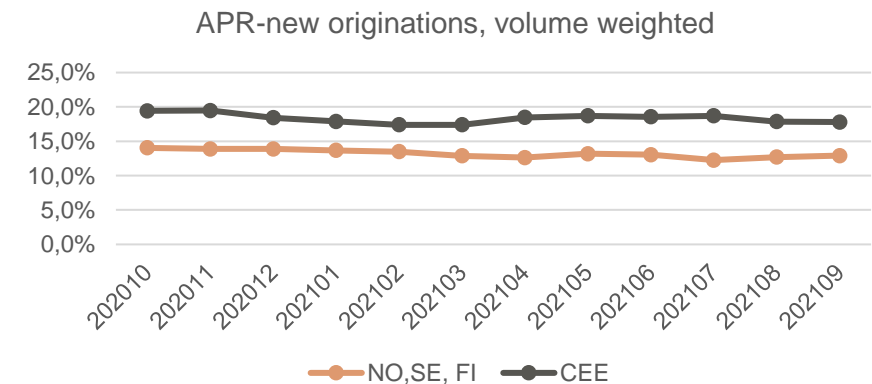
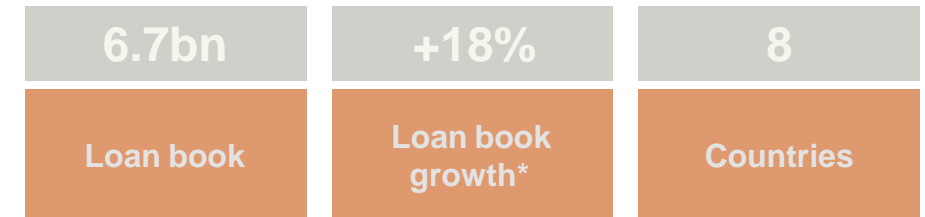
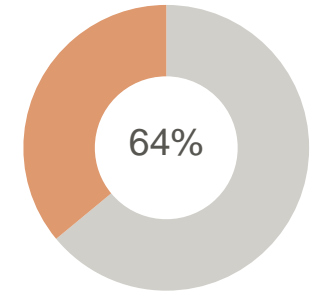
- Diversified portfolio with Nordic base
- Product offering tailored for each market
  - Average loan size on book of SEK – 60,000
  - Tenor typically between 12 and 60 months
- Marketed through direct channels, own data base and external partners
- Stable APR on new lending in the Nordics and CEE
- Stable to improving credit quality
- New covid restrictions in the Baltics

\* year-on-year

Share of TF Bank's loan book



Share of TF Bank's operating income

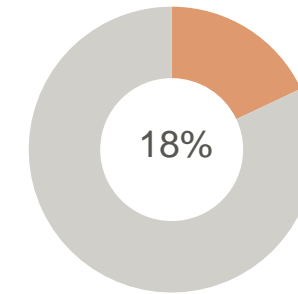


# ECOMMERCE SOLUTIONS

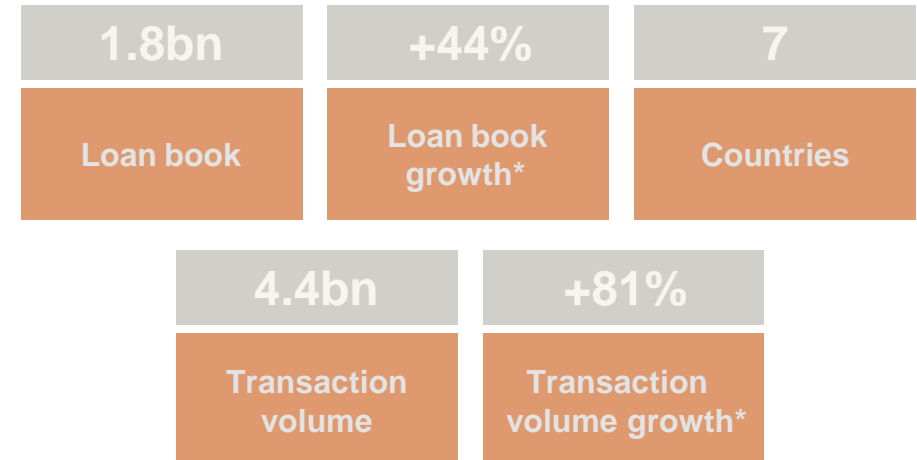
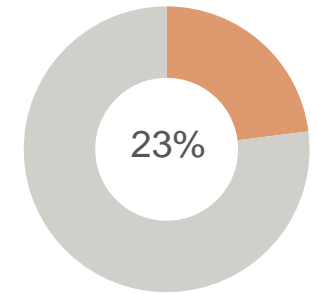


- Digital payment solutions offered in the Nordic region, the Baltics and Poland
- Best-in-class white label Checkout+ maintain focus on our partners throughout the whole customer journey
- Roll-out of our Baltic BNPL checkout in LV and LT estimated in Q4 2021
- Sales pipeline looks promising

Share of TF Bank's loan book



Share of TF Bank's operating income



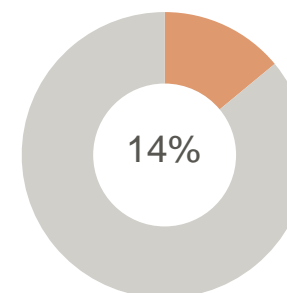
\* year-on-year

# CREDIT CARDS

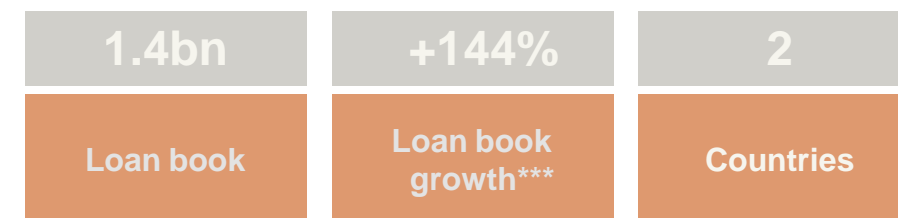
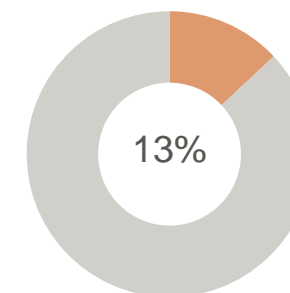


- Target group is German and Norwegian customers
- Simple and transparent offering – gold card with no fees
- Different income profile compared to consumer loans
  - Starts low – gradual build-up of income
- Addressable market in number of consumers
  - Germany 35 M\* and Norway 3 M\*\*
- Active customers and net assets grew to 71,000 (61,000) and 1,423 MSEK (1,099) during the quarter
- Risk level as expected
- Card issuing on a high level
- Card spending – strong holiday season, a bit weaker in September

Share of TF Bank's loan book



Share of TF Bank's operating income

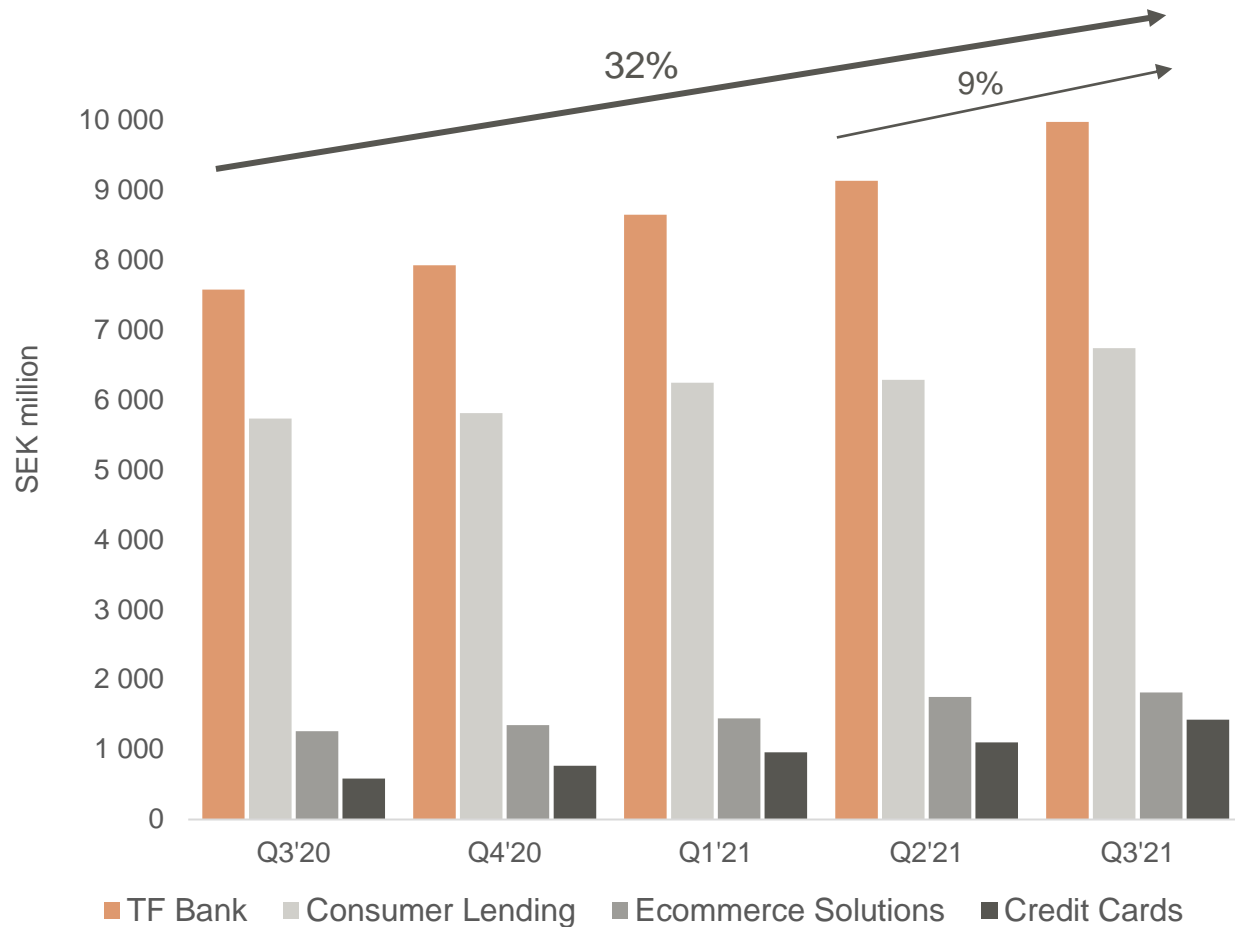


Mid-term unit economics

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

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

# LOAN BOOK GROWTH



- TF Bank: Growth in Q3 = 9% (0%\*)
  - Year-on-year 32% (0%\*)
- Consumer Lending: Q3 = 7% (-1%\*)
  - Year-on-year 18% (+1%\*)
- Ecommerce Solutions: Q3 = 4% (0%\*)
  - Year-on-year 44% (-4%\*)
- Credit Cards: Q3 = 29% (0%\*)
  - Year-on-year 144%

\* whereof currency effects



# GROWTH AND DIVERSIFICATION



## Sweden

- Focus on profitability and e-commerce. Breakthrough deal with Boozt gives higher volumes and new market opportunities.



## Norway

- Continued positive long term outlook on the Norwegian economy. Focus on growth and margins. Positive signs in e-commerce.



## Finland

- Rate cap removed, expecting higher volumes in consumer lending, ecommerce has great performance.



## The Baltic states

- Portfolio management and profitability focus in consumer lending. Lithuania is now a positive net contributor and the main driver for growth in the region.



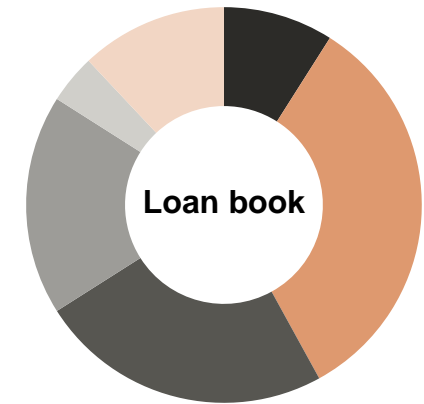
## Poland

- Focus on e-commerce and profitability. Consumer lending is in run-off.



## Germany

- Credit card product in high demand. Strong card spending through the holiday season, September a bit weaker.



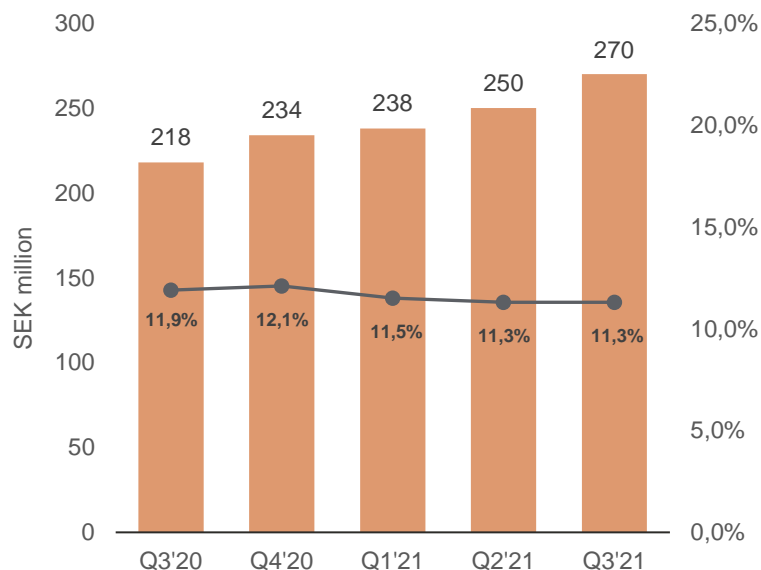
■ Sweden ■ Norway ■ Finland  
■ Baltics ■ Poland ■ Germany



# KPI – STABLE RISK-ADJUSTED MARGIN

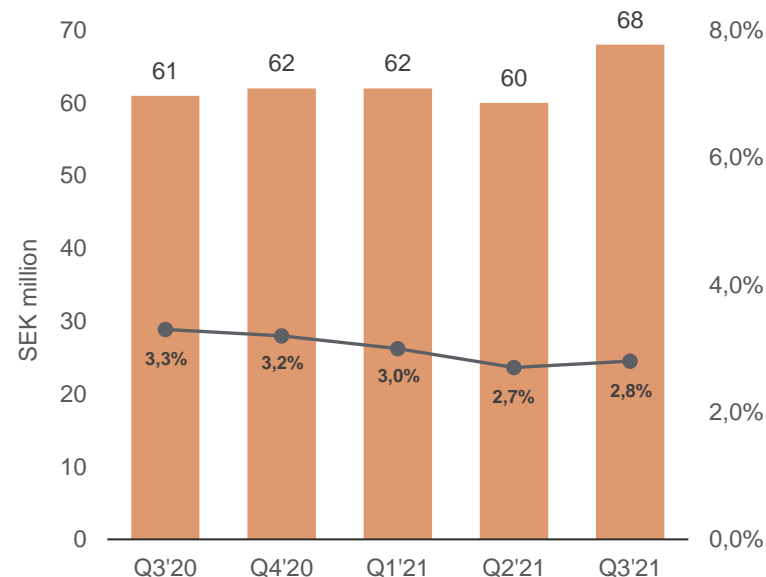


## Operating income\*



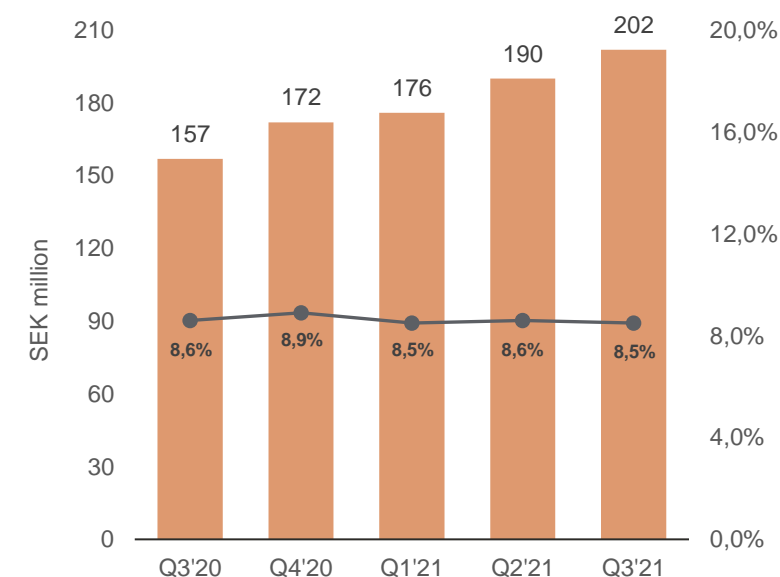
- **Income Q3-21 vs. Q3-20, +24%**
  - Operating income +20 MSEK vs Q2-2021
  - Cards in Germany, Ecommerce and Norway
  - Funding costs 1,2% in the third quarter

## Net loan losses\*



- **Losses Q3-21 vs. Q3-20, +11%**
  - Net loan losses +8 MSEK vs Q2-2021
  - Upfront provisions (IFRS 9) for German cards
    - Lower loan loss ratios in all segments

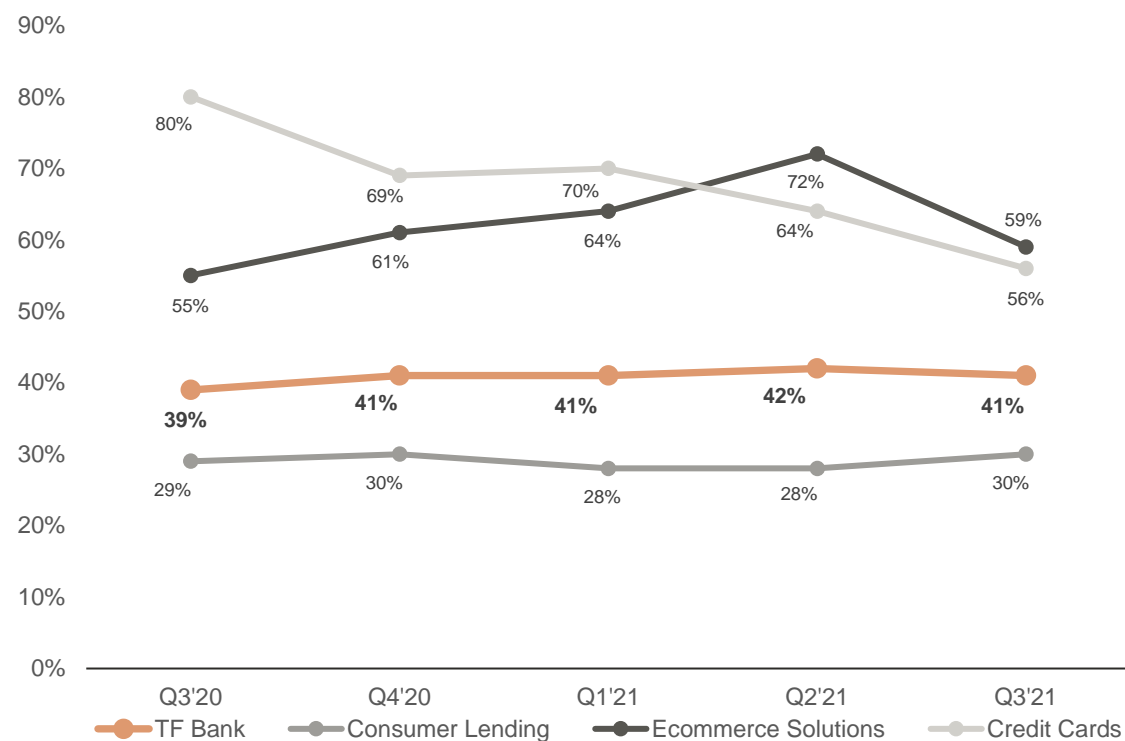
## Risk-adjusted income\*\*



- **Risk-adjusted income, +29%**
  - Increased +12 MSEK vs Q2-2021
  - Stable margin last quarters, 8,5%

\* ratio = current quarter annualized, \*\* operating income minus net loan loss losses

# OPEX – RECORD VOLUME IMPACT COSTS

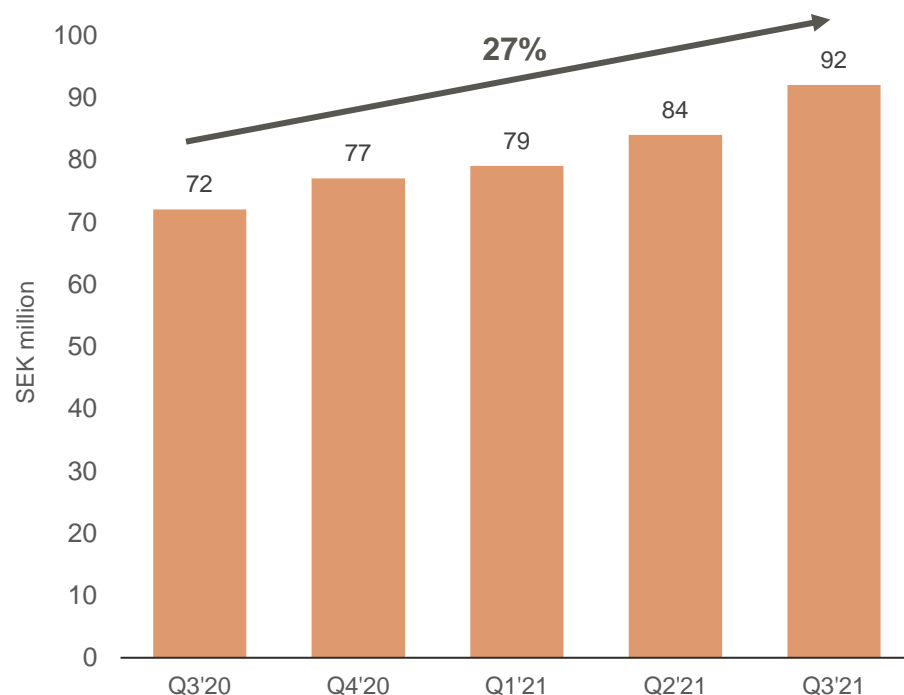


- **Expenses Q3-21 vs. Q3-20, +31%**
  - Sales related costs
  - Ecommerce Solutions and Credit Cards
  - Cost/income ratio 41,1% (38,9)
- **Cost/income ratio per segment in Q3-21**
  - Consumer Lending 30%
  - Ecommerce Solutions 59%
  - Credit Cards 56%

# STRONG OPERATING PROFIT GROWTH



## Operating profit

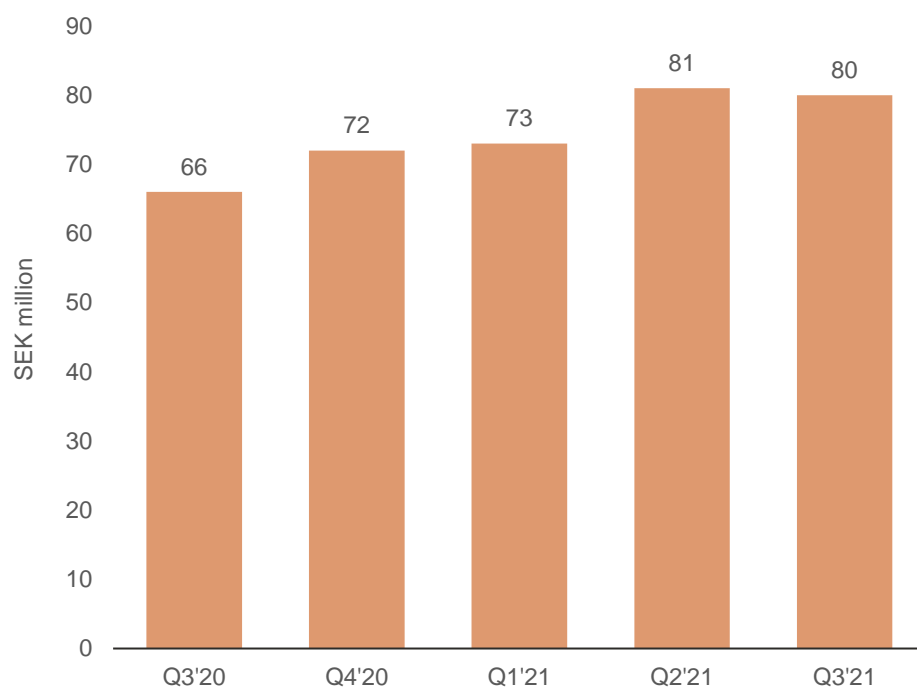


- **Operating profit Q3-21 vs. Q3-20, +27%**
  - Increasing profit from Q3-2020
  - Stabilised risk adjusted margin
  - Return on assets, 3,0%
- **Growth combined with high profitability**
  - Return on equity, 25%
  - Earnings per share, 3,28 SEK

# CONSUMER LENDING: LOWER LOSS RATIO



## Operating profit

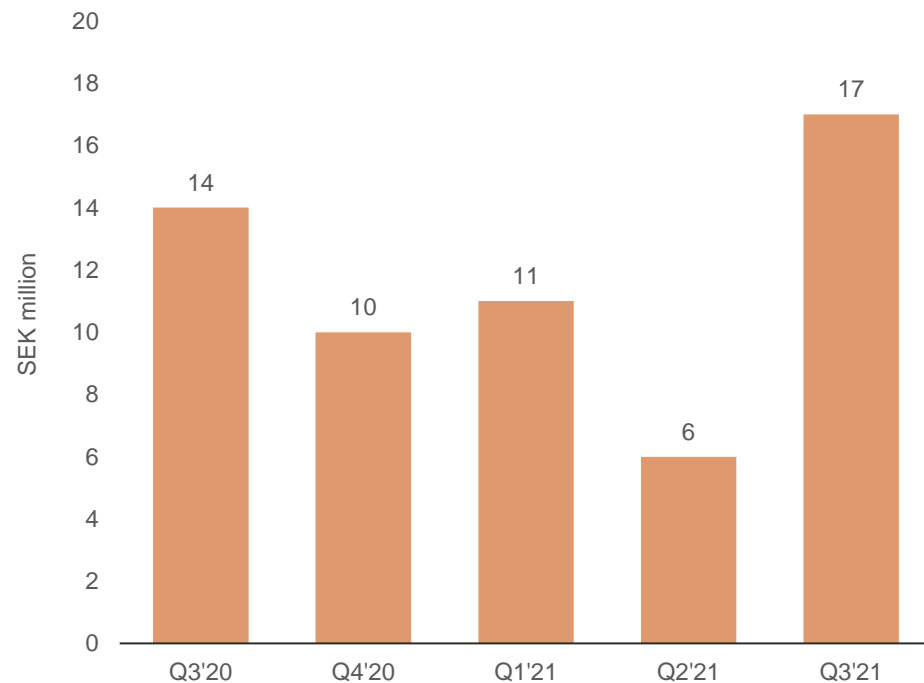


- **Operating profit Q3-21 vs. Q3-20, +22%**
  - Loan loss ratio continues to decrease, 2,1%
  - High efficiency, C/I ratio 30%
- **Strong profitability**
  - Return on assets, 3,8%
  - Norway and Finland in focus 2021

# ECOMMERCE SOLUTIONS: STRONG Q3



## Operating profit

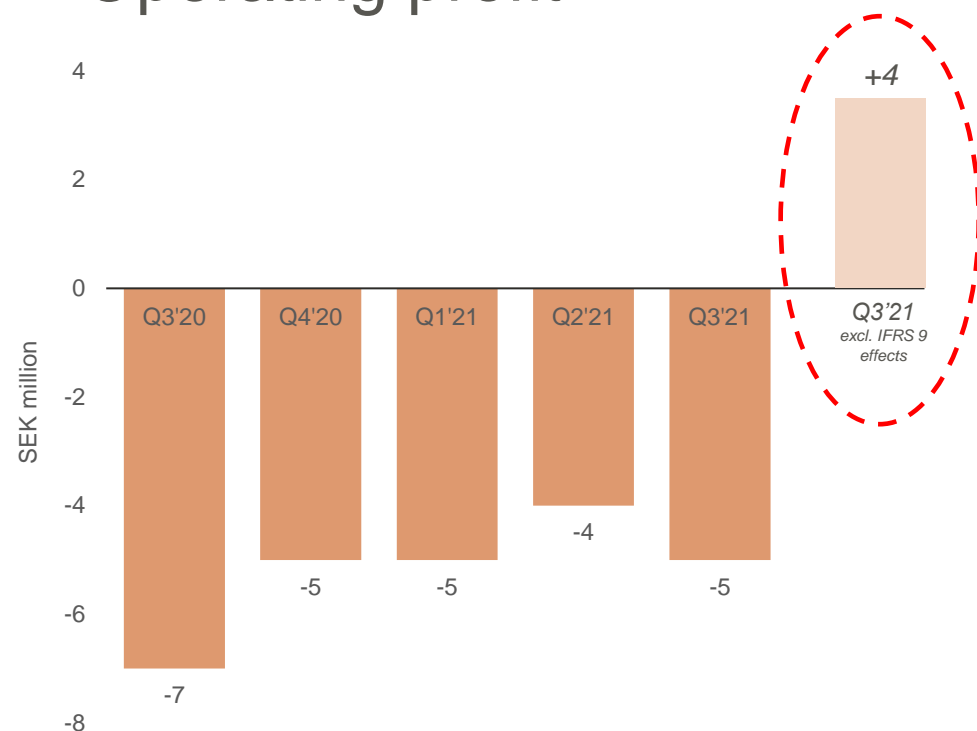


- **Operating profit Q3-21 vs. Q3-20, +23%**
  - Higher operating income
  - Seasonal effect lowers OPEX
  - Return on assets, 2,9%
- **Operating income increased by 41%**
  - Loan portfolio growth 44%
  - Higher transaction volumes

# CREDIT CARDS: RAPID GROWTH



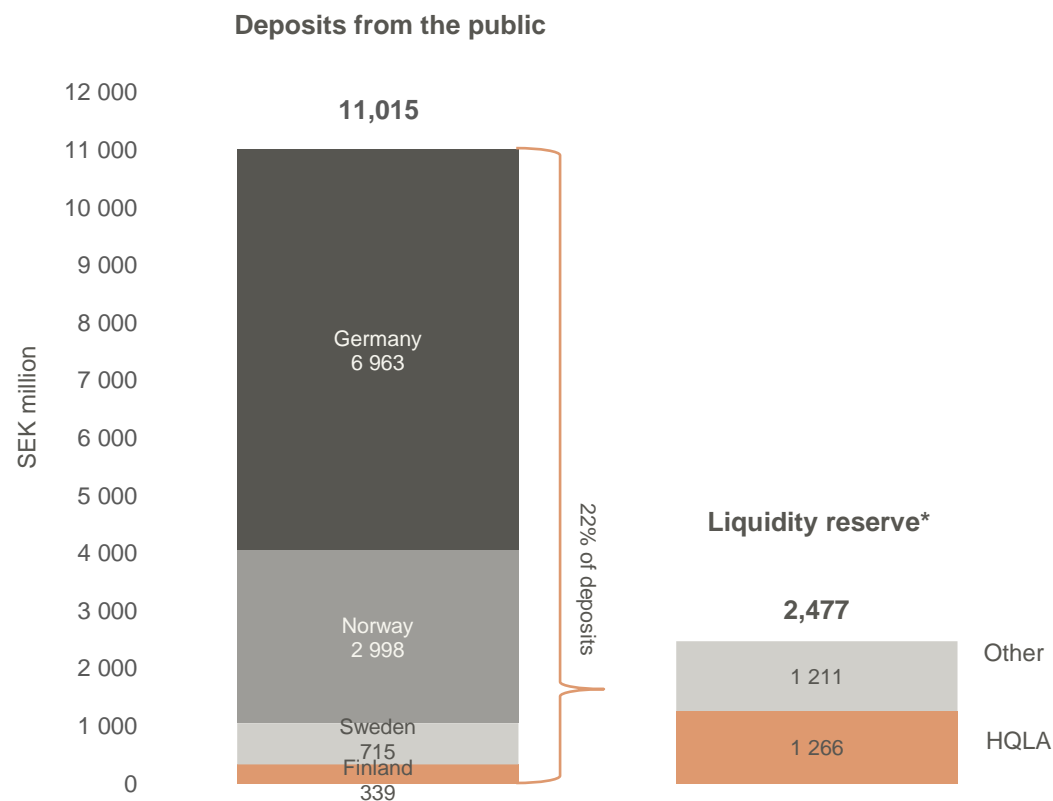
## Operating profit



- **Operating profit Q3-21, -5 MSEK**
  - Strong loan book growth in Q3
  - Upfront provisions (IFRS 9) approx. 9 MSEK
  - Return on assets, neg
- **Business model with economies of scale**
  - Income grows faster than costs
  - Decreasing cost/income ratio, 56%
  - Underlying profitability +4 MSEK



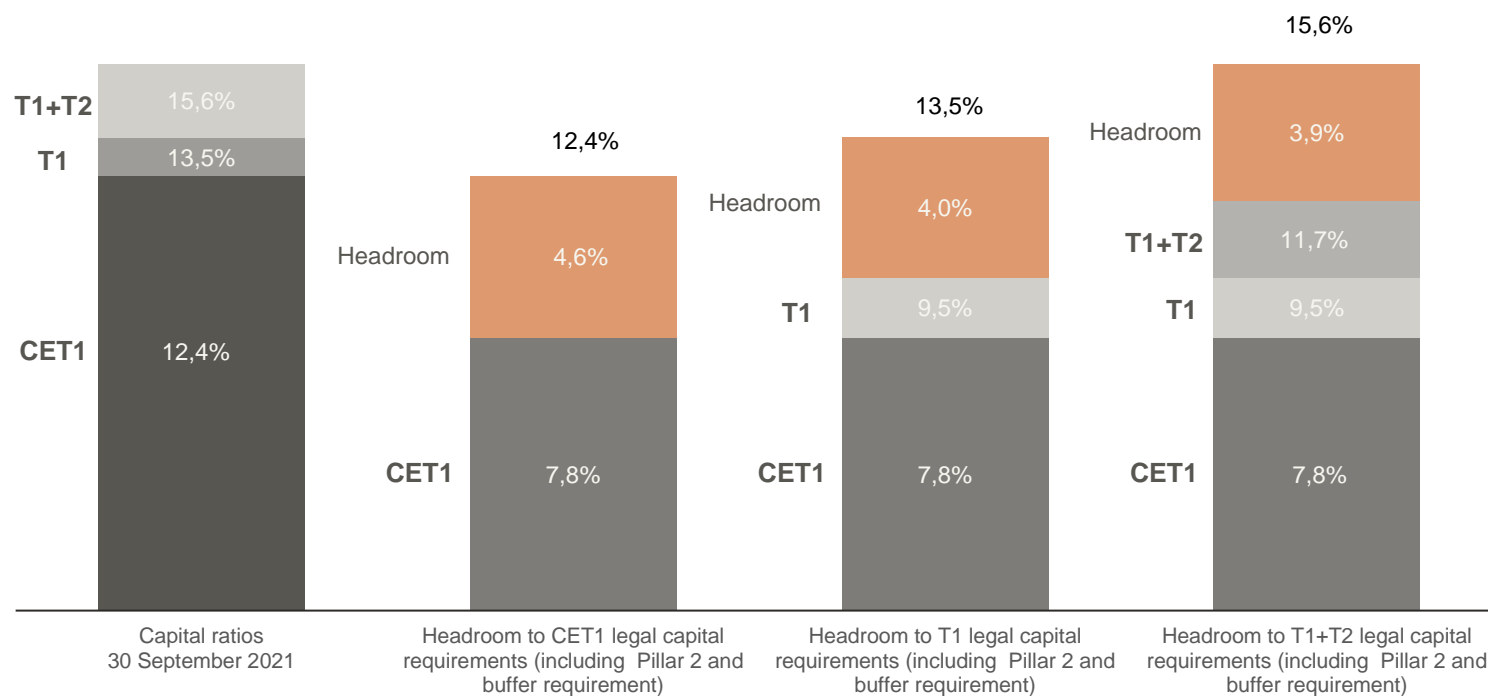
# SOLID LIQUIDITY POSITION



- **Retail deposits in 4 markets**
  - Germany (SEK 7.0 billion)
  - Norway (SEK 3.0 billion)
  - Sweden (SEK 0.7 billion)
  - Finland (SEK 0.3 billion)
  - Fixed-term deposits: 36%
- **Liquidity reserve: 22% of deposits**
  - HQLA central banks etc. 1.3 billion
  - Other liquidity 1.2 billion
  - Low risk – stable return

\* Liquidity reserve consists of Cash at Central Banks (1,206m), Treasury bills (60m) and Loans to credit institutions (1,211m)

# SOLID CAPITAL POSITION



- Slightly lower capital ratios vs Q2-2021
- Higher legal capital requirements ahead
- Capital target: >2,5% legal requirements\*
- Intention to issue Tier 1 capital in Q4-2021

\* incl. Pillar 2 and buffer requirements

# LOOKING AHEAD



- Further organic growth – entering new markets
- Optimise the capital structure – intention to issue more Tier 1 capital
- Continue the expansion in Germany – credit cards
- Covid-19
  - Back to lockdown in the Baltic region





# Q&A Session



# Appendix

# CORPORATE PROFILE



## Our Products

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

## Our DNA

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

## Our Geographical footprint

We serve customers in the Nordics and around the Baltic sea

## The investment case

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



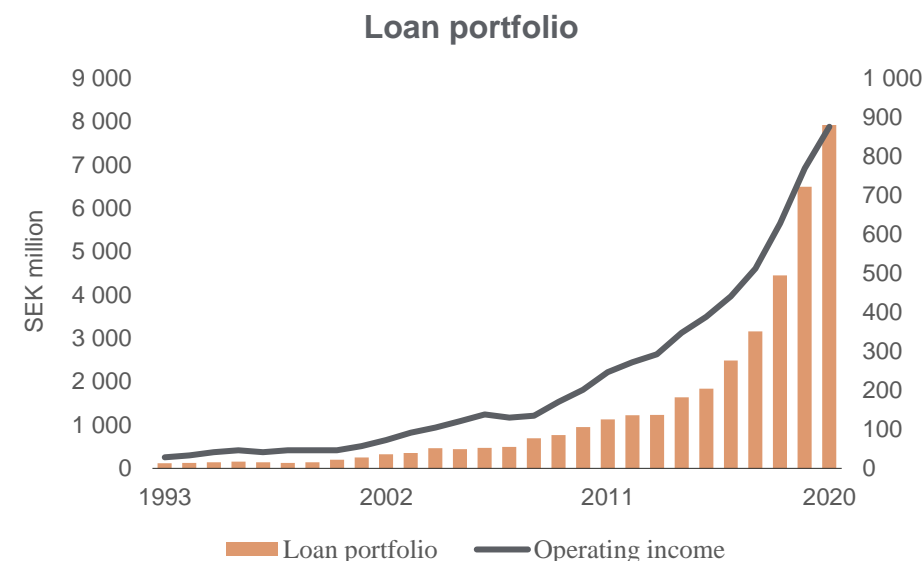
# LONG TRACK RECORD OF PROFITABLE GROWTH



## Long experience and proven business model

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

## Strong track record on growth and profitability



# 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



**Charlotta Björnberg-Paul**

*Board member since 2017*

**Current commitments:**

**Chairman:** Saxo Oy

**Board member:** Mekalasi Oy, Plastone Oy

**Co-founder:** Superskills

**Entrepreneur:** Anki Rugs

**Holdings in company:** 0 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:** 1 000 shares



**Mari Thjømøe**

*Board member since 2017*

**Current commitments:**

**Chairman:** Seilspport Maritimt Forlag AS, Billington Process Technology AS, ThjømøeKranenAS

**Board member:** Hafslund E-CO AS, FCG Fonder AB, Ice ASA, Tryg A/S, Norconsult AS

**Holdings in company:** 9 850 shares



**Bertil Larsson**

*Board member since 2007*

**Current commitments:**

**Chairman:** Minso Solutions AB, Minso Holding AB, Aktiebolaget Borås Tidning

**Board member:** ConperaAB, Tore G Wärenstams stiftelse, Gota Media AB, BRF Aspelyckan, Kyrkesunds Båthamnsförening

**Holdings in company:** 5 000 shares



**Sara Mindus**

*Board member since 2020*

**Current commitments:**

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

**Holdings in company:** 22 500 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:** Hoist Finance AB (chairman), Tobisflöte Holding AB (chairman), Tronstad Consulting AB (board member) RG structure 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:** 18 000 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:** 38 398 shares



# Contact

## **Investor relations**

Mikael Meomuttel

+46 706 26 95 33

[ir@tfbank.se](mailto:ir@tfbank.se)

[www.tfbankgroup.com](http://www.tfbankgroup.com)