



INTERIM REPORT
January-March 2022

T TFBank

PERIOD IN BRIEF

JANUARY – MARCH 2022

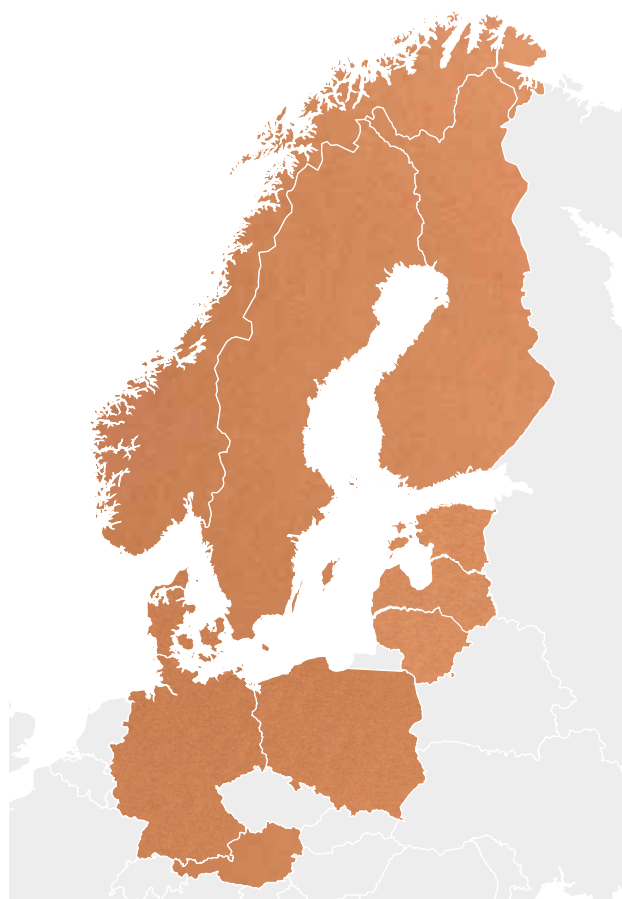
COMPARED TO JANUARY – MARCH 2021 (unless otherwise stated)

- Loans to the public amounted to SEK 11,518 million, compared to March 2021 the increase in local currencies was 30 %
- Operating profit increased by 31 % to SEK 102.8 million
- Earnings per share increased by 27 % to SEK 3.61
- Cost/income ratio increased to 43.3 % (40.9)
- Total capital ratio has decreased to 16.0 % (16.2)
- Return on equity amounted to 24.5 % (24.1)

SIGNIFICANT EVENTS

JANUARY – MARCH 2022

- Lending operations in Austria have been established in the Credit Cards segment with a similar offer as the German market.
- New agreements for continuing sale of past due receivables have been signed in some of the largest markets in the Consumer Lending and Credit Cards segments.



We strive to continue growing significantly faster than the market while profitability in the form of return on equity is well above 20 %.

LOAN PORTFOLIO ¹

31 MARCH 2022 COMPARED TO 31 MARCH 2021

SEK **11.5** BILLION **+30 %**

TOTAL CAPITAL RATIO

31 MARCH 2022 COMPARED TO 31 DECEMBER 2021

16.0 % **-0.2** PERCENTAGE POINTS

OPERATING PROFIT

JAN-MAR 2022 COMPARED TO JAN-MAR 2021

SEK **103** MILLION **+31 %**

RETURN ON EQUITY

JAN-MAR 2022 COMPARED TO JAN-MAR 2021

24.5 % **+0.4** PERCENTAGE POINTS

¹ Development of the loan portfolio in local currencies

See separate section with definitions and reconciliation tables, page 31-32.

THIS IS TF BANK

BACKGROUND

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

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 within e-commerce to creditworthy individuals. The customers are mainly end-consumers who use the Bank's payment solutions. In the Credit Cards segment TF Bank offers credit cards to creditworthy individuals in Germany, Norway and Austria.

KEY FIGURES

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Δ	Jan-Dec 2021
Income statement				
Operating income	318,827	238,424	34%	1,055,287
Operating expenses	-138,059	-97,609	41%	-442,165
Net loan losses	-77,957	-62,171	25%	-260,564
Operating profit	102,811	78,644	31%	352,558
Profit for the period	80,867	62,829	29%	277,206
Earnings per share, SEK	3.61	2.84	27%	12.55
Balance sheet				
Loans to the public	11,517,897	8,642,673	33%	10,872,285
Deposits from the public	13,943,312	9,640,056	45%	11,504,749
New lending	3,174,739	2,097,322	51%	11,186,800
Key figures				
Operating income margin, %	11.4	11.5		11.2
Net loan loss ratio, %	2.8	3.0		2.8
Cost/Income ratio, %	43.3	40.9		41.9
Return on equity, %	24.5	24.1		24.4
Return on loans to the public, %	2.8	3.0		2.9
CET1 capital ratio, %	12.2	12.6		12.3
Tier 1 capital ratio, %	14.1	13.8		14.3
Total capital ratio, %	16.0	16.2		16.2
Employees (FTE)	268	218	23%	236

EXCHANGE RATES

SEK	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
EUR Income statement (average)	10.48	10.12	10.14
EUR Balance sheet (end of reporting period)	10.34	10.24	10.23
NOK Income statement (average)	1.06	0.99	1.00
NOK Balance sheet (end of reporting period)	1.07	1.02	1.03
PLN Income statement (average)	2.27	2.23	2.22
PLN Balance sheet (end of reporting period)	2.23	2.19	2.23

See separate section with definitions and reconciliation tables, page 31-32.

CEO'S COMMENTS

TF Bank's business model is built on a diversified loan portfolio with the possibility of allocating capital to different markets. During the first quarter, we have decided to primarily prioritise growth in the Nordic and German markets. Operating profit increased by 31 % compared to the first quarter of 2021, which reflects the loan portfolio's development over the past year.

TF Bank's stable business model

Our business model is built on having a geographically diversified loan portfolio and today we are running operations in ten countries. With short decision paths and a flexible IT platform, we have the possibility to allocate capital to the markets that have the best opportunities to generate attractive risk-adjusted return based on the management team's assessment at a given moment.

Our Baltic and Polish lending operations are together making up 21 % of TF Bank's loan portfolio. The war in Ukraine has not affected the operational activities during the first quarter and we also do not have any exposures to neither Ukraine nor Russia. However, we have seen high volatility in currency exchange rates and market interest rates on the financial markets during the quarter. A significant weakening of the SEK during the first two months of the year has led to that we have decided to be more cautious regarding new lending to maintain our capital ratios. We have also decided to strengthen our liquidity reserve.

Nordic and German growth is prioritised

During the first quarter, the Bank's loan portfolio increased additionally by 4 % in local currencies. We have prioritised Nordic opportunities, and the increasing loan balance was mainly generated by Norwegian and Finnish consumer loans. The growth for our German credit cards continues to look good but has been slightly restrained by remaining pandemic restrictions. The German credit card portfolio increased by 10 % over the past quarter. In e-commerce, we saw seasonally lower volumes which translate to a more or less unchanged portfolio in local currencies for the Ecommerce Solutions segment. Lower invoice balances compared to the end of the fourth quarter 2021 have affected the segment. At the same time, the weakened SEK has led to that the growth for the Bank's total loan portfolio came in at 6 % for the quarter.

Operating profit increased by 31 %

During the last quarters, TF Bank's profitability has been stable and the growth for the loan portfolio is hence reflected in the profit growth. Compared to the first quarter of 2021, the operating profit has increased by 31 %, which is roughly in line with the annual growth of the loan portfolio. All segments have contributed to the profit growth during the first quarter of the year. The operating profit for the Ecommerce Solutions segment increased by 61 %, primarily driven by increasing operating income. The Credit Cards segment turned to profitability during the fourth quarter of 2021 and has continued according to plan, despite increasing direct marketing expenses which had a slowing effect on the result. The operating profit for our largest segment Consumer Lending increased by 13 %, mostly related to an increasing loan portfolio and improved credit quality.

Expansion in a controlled manner with high profitability

Through attractive offerings, we strive to continue growing significantly faster than the market while profitability in the form of return on equity is well above 20 %. As the pandemic restrictions in Europe have been eased, we see higher volumes in Germany, continued growth in the Nordics and an expanding business in Ecommerce Solutions. During the first quarter we have initiated credit card operations in Austria, and during the second quarter, we plan to launch consumer loans in Denmark, but as always the initial volumes will be small until we are comfortable with the risk. At the same time, we are experiencing an increased uncertainty in Europe, and for banks it has become harder to price the risk. However, our loans have relatively short terms which means that we always have the possibility to convert assets to liquidity fairly quickly. Our goal to deliver attractive risk-adjusted returns to the shareholders remain firm.



Mattias Carlsson
CEO

RESULTS AND FINANCIAL POSITION

JANUARY - MARCH 2022

COMPARED TO JANUARY - MARCH 2021

Operating profit

Operating profit increased by 31 % to SEK 102.8 million (78.6). Increasing operating income from the growing loan portfolio has had a positive impact on operating profit. Earnings per share increased by 27 % to SEK 3.61 (2.84). Return on equity amounted to 24.5 % (24.1).

Operating income

TF Bank's operating income has increased by 34 % to SEK 318.8 million (238.4). The operating income comprised 89 % net interest income and 11 % net fee and commission income. The operating income margin is largely unchanged compared to the first quarter of 2021 and amounted to 11.4 % (11.5).

Interest income

Interest income increased by 31 % to SEK 321.4 million (245.0). The increase is attributable to all segments and geographically it is primarily Germany, Norway and Finland that have higher income. The weakened SEK has also had a positive impact on interest income compared to the first quarter of 2021.

Interest expense

TF Bank's interest expenses increased by 38 % to SEK 38.9 million (28.2). Increasing deposit volumes in Germany, increased expenses for the deposit guarantee and higher interest rate levels in Norway and Poland are the main explanations for the increase. During the first quarter, the liquidity reserve has increased which also has contributed to slightly higher interest expense.

Net fee and commission income

Net fee and commission income increased by 69 % to SEK 36.5 million (21.6). The increase is mainly attributable to higher fee and commission income within the Ecommerce Solutions segment and increasing insurance income within the Consumer Lending segment. During the period, 51 % of TF Bank's fee and commission income derives from charges and 49 % from insurance premiums and other income.

Operating expenses

TF Bank's operating expenses have increased by 41 % to SEK 138.1 million (97.6). Most of the increase is related to more employees and higher sales-related costs. The C/I ratio increased to 43.3 % (40.9) during the quarter which is an effect of that the two smaller segments Ecommerce Solutions and Credit Cards are growing faster than Consumer Lending.

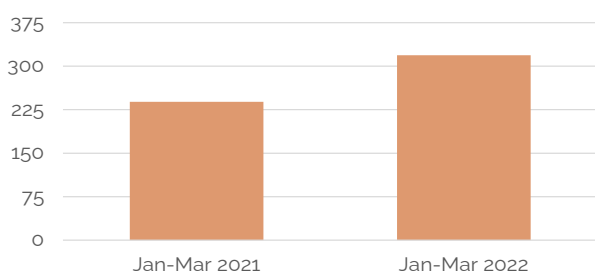
Loan losses

The loan losses increased by 25 % to SEK 78.0 million (62.2). The quarter is affected by increased loan losses in the Credit Cards and Ecommerce Solutions segments. The loan portfolio within Consumer Lending has an improved credit quality, which has contributed to a decreased loan loss ratio for TF Bank amounting to 2.8 % (3.0) compared to the first quarter of 2021.

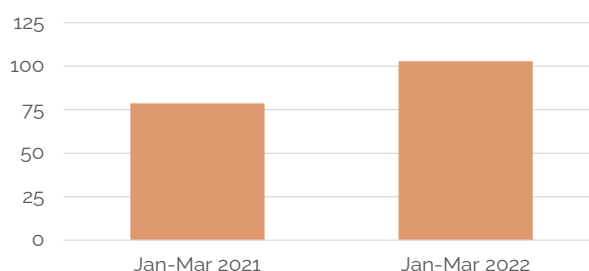
Tax expense

TF Bank's tax expense increased to SEK 21.9 million (15.8). The increased tax expense is primarily attributable to a higher operating profit.

OPERATING INCOME (SEK million)



OPERATING PROFIT (SEK million)



RESULTS AND FINANCIAL POSITION

JANUARY - MARCH 2022

COMPARED TO 31 DECEMBER 2021 (unless otherwise stated)

Loans to the public

The loan portfolio amounted to SEK 11,518 million (8,643), an increase in local currencies of 30 % compared to March 2021. Positive currency effects affected the loan portfolio growth by another 3 %. New lending increased by 51 % to SEK 3,175 million (2,097) compared to the first quarter of 2021, among other things attributable to higher invoice volumes from new retailers within Ecommerce Solutions.

TF Bank's loan portfolio is well-diversified with relatively small exposures in many different geographic markets. At the end of the quarter, the exposure towards the three largest countries was Norway at 32 %, Finland at 24 % and Germany at 14 %. The growth for the loan portfolio of 4 % in local currencies during the first quarter of the year was primarily generated by German credit cards as well as consumer loans in Norway and Finland.

Deposits from the public

Deposits from the public amounted to SEK 13,943 million (9,640), an increase in local currencies of 42 % compared to March 2021. Positive currency effects affected the deposit balance by another 3 %. At the end of the quarter, deposits were geographically distributed over Germany at 70 %, Norway at 23 %, Sweden at 4 % and Finland at 3 %.

During the first quarter of the year, the deposit balance increased by 19 % in local currencies. The increase mainly attributes to Germany and relates to savings accounts with variable interest rate, but also to fixed interest rate accounts with terms up to five years. At the end of the quarter, accounts with a fixed term comprise 32 % of the total deposits, meaning that parts of the financing are fixed and have been tied to current interest rate levels.

Cash and cash equivalents

Cash and cash equivalents increased to SEK 4,282 million (2,366) during the first quarter. Cash flow from operating activities amounted to SEK 1,894 million (325). TF Bank's investments amounted to SEK 10 million compared to SEK 9 million in the first quarter of 2021. The investments mainly relate to IT development within the Ecommerce Solutions and Credit Cards segments. Cash flow from financing activities amounted to SEK -4 million (-49). Positive currency effects had an impact on cash and cash equivalents by SEK 35 million (32).

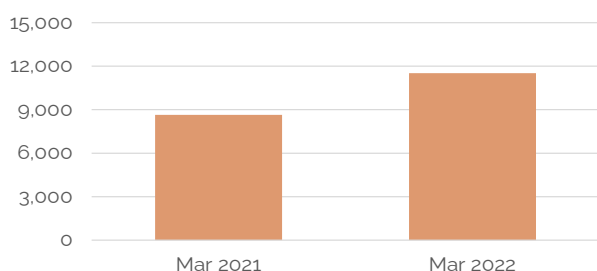
At the end of the quarter, the available liquidity reserve amounted to 29 %¹ (19) of deposits from the public. 83 % (69) of the available liquidity reserve is placed at central banks and in treasury bills eligible for refinancing, while the remaining part primarily is placed on overnight accounts in various Nordic banks.

Capital adequacy

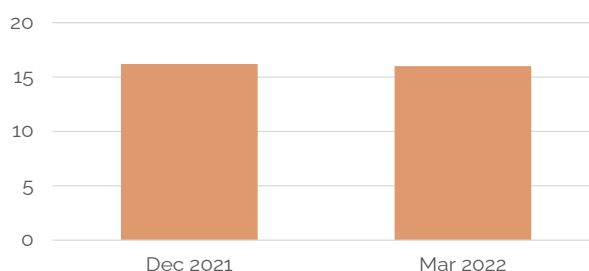
At the end of the quarter, the CET1 capital ratio was 12.2 % (12.3), the tier 1 capital ratio was 14.1 % (14.3), and the total capital ratio was 16.0 % (16.2). During the quarter, all capital ratios have been negatively affected by an increased phase-in of loan loss provisions according to the transitional rules for IFRS 9.

TF Bank's regulatory CET1 capital requirement was 7.8 % at the end of the quarter, the tier 1 capital requirement was 9.4 % and the total capital requirement was 11.6 %. Announced increases of countercyclical buffer requirements in Norway and Sweden are expected to increase TF Bank's regulatory capital requirement with approx. 0.6 percentage points the coming twelve months.

LOANS TO THE PUBLIC (SEK million)



TOTAL CAPITAL RATIO (%)



¹ Excluding restricted cash and cash equivalents that are not available the next day

CONSUMER LENDING

JANUARY - MARCH 2022

COMPARED TO JANUARY - MARCH 2021 (unless otherwise stated)

In the Consumer Lending segment, TF Bank offers unsecured consumer loans to creditworthy individuals. The product offering may differ between the various markets and is adjusted according to the specific conditions in each country. As of 31 March 2022, the average loan amount per customer was approximately SEK 65 thousand.

The Nordic loan portfolio comprises 76 % 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 average loan amount for the segment is slightly higher in Norway and Finland.

The Baltic and Polish loan portfolio comprises 24 % of the segment. The Baltic countries have fast-growing credit markets with several established Nordic companies operating locally. In Poland, new lending has been discontinued.

The loan portfolio

The loan portfolio amounted to SEK 7,529 million (6,242), an increase in local currencies of 18 % compared to March 2021. Positive currency effects affected the loan portfolio growth by another 3 %. New lending has increased by 28 % to SEK 1,329 million (1,041) compared to the first quarter of 2021. The increase is mainly related to Norway and Finland.

The loan portfolio in Norway has increased by 19 % to NOK 3,065 million (2,573) over the past year. The growth in Norway is characterised by stable margins and favourable credit quality. The loan portfolio in Finland has increased by 23 % to EUR 187 million (152). The Finnish new lending has increased significantly following the withdrawal of the pandemic-related marketing restrictions and the regulatory rate cap of 10 % on 1 October 2021. The Swedish loan portfolio amounted to SEK 506 million (480).

The loan portfolio in the Baltics has increased by 18 % to EUR 162 million (137) over the past year. The growth has been generated in Lithuania and Latvia, while the loan portfolio in Estonia has slightly decreased. The Polish loan portfolio decreased to PLN 48.7 million (72.1).

Results

The operating profit for the segment increased by 13 % to SEK 82.0 million (72.7) during the first quarter. The increase is attributable to a growing loan portfolio and improved credit quality.

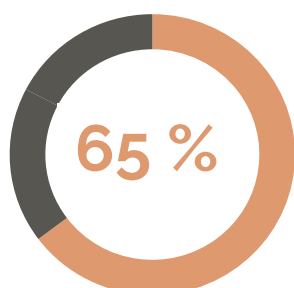
The operating income increased by 11 % to SEK 176.4 million (158.4), which is related to both an increasing net interest income and higher net fee and commission income. The operating income margin has however decreased to 9.6 % (10.5), which is due to that the growing loan portfolios in Norway and Finland have slightly lower interest rate levels than the segment's average.

The operating expenses for the segment have increased by 30 % to SEK 58.4 million (44.8). The increase is among other things attributable to volume-related costs and expenses that have been allocated for the bank's centralized functions. The segment's C/I ratio amounted to 33.1 % (28.3) during the first quarter.

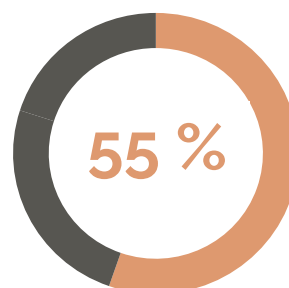
The loan losses decreased by 12 % to SEK 36.0 million (40.9) and the loan loss ratio decreased to 2.0 % (2.7). The decrease is affected by improved credit quality in several markets, but the change is mostly related to the Finnish loan portfolio. In Finland, a new agreement for the continuing sales of past due receivables was also signed during the first quarter. The new agreement has not affected the loan losses in the quarter.

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

SHARE OF THE BANK'S LOANS TO THE PUBLIC



SHARE OF THE BANK'S OPERATING INCOME



ECOMMERCE SOLUTIONS

JANUARY - MARCH 2022

COMPARED TO JANUARY - MARCH 2021 (unless otherwise stated)

In the Ecommerce Solutions segment, TF Bank offers digital payment solutions primarily within e-commerce to creditworthy individuals. The customers are mainly end-consumers who use the Bank's payment solutions when they make online purchases. The digital payment solutions are available in the Nordic region under the Avarda brand and in the Baltics as well as Poland under the TF Bank brand. The Nordic loan portfolio comprises 72 % of the segment. The Bank has had 274 (216) active commercial partners during the first quarter 2022.

The Avarda brand has over the past year experienced a commercial breakthrough in the Nordic markets. With implementations of retailers such as Boozt and Wakakuu, the market position has been further strengthened during the last year. Through an attractive white label solution, the customer offer has a focus on supporting the retailers in their growth and ambition to build their own brands. Initiatives such as Avarda Return Optimizer (ARO) is part of the work in offering products and services that aim to be relevant for our commercial partners in more ways than by just offering a payment solution. The transaction volumes for the segment have increased by 83 % compared to the corresponding quarter last year.

The loan portfolio

The loan portfolio amounted to SEK 2,090 million (1,443) an increase in local currencies of 43 % compared to March 2021. Positive currency effects affected the loan portfolio growth by another 2 %. New lending has increased by 59 % to SEK 1,009 million (634) compared to the first quarter of 2021. The increase is mainly related to an increased number of partners and expanded cooperation with existing retailers.

The loan portfolio in the Nordics has increased by 58 % in local currencies compared to March 2021 and amounts to SEK 1,496 million (936). In Finland, the portfolio has increased by 32 % to EUR 75.5 million

(57.1) over the past year. The increase is explained by a continued growth for e-commerce and by implementing several new partners. The Swedish loan portfolio has increased by 99 % to SEK 533 million (268) following strong sales development during the past year. In Norway the loan portfolio has increased by 237 % to NOK 149 million (44.2). In Denmark, the loan portfolio amounted to DKK 16.3 million (27.5).

The loan portfolio in the Baltics has increased by 12 % to EUR 24.0 million (21.4) over the past year. The increase is mainly explained by a continued strong inflow of new partners. In Poland, the loan portfolio has increased by 18 % to PLN 155 million (131).

Results

The operating profit for the segment has increased by 61 % to SEK 17.6 million (10.9). The increase is mostly related to increasing operating income and an improved C/I ratio compared to the corresponding period last year.

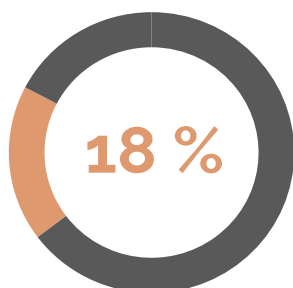
The operating income increased by 53 % to SEK 78.5 million (51.3). High growth for the loan portfolio and a significant increase in transaction volumes in several geographic markets have resulted in both higher interest income and increasing fee and commission income. The operating income margin amounted to 15.1 % (14.7).

The operating expenses for the segment have increased by 39 % to SEK 45.4 million (32.6). This is explained by increased sales-related costs, more employees and an increased investment pace in product development. The C/I ratio amounted to 57.8 % (63.6).

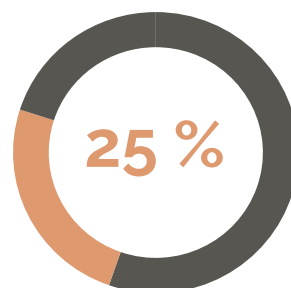
The loan losses have increased to SEK 15.5 million (7.8), mostly explained by the growth for the segment over the past year. The loan loss ratio increased to 3.0 % (2.2) among other things due to slightly higher loan loss provisions for expected credit losses.

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

SHARE OF THE BANK'S LOANS TO THE PUBLIC



SHARE OF THE BANK'S OPERATING INCOME



CREDIT CARDS

JANUARY - MARCH 2022

COMPARED TO JANUARY - MARCH 2021 (unless otherwise stated)

In the Credit Cards segment, TF Bank offers credit cards to creditworthy individuals in Germany, Norway and Austria. The business in Germany started in the end of 2018. At the offices in Berlin and Szczecin, local employees are working with marketing and customer service. Services like risk analysis, finance and IT are provided by central functions within the bank. In September 2020, a proprietary smartphone app was launched for German credit card customers and since the first quarter of 2022, the credit card is compatible with both Google and Apple Pay. At the end of the quarter, the number of active German credit cards amounted to approximately 75,000. Credit Cards in Austria was launched during the first quarter of 2022 with a similar offer as in Germany.

The offering in Norway has been part of the bank since 2015. At the end of the quarter, the number of active Norwegian credit cards amounted to approximately 14,000. During 2022, the Norwegian credit cards will be transferred from VISA to Mastercard, which is expected to contribute to streamlining of TF Bank's credit card business.

The loan portfolio

The loan portfolio amounted to SEK 1,899 million (958), an increase in local currencies of 95 % compared to March 2021. Positive currency effects affected the loan portfolio growth by another 3 %. The new lending has increased by 99 % to SEK 837 million (421) compared to the first quarter of 2021. The increase is mainly related to the operations in Germany.

The loan portfolio in Germany has increased by 110 % to EUR 154 million (73.5) over the past year. The growth primarily originates to an increased number of newly issued credit cards. Marketing in new channels has

also had a certain positive effect on growth. The transaction volume per active card has been negatively affected by pandemic-related restrictions in Germany.

The loan portfolio in Norway has increased by 41 % to NOK 284 million (201) over the past year. The volumes have increased significantly since the second half of 2021. The loan portfolio in Austria amounted to EUR 0.5 million (-) at the end of the first quarter.

Results

The operating profit for the segment amounted to SEK 3.3 million (-4.9). Higher income from the growing loan portfolio in Germany and a lower C/I ratio contributed to the improvement.

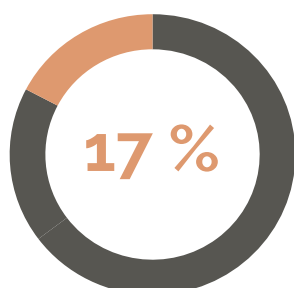
The operating income increased by 122 % to SEK 63.9 million (28.8). The increase is mostly related to the high growth in Germany. The operating income margin amounted to 14.3 % (13.3) and is affected by the fact that new credit card customers are mainly generated through loan intermediaries.

The operating expenses for the segment increased by 70 % to SEK 34.2 million (20.2). During the first quarter of the year the expenses were affected by an increased marketing effort in digital channels. However, the C/I ratio has still decreased to 53.6 % (70.2) thanks to economies of scale in the business model.

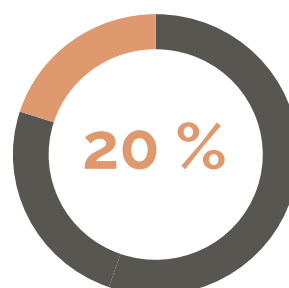
The loan losses increased by 96 % to SEK 26.4 million (13.5). The increase is affected by the growing loan portfolio in Germany. The segment's loan loss ratio however decreased to 5.9 % (6.3). During the first quarter, a new agreement for the continuing sales of past due receivables in Germany was signed. The new agreement has only had marginal effects on the loan losses in the quarter.

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

SHARE OF THE BANK'S LOANS TO THE PUBLIC



SHARE OF THE BANK'S OPERATING INCOME



OTHER INFORMATION

Annual General Meeting 2022

The Annual General Meeting 2022 will be held digitally on Tuesday 3 May 2022. Shareholders will have the opportunity to exercise their voting rights by mail before the meeting.

Proposed dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of SEK 1.00 per share to be distributed for 2021. The total dividend to shareholders according to the proposal will be SEK 21.5 million.

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 March 2022, the share price closed at SEK 180.00, a decrease of 22 % since year-end. In total, 1.4 million TF Bank shares worth approximately SEK 269 million were traded on Nasdaq Stockholm during the first quarter of 2022.

Institutions following TF Bank

ABG Sundal Collier, Carnegie, Pareto Securities and Nordea are following the company. At the end of the first quarter 2022, all four institutions had issued a buy recommendation for the TF Bank share.

Financial targets

The 17 October 2021 the Board of TF Bank has adopted the following financial targets:

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.

Significant events, January - March 2022

New agreements for continuing sale of past due receivables have been signed in some of the largest markets in the Consumer Lending and Credit Cards segments.

Lending operations in Austria have been established in the Credit Cards segment with a similar offer as the German market.

Events after the end of the reporting period

No significant events have occurred after the end of the reporting period.

The war in Ukraine

The war in Ukraine has led to a sharp increase in geopolitical unrest and uncertainty in Europe. The financial market has showed great volatility with higher long-term interest rates, a depreciated Swedish krona and increased inflation during the first quarter. TF Bank has no exposures to neither Ukraine nor Russia.

Presentation for investors, analysts and media

A live conference call will be held on Tuesday 19 April 2022 at 08.15 CET, where CEO Mattias Carlsson and CFO Mikael Meomuttel will present the report. It will be possible to ask questions after the presentation. The presentation material is written in English while the conference call will be held in Swedish.

To participate +46 (0)8 5055 8357 or +44 (0)33 3300 9034. For international investors, there is the possibility to ask questions in English during the Q&A session. A recording of the conference call and the presentation material will be available on the Bank's website, www.tfbankgroup.com/en/section/investor-relations.

OTHER INFORMATION

Risks and uncertainties

Different types of risks arise within the Bank's business operations. The risks can be materialised in different ways within the business. The following main risk categories have been identified:

- Credit risks (including those attributable to the credit portfolio, credit-related concentration risks and counterparty risks)
- Market risks (including interest rate, currency and other exchange risks)
- Liquidity risks
- Operational risks (including process risks, personnel risks, IT and systemic risks and external risks)
- Other business risks (including business risks, cyclical risks and reputational risks)

The Bank assesses credit risks, liquidity risks and operational risks as the most significant risks. In order to limit and control risk-taking in the business, the Board, which is ultimately responsible for internal controls, has established policies and instructions for lending and other activities.

More information regarding the Bank's credit risks and capital adequacy can be found in Notes 2 and 9 and on page 33 in the interim report. For a more detailed description of financial risks and the use of financial instruments, as well as capital adequacy, see Notes 3 and 33 of the Annual report 2021.

Environment

Environmental resources are used responsibly and conservatively throughout the Bank's entire operations. The Bank strives to conduct its operations in an environmentally sustainable way by, for example, enhancing efficiency and investing in sustainable products and services.

Accounting policies

The interim report has been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting. The Bank'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 Bank's accounting principles, calculation bases and presentation are essentially unchanged compared with the Annual report 2021. The interim information on pages 3-33 is an integral part of this financial report.

LOAN PORTFOLIO PERFORMANCE IN 2020-2022 (SEK MILLION)



FINANCIAL INFORMATION

INCOME STATEMENT

SEK thousand	Note	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
	3			
Operating income				
Interest income		321,371	245,013	1,074,113
Interest expense		-38,902	-28,215	-120,439
Net interest income		282,469	216,798	953,674
Fee and commission income		47,346	28,444	140,478
Fee and commission expense		-10,815	-6,879	-34,265
Net fee and commission income		36,531	21,565	106,213
Net results from financial transactions		-173	61	-4,600
Total operating income		318,827	238,424	1,055,287
Operating expenses				
General administrative expenses		-115,658	-84,670	-380,224
Depreciation and amortisation of tangible and intangible assets		-7,621	-6,338	-28,638
Other operating expenses		-14,780	-6,601	-33,303
Total operating expenses		-138,059	-97,609	-442,165
Profit before loan losses		180,768	140,815	613,122
Net loan losses	4	-77,957	-62,171	-260,564
Operating profit		102,811	78,644	352,558
Income tax for the period		-21,944	-15,815	-75,352
Profit for the period		80,867	62,829	277,206
<i>Attributable to:</i>				
<i>Shareholders of the Parent Company</i>		77,662	61,161	269,875
<i>Additional tier 1 capital holders</i>		3,205	1,668	7,331
<i>Basic earnings per share (SEK)</i>		3.61	2.84	12.55
<i>Diluted earnings per share (SEK)</i>		3.61	2.84	12.55

STATEMENT OF OTHER COMPREHENSIVE INCOME

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Profit for the period	80,867	62,829	277,206
Other comprehensive income			
Items that may subsequently be reclassified to the income statement			
Exchange rate differences, net of tax	-	-	-
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	80,867	62,829	277,206
<i>Attributable to:</i>			
<i>Shareholders of the Parent Company</i>	77,662	61,161	269,875
<i>Additional tier 1 capital holders</i>	3,205	1,668	7,331

BALANCE SHEET

SEK thousand	Note	31 Mar 2022	31 Dec 2021
	2,5,6		
ASSETS			
Cash and balances with central banks		3,151,232	1,270,092
Treasury bills eligible for refinancing		298,750	316,411
Loans to credit institutions		832,166	779,636
Loans to the public	3,7	11,517,897	10,872,285
Shares		269	257
Shares in subsidiaries		341	341
Goodwill		9,883	10,202
Intangible assets		74,376	71,365
Tangible assets		2,566	2,699
Other assets		30,284	21,842
Deferred tax assets		2,308	4,781
Prepaid expenses and accrued income		26,376	40,905
TOTAL ASSETS		15,946,448	13,390,816
LIABILITIES AND EQUITY			
Liabilities			
Deposits and borrowings from the public	8	13,943,312	11,504,749
Other liabilities		115,108	94,020
Current tax liabilities		27,727	36,089
Deferred tax liabilities		64	5,641
Accrued expenses and prepaid income		154,182	121,584
Subordinated liabilities		198,196	198,042
Total liabilities		14,438,589	11,960,125
Equity			
Restricted equity			
Share capital		107,500	107,500
Statutory reserve		1,000	1,000
Development costs fund		74,376	71,365
Total restricted equity		182,876	179,865
Non-restricted equity			
Tier 1 capital instrument		200,000	200,000
Retained earnings		1,044,116	773,620
Comprehensive income for the period		80,867	277,206
Total non-restricted equity		1,324,983	1,250,826
Total equity		1,507,859	1,430,691
TOTAL LIABILITIES AND EQUITY		15,946,448	13,390,816

STATEMENT OF CHANGES IN EQUITY

SEK thousand	Restricted equity			Non-restricted equity			Total equity
	Share capital ¹	Statutory reserve	Development costs fund	Tier 1 capital instrument ²	Retained earnings	Comprehensive income for the period	
Equity as at 1 Jan 2021	107,500	1,000	61,762	100,000	610,724	202,719	1,083,705
Profit for the period	-	-	-	-	-	277,206	277,206
Other comprehensive income for the period	-	-	-	-	-	-	-
Transfer of previous year's profit	-	-	-	-	202,719	-202,719	-
Dividend to shareholders	-	-	-	-	-21,500	-	-21,500
Capitalisation of development costs	-	-	36,194	-	-36,194	-	-
Amortisation of capitalised development costs	-	-	-26,591	-	26,591	-	-
Interest Tier 1 capital	-	-	-	-	-7,331	-	-7,331
Issue of Tier 1 capital	-	-	-	100,000	-	-	100,000
Transaction costs, issue of Tier 1 capital	-	-	-	-	-1,750	-	-1,750
Tax effect, transaction costs issue of Tier 1 capital	-	-	-	-	361	-	361
Equity as at 31 Dec 2021	107,500	1,000	71,365	200,000	773,620	277,206	1,430,691
Equity as at 1 Jan 2022	107,500	1,000	71,365	200,000	773,620	277,206	1,430,691
Profit for the period	-	-	-	-	-	80,867	80,867
Other comprehensive income for the period	-	-	-	-	-	-	-
Transfer of previous year's profit	-	-	-	-	277,206	-277,206	-
Capitalisation of development costs	-	-	9,308	-	-9,308	-	-
Amortisation of capitalised development costs	-	-	-6,297	-	6,297	-	-
Interest Tier 1 capital	-	-	-	-	-3,205	-	-3,205
Transaction costs, issue of Tier 1 capital	-	-	-	-	-622	-	-622
Tax effect, transaction costs issue of Tier 1 capital	-	-	-	-	128	-	128
Equity as at 31 Mar 2022	107,500	1,000	74,376	200,000	1,044,116	80,867	1,507,859

¹ Share capital comprises of 21 500 000 shares of SEK 5 each.

² Perpetual bonds, SEK 100 million with interest terms STIBOR 3 months +6.75% and first possible redemption 7 June 2023, and SEK 100 million with interest terms STIBOR +6.25 and first possible redemption 1 December 2026.

CASH FLOW STATEMENT

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Operating activities			
Operating profit	102,811	78,644	352,558
<i>Adjustment for items not included in cash flow</i>			
Depreciation and amortisation of tangible and intangible assets	7,621	6,338	28,638
Accrued interest income and expense	-41	4,299	6,681
Other non-cash items	154	123	-12
Paid income tax	-30,306	-1,354	-41,095
	80,239	88,050	346,770
Increase/decrease in loans to the public	-645,612	-720,225	-2,949,837
Increase/decrease in other short-term receivables	-28,313	-11,237	-29,573
Increase/decrease in deposits and borrowings from the public	2,438,563	926,024	2,790,717
Increase/decrease in other short-term liabilities	48,979	42,731	67,152
Cash flow from operating activities	1,893,856	325,343	225,229
Investing activities			
Investments in tangible assets	-213	-423	-1,452
Investments in intangible assets	-9,308	-8,869	-35,554
Investments in subsidiaries	-	-	-25
Cash flow from investing activities	-9,521	-9,292	-37,031
Financing activities			
Issue of Tier 1 capital	-494	-	98,611
Redemption of Tier 2 capital	-	-47,000	-47,000
Interest on Tier 1 capital	-3,205	-1,668	-7,331
Dividend to shareholders	-	-	-21,500
Cash flow from financing activities	-3,699	-48,668	22,780
Cash flow for the period	1,880,636	267,383	210,978
Cash and cash equivalents at the beginning of period	2,366,139	2,119,002	2,119,002
Exchange rate difference in cash and cash equivalents	35,373	32,113	36,159
Cash and cash equivalents at the end of period	4,282,148	2,418,498	2,366,139
<i>Cash flow from operating activities includes interest expenses paid and interest payments received</i>			
Interest expenses paid	39,772	33,539	125,170
Interest payments received	277,851	211,955	923,990
Components of cash and cash equivalents			
Cash and balances with central banks	3,151,232	1,252,192	1,270,092
Treasury bills eligible for refinancing	298,750	60,053	316,411
Loans to credit institutions	832,166	1,106,253	779,636
Total cash and cash equivalents	4,282,148	2,418,498	2,366,139

NOTES

NOTE 1 General information

TF Bank AB, org.nr. 556158-1041, is a bank limited company with its registered office in Borås, Sweden, which has a license to conduct banking operations. The Bank conducts deposit and/or lending activities to private individuals in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany and Austria via a branch or cross-border banking license. The Bank does not present consolidated financial statements in light of the fact that the subsidiaries below, both individually and together, are without substantial significance.

OWNERSHIP OF TF BANK AB AS AT 31 MARCH 2022

Shareholder	%
TFB Holding AB	30.31
Tiberon AB	15.07
Erik Selin Fastigheter AB	12.56
Proventus Aktiebolag	5.16
Jack Weil	4.21
Nordnet Pensionsförsäkring AB	3.58
Nordea investment Funds	2.37
Merizole Holding LTD	2.36
Carnegie fonder	1.80
Skandia fonder	1.31
Other shareholders	21.27
Total	100.00

Source: Euroclear

COMPANY STRUCTURE

Company	Reg.nr
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
TF Bank AB, branch Norway	923 194 592
TF Bank AB, branch Latvia	50203334311
Subsidiaries	
TFB Service SIA	40203015782
TFB Service UAB	34785170
TFB Service GmbH	HRB 208869 B
TFB Service AB	559310-4697

The term "Company/Bank" refers to TF Bank AB together with its branches.

NOTE 2 Credit risk

Financial risks

TF Bank's activities are exposed to a variety of financial risks: credit risk, market risk (including currency risk and interest rate risk) and liquidity risk. TF Bank has designed an operating structure to ensure good risk management. The overall risk policy constitutes the Board of Directors and the management's fundamental policy documents regarding risk management which aims to minimise any potential adverse effects for the Bank's financial results. The Board establishes written policies with regards both the overall risk management and for the specific areas.

Credit risk is the risk that a counterparty causes the Bank a financial loss by not fulfilling its contractual obligations. Credit risk arises primarily through lending to the public and is the most significant risk in the Bank. Credit risk 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 Bank'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 Bank'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 ordinary Board meeting.

The Bank's credit approval process maintains high standards regarding ethics, quality and control. Despite credit risk being the largest risk exposure for the Bank, the provisions for loan losses are small in proportion to the outstanding loan volume (see Note 7). This is due to that the Bank regularly sells past due receivables to debt collection agencies in markets where the Board of Directors considers the price level to be favourable for the Bank's performance and risk profile. As a result, The Bank continuously realises expected loan losses on a monthly basis through the sale of past due receivables. In connection with sale of past due receivables all risks are transferred to the counterpart. The remaining portfolio has a limited number of non-performing loans in stage 3 and consequently a relatively low level of provisions.

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

Credit risk may even arise through placement of liquidity and derivative instruments with a positive value. By setting limits for the maximum exposure to each counterparty, the credit risk of liquidity placement becomes limited. According to The Bank's financial policy, the maximum amount of Tier 1 capital that may be placed with The Bank's permitted counterparties is 25 %, with the exception of institutions for which the permitted amount is 100 % of Tier 1 capital.¹ Treasury bills, government bonds and balances with central banks, as well as exposure to subsidiaries, are exempted from both limits.

¹ According to Article 25 of Regulation (EU) No 575/2013, Tier 1 capital is the sum of the Common Equity Tier 1 capital and Additional Tier 1 capital for capital adequacy purpose.

NOTE 3 Operating segments

The CEO has ultimate responsibility for the decisions taken by the Bank. 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	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net interest income	162,130	148,994	604,695
Net fee and commission income	14,360	9,376	43,471
Net results from financial transactions	-111	41	-3,128
Total operating income	176,379	158,411	645,038
General administrative expenses	-51,749	-40,330	-170,908
Depreciation and amortisation of tangible and intangible assets	-1,332	-1,415	-5,639
Other operating expenses	-5,318	-3,067	-15,596
Total operating expenses	-58,399	-44,812	-192,143
Profit before loan losses	117,980	113,599	452,895
Net loan losses	-35,983	-40,908	-144,546
Operating profit	81,997	72,691	308,349

Balance sheet, SEK thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Loans to the public			
Household sector	7,476,931	6,236,352	7,076,557
Corporate sector ¹	52,226	5,272	37,597
Total loans to the public	7,529,157	6,241,624	7,114,154
Household sector			
Stage 1, net	6,987,276	5,743,298	6,620,083
Stage 2, net	179,605	197,173	164,451
Stage 3, net ²	310,050	295,881	292,023
Total household sector	7,476,931	6,236,352	7,076,557

Key figures ³	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Operating income margin, %	9.6	10.5	10.0
Net loan loss ratio, %	2.0	2.7	2.2
Cost/Income ratio, %	33.1	28.3	29.8
Return on loans to the public, %	3.5	3.7	3.6
New lending, SEK thousand	1,329,040	1,041,463	4,720,963

¹ Lending to the corporate sector consists of loans in stage 1 to a counterparty regarding sale of past due receivables.

² The Bank regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Bank's performance and risk profile.

³ See separate section with definitions and reconciliation tables, page 31-32.

Note 3 cont.

ECOMMERCE SOLUTIONS

Income statement, SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net interest income	55,965	37,333	184,868
Net fee and commission income	22,590	13,920	69,649
Net results from financial transactions	-31	11	-828
Total operating income	78,524	51,264	253,689
General administrative expenses	-40,381	-28,627	-139,247
Depreciation and amortisation of tangible and intangible assets	-4,743	-3,790	-18,190
Other operating expenses	-299	-189	-1,518
Total operating expenses	-45,423	-32,606	-158,955
Profit before loan losses	33,101	18,658	94,734
Net loan losses	-15,544	-7,757	-38,533
Operating profit	17,557	10,901	56,201

Balance sheet, SEK thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Loans to the public			
Household sector	2,090,133	1,434,914	2,069,680
Corporate sector ¹	-	8,190	-
Total loans to the public	2,090,133	1,443,104	2,069,680
Household sector			
Stage 1, net	1,965,328	1,362,696	1,972,671
Stage 2, net	103,351	61,383	83,557
Stage 3, net ²	21,454	10,835	13,452
Total household sector	2,090,133	1,434,914	2,069,680

Key figures ³	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Operating income margin, %	15.1	14.7	14.8
Net loan loss ratio, %	3.0	2.2	2.3
Cost/Income ratio, %	57.8	63.6	62.7
Return on loans to the public, %	2.6	2.4	2.5
New lending, SEK thousand	1,008,706	634,413	4,018,465
Transaction volume, SEK thousand	1,796,831	980,456	6,612,133

¹ Lending to the corporate sector consists of loans in stage 1 to a foreign partner within Ecommerce Solutions, which has been fully repaid during Q2 2021.

² The Bank regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Bank's performance and risk profile.

³ See separate section with definitions and reconciliation tables, page 31-32.

Note 3 cont.

CREDIT CARDS

Income statement, SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net interest income	64,374	30,471	164,111
Net fee and commission income	-419	-1,731	-6,907
Net results from financial transactions	-31	9	-644
Total operating income	63,924	28,749	156,560
General administrative expenses	-23,528	-15,713	-70,069
Depreciation and amortisation of tangible and intangible assets	-1,546	-1,133	-4,809
Other operating expenses	-9,163	-3,345	-16,189
Total operating expenses	-34,237	-20,191	-91,067
Profit before loan losses	29,687	8,558	65,493
Net loan losses	-26,430	-13,506	-77,485
Operating profit	3,257	-4,948	-11,992

Balance sheet, SEK thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Loans to the public			
Household sector	1,841,072	957,945	1,652,293
Corporate sector ¹	57,535	-	36,158
Total loans to the public	1,898,607	957,945	1,688,451
Household sector			
Stage 1, net	1,759,915	902,724	1,584,192
Stage 2, net	51,424	24,743	40,222
Stage 3, net ²	29,733	30,478	27,879
Total household sector	1,841,072	957,945	1,652,293

Key figures ³	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Operating income margin, %	14.3	13.3	12.8
Net loan loss ratio, %	5.9	6.3	6.3
Cost/Income ratio, %	53.6	70.2	58.2
Return on loans to the public, %	0.5	neg	neg
New lending, SEK thousand	836,993	421,446	2,447,372
Number of active credit cards	89,043	53,738	79,952

¹ Lending to the corporate sector consists of loans in stage 1 to a counterparty regarding sale of past due receivables.

² The Bank regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Bank's performance and risk profile.

³ See separate section with definitions and reconciliation tables, page 31-32.

Note 3 cont.

RECONCILIATION AGAINST FINANCIAL INFORMATION

Income statement, SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Operating income			
Consumer Lending	176,379	158,411	645,038
Ecommerce Solutions	78,524	51,264	253,689
Credit Cards	63,924	28,749	156,560
Total operating income	318,827	238,424	1,055,287
Operating profit			
Consumer Lending	81,997	72,691	308,349
Ecommerce Solutions	17,557	10,901	56,201
Credit Cards	3,257	-4,948	-11,992
Total operating profit	102,811	78,644	352,558

Balance sheet, SEK thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
Loans to the public			
Consumer Lending	7,529,157	6,241,624	7,114,154
Ecommerce Solutions	2,090,133	1,443,104	2,069,680
Credit Cards	1,898,607	957,945	1,688,451
Total loans to the public	11,517,897	8,642,673	10,872,285

NOTE 4 Net loan losses

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Change in provision for sold past due loans	-57,377	-15,756	-146,696
Realised loan losses	-14,121	-9,324	-37,960
Recovered from previous realised loan losses	46	267	565
Change in provision for expected loan losses, stage 1-3	-6,505	-37,358	-76,473
Net loan losses	-77,957	-62,171	-260,564

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

NOTE 5 Classification of financial assets and liabilities

31 Mar 2022 SEK thousand	Financial instru- ments at fair value through profit or loss	Fair value through other com- prehensive income	Amortised cost	Non- financial assets and liabilities	Total
	Compulsory				
Assets					
Cash and balances with central banks	-	-	3,151,232	-	3,151,232
Treasury bills eligible for refinancing	30,023	-	268,727	-	298,750
Loans to credit institutions	-	-	832,166	-	832,166
Loans to the public	-	-	11,517,897	-	11,517,897
Shares	269	-	-	-	269
Derivatives	6,567	-	-	-	6,567
Other assets	-	-	-	139,567	139,567
Total assets	36,859	-	15,770,022	139,567	15,946,448
Liabilities					
Deposits and borrowings from the public	-	-	13,943,312	-	13,943,312
Subordinated liabilities	-	-	198,196	-	198,196
Derivatives	17,771	-	-	-	17,771
Other liabilities	-	-	-	279,310	279,310
Total liabilities	17,771	-	14,141,508	279,310	14,438,589

31 Dec 2021 SEK thousand	Financial instru- ments at fair value through profit or loss	Fair value through other com- prehensive income	Amortised cost	Non- financial assets and liabilities	Total
	Compulsory				
Assets					
Cash and balances with central banks	-	-	1,270,092	-	1,270,092
Treasury bills eligible for refinancing	60,035	-	256,376	-	316,411
Loans to credit institutions	-	-	779,636	-	779,636
Loans to the public	-	-	10,872,285	-	10,872,285
Shares	257	-	-	-	257
Derivatives	241	-	-	-	241
Other assets	-	-	-	151,894	151,894
Total assets	60,533	-	13,178,389	151,894	13,390,816
Liabilities					
Deposits and borrowings from the public	-	-	11,504,749	-	11,504,749
Subordinated liabilities	-	-	198,042	-	198,042
Derivatives	23,452	-	-	-	23,452
Other liabilities	-	-	-	233,882	233,882
Total liabilities	23,452	-	11,702,791	233,882	11,960,125

NOTE 6 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 Bank also provides information regarding the fair value of certain assets for information purposes.

31 Mar 2022 SEK thousand	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills eligible for refinancing	30,023	-	-	30,023
Shares	-	269	-	269
Derivatives	-	6,567	-	6,567
Total assets	30,023	6,836	-	36,859
Liabilities				
Derivatives	-	17,771	-	17,771
Total liabilities	-	17,771	-	17,771

31 Dec 2021 SEK thousand	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills eligible for refinancing	60,035	-	-	60,035
Shares	-	257	-	257
Derivatives	-	241	-	241
Total assets	60,035	498	-	60,533
Liabilities				
Derivatives	-	23,452	-	23,452
Total liabilities	-	23,452	-	23,452

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 estimates. An instrument is classified as Level 2 if all significant inputs required to value an instrument are observable.

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 12.67 % as at 31 March 2022 and 12.66 % as at 31 December 2021.

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

Note 6 cont.

31 Mar 2022 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
Assets			
Cash and balances with central banks	3,151,232	3,151,232	-
Treasury bills eligible for refinancing	298,750	298,750	-
Loans to credit institutions	832,166	832,166	-
Loans to the public	11,517,897	11,517,897	-
Shares	269	269	-
Derivatives	6,567	6,567	-
Total assets	15,806,881	15,806,881	-
Liabilities			
Deposits from the public	13,943,312	13,943,312	-
Subordinated liabilities	198,196	198,196	-
Derivatives	17,771	17,771	-
Total liabilities	14,159,279	14,159,279	-

31 Dec 2021 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
Assets			
Cash and balances with central banks	1,270,092	1,270,092	-
Treasury bills eligible for refinancing	316,411	316,411	-
Loans to credit institutions	779,636	779,636	-
Loans to the public	10,872,285	10,872,285	-
Shares	257	257	-
Derivatives	241	241	-
Total assets	13,238,922	13,238,922	-
Liabilities			
Deposits from the public	11,504,749	11,504,749	-
Subordinated liabilities	198,042	198,042	-
Derivatives	23,452	23,452	-
Total liabilities	11,726,243	11,726,243	-

NOTE 7 Loans to the public

SEK thousand	31 Mar 2022	31 Dec 2021
Loans to the household sector	11,408,136	10,798,530
Loans to the corporate sector ¹	109,761	73,755
Total loans to the public	11,517,897	10,872,285
Loans to the household sector, gross		
Stage 1, gross	10,871,509	10,330,411
Stage 2, gross	388,210	330,212
Stage 3, gross ²	650,120	623,294
Total loans to the household sector, gross	11,909,839	11,283,917
Provisions for expected loan losses, household sector		
Stage 1	-158,990	-153,465
Stage 2	-53,830	-41,982
Stage 3 ²	-288,883	-289,940
Total provisions for expected loan losses, household sector	-501,703	-485,387
Loans to the household sector, net		
Stage 1, net	10,712,519	10,176,946
Stage 2, net	334,380	288,230
Stage 3, net ²	361,237	333,354
Total loans to the household sector, net	11,408,136	10,798,530
<i>Geographic distribution of net loans</i>		
Norway	3,760,517	3,497,344
Finland	2,719,256	2,612,182
Germany	1,587,663	1,422,692
Sweden	1,038,625	1,027,610
Estonia	825,184	821,748
Latvia	707,822	675,810
Poland	454,279	449,519
Lithuania	389,614	331,482
Denmark	22,631	26,240
Austria	12,306	7,658
Total loans, net book value	11,517,897	10,872,285

CHANGE IN PROVISION FOR NET LOAN LOSSES

SEK thousand	31 Mar 2022	31 Dec 2021
Opening balance	-485,387	-392,800
Change in provision for sold loans	-57,377	-146,696
Reversal of provision for sold loans	57,377	146,696
Change in provision for expected loan losses in stage 1	-3,330	-22,727
Change in provision for expected loan losses in stage 2	-11,495	-4,566
Change in provision for expected loan losses in stage 3	4,126	-62,216
Exchange rate differences	-5,617	-3,078
Closing balance	-501,703	-485,387

¹ Lending to the corporate sector consists of loans in stage 1 to counterparties regarding sale of past due receivables.

² The Bank regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Bank's performance and risk profile.

NOTE 8 Deposits and borrowings from the public

SEK thousand	31 Mar 2022	31 Dec 2021
Germany	9,816,195	7,332,430
Norway	3,199,658	3,174,844
Sweden	572,994	662,747
Finland	354,465	334,728
Total deposits and borrowings from the public	13,943,312	11,504,749

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 32 % (36) of total deposits from the public.

CHANGES IN DEPOSITS AND BORROWINGS FROM THE PUBLIC

SEK thousand	31 Mar 2022	31 Dec 2021
Opening balance	11,504,749	8,714,032
Change	2,181,809	2,429,388
Exchange rate differences	256,754	361,329
Closing balance	13,943,312	11,504,749

NOTE 9 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 investment firms and related information contained in article 447 of Regulation (EU) No 575/2013 and Chapter 8, Section 1 of the Swedish FSA's regulations and general guidelines on regulatory requirements and capital buffers (FFFS 2014:12). Other information required pursuant to FFFS 2014:12 and Regulation (EU) No 575/2013 is provided on the Bank's website www.tfbankgroup.com.

TF Bank AB is the responsible institution and is under the supervision of the Swedish FSA. As a result, the Bank is subject to the rules governing credit institutions in Sweden. TF Bank AB is a listed company which means that the stock exchange rules are also applicable. TF Bank is classified as a small and non-complex institute in accordance to article 433 of supervisory regulation (EU) No 2019/876.

Information about own funds and capital requirements

The Bank'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) and the Swedish Financial Supervisory Authority's memorandum (FI dnr 20-20990) on the new capital requirements for Swedish banks.

The purpose of the regulations is to ensure that the Bank 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, Pillar 2 and the applicable buffer requirements.

On 2 February 2022 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.

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 9.1 % per 31 March 2022 and 10.5 % per 31 December 2021.

EBA's changed method for intangible assets deduction

In December 2020, a change took effect in the method for how intangible assets should be treated in own funds calculation according to Article 36 of (EU) 575/2013, which gives the possibility of deducting prudently valued software assets from the own funds. According to the previous method, the book value of intangible assets relating to software assets was deducted in its entirety from the own funds calculation, however, in the new method only the difference between the book amortisation of the software assets and the value based on prudent amortisation (three-years amortisation) is deducted from the own funds. The Bank choose to use the new calculation method starting from 1 January 2021.

Note 9 cont.

CAPITAL SITUATION ¹

SEK thousand	31 Mar 2022	31 Dec 2021
Common Equity Tier 1 capital (CET1)	1,287,537	1,237,589
Additional Tier 1 capital (AT1)	200,000	200,000
Tier 2 capital	198,196	198,042
Own funds ²	1,685,733	1,635,631
Risk exposure amount	10,559,971	10,079,383
- of which: credit risk	9,205,750	8,726,933
- of which: credit valuation adjustment risk	4,110	2,339
- of which: market risk	-	-
- of which: operational risk	1,350,111	1,350,111
Capital ratios		
CET1 capital ratio, %	12.2	12.3
Tier 1 capital ratio, %	14.1	14.3
Total capital ratio, %	16.0	16.2

REGULATORY CAPITAL REQUIREMENTS ¹

SEK thousand	31 Mar 2022		31 Dec 2021	
	Amount	Percent ³	Amount	Percent ³
Capital requirement under pillar 1				
CET1 capital requirement	475,199	4.5	453,572	4.5
Tier 1 capital requirement	633,598	6.0	604,763	6.0
Total capital requirement	844,798	8.0	806,351	8.0
Capital requirement under pillar 2				
CET1 capital requirement	49,623	0.5	46,834	0.5
Tier 1 capital requirement	66,164	0.6	62,445	0.6
Total capital requirement	88,218	0.8	83,260	0.8
- of which, concentration risk	87,220	0.8	81,944	0.8
- of which, currency risk	998	0.0	1,316	0.0
Total capital requirement under pillar 1 and pillar 2				
CET1 capital requirement	524,821	5.0	500,406	5.0
Tier 1 capital requirement	699,762	6.6	667,208	6.6
Total capital requirement	933,016	8.8	889,611	8.8
Institution-specific buffer requirement				
Total buffer requirement	295,890	2.8	282,444	2.8
- of which, capital conservation buffer requirement	263,999	2.5	251,985	2.5
- of which, countercyclical buffer requirement	31,891	0.3	30,460	0.3
Total capital requirement including buffer requirement				
CET1 capital	820,712	7.8	782,850	7.8
Tier 1 capital	995,652	9.4	949,652	9.4
Total capital	1,228,906	11.6	1,172,055	11.6
Capital available to use as buffer				
CET1 capital	762,716	7.2	737,183	7.3
Tier 1 capital	787,775	7.5	770,381	7.6
Total capital	752,717	7.1	746,020	7.4

¹ In accordance with the commission implementing regulation (EU) 2021/637 TF Bank AB discloses the information about capital adequacy and other information as per the template "EU KM1" in page 33.

² After any regulatory adjustments.

³ Capital requirements expressed as a percentage of the risk exposure amount.

Note 9 cont.

OWN FUNDS

SEK thousand	31 Mar 2022	31 Dec 2021
CET1 capital		
Share capital	107,500	107,500
Other reserves	75,376	72,365
Retained earnings including net profit for the period reviewed by the auditor	1,124,983	1,050,826
Adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends ¹	-26,608	-21,500
- IFRS 9 transitional arrangements	38,519	71,257
- Intangible assets ²	-22,350	-32,657
- Goodwill	-9,883	-10,202
Total CET1 capital	1,287,537	1,237,589
Additional Tier 1 capital		
Perpetual subordinated loan	200,000	200,000
Tier 2 capital		
Fixed term subordinated loan	198,196	198,042
Own funds	1,685,733	1,635,631

SPECIFICATION OF RISK EXPOSURE AMOUNT AND CAPITAL REQUIREMENT

SEK thousand	31 Mar 2022		31 Dec 2021	
	Risk exposure amount	Capital requirement 8 %	Risk exposure amount	Capital requirement 8 %
Credit risk under the standardised approach				
Corporate exposures	65,642	5,251	38,346	3,068
Household exposures	8,477,294	678,184	8,012,089	640,967
Exposures secured by real estate collateral	16,643	1,331	14,945	1,196
Exposures in default	361,721	28,938	390,444	31,236
Exposures to institutions with a short-term credit assessment	185,959	14,877	176,588	14,127
Equity exposures	610	49	597	48
Other items	97,881	7,830	93,924	7,514
Total	9,205,750	736,460	8,726,933	698,156
Credit valuation adjustment				
Standardised method	4,110	329	2,339	187
Total	4,110	329	2,339	187
Market risk ³				
Foreign exchange rate risk	-	-	-	-
Total	-	-	-	-
Operational risk				
Standardised approach	1,350,111	108,009	1,350,111	108,009
Total	1,350,111	108,009	1,350,111	108,009
Total risk exposure amount and total capital requirement	10,559,971	844,798	10,079,383	806,352

¹ 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.

² Deduction of software assets in accordance with EBA's new calculation method for the deduction of intangible assets from 1 January 2021.

³ The capital requirement for foreign exchange risk is calculated in accordance with Article 351 of Regulation (EU) 575/2013.

NOTE 10 Pledged assets, contingent liabilities and commitments

SEK thousand	31 Mar 2022	31 Dec 2021
Pledged assets		
Restricted bank deposits ¹	63,553	48,536
Total	63,553	48,536

SEK thousand	31 Mar 2022	31 Dec 2021
Commitments		
Unutilized credit limits	2,084,833	1,974,365
Future total minimum lease payments for non-cancellable operating leases	16,553	18,391
Total	2,101,386	1,992,756

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

NOTE 11 Transactions with related parties

Transactions between Group companies refer to invoicing of services provided by subsidiaries. Transactions with other related parties in the table below refer to transactions between TF Bank and companies that largely have the same owner as TF Bank's largest owner TFB Holding AB, corporate identity number 556705-2997. All transactions are priced according to the market.

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<i>The following transactions have been made between companies within the Group:</i>			
General administrative expenses	-3,908	-4,842	-18,341
Total	-3,908	-4,842	-18,341
<i>The following transactions have been made with other related parties:</i>			
Interest income (transaction costs)	-11,021	-9,051	-47,957
Fee and commission income	911	-	890
General administrative expenses	-555	-658	-3,109
Total	-10,665	-9,709	-50,176
<i>Acquisition of assets and liabilities from other related parties:</i>			
Ecommerce Solutions	145,168	144,088	596,687
Total	145,168	144,088	596,687

SEK thousand	31 Mar 2022	31 Dec 2021
<i>Assets and liabilities at the end of the period as a result of transactions with other related parties:</i>		
Other assets	938	1,461
Other liabilities	7,311	14

¹ Restricted bank deposits refers to reserve requirements at central banks in Estonia, Finland, Latvia and Poland.

ASSURANCE BY THE BOARD OF DIRECTORS AND THE CEO

The interim report has not been reviewed by the company's auditor.

The Board of Directors and the CEO certify that the interim report gives a true and fair overview of the development of the operations, financial position and result of the Bank and describes the material risks and uncertainties that the Bank faces.

Borås, 18 April 2022

John Brehmer
Chairman

Mari Thjømøe

Bertil Larsson

Charlotta Björnberg-Paul

Michael Lindengren

Sara Mindus

Mattias Carlsson
CEO

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 readers 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.

CET1 CAPITAL RATIO

CET1 capital as a percentage of total risk exposure amount.

COST/INCOME (C/I) 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 for the period divided by average loans to the public.

NEW LENDING

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

NUMBER OF ACTIVE CREDIT CARDS

All issued cards at the last day of the period that are used regularly.

OPERATING INCOME MARGIN

Total operating income for the period divided by average loans to the public.

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.

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. For the segments, net profit is calculated using a standard deduction for interest on Tier 1 capital instruments and a standard tax rate.

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.

TRANSACTION VOLUME

The sum of all purchases that go through TF Bank's payment solutions.

FINANCIAL CALENDAR

3 May 2022	Annual General Meeting 2022
12 July 2022	Interim report January-June 2022
17 October 2022	Interim report January-September 2022

This is information which TF Bank is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on 19 April 2022 at 07:00 CET.

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RECONCILIATION TABLES

KEY FIGURES ¹

SEK thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Income statement			
Earnings per share, SEK	3.61	2.84	12.55
Net profit for the period attributable to the shareholder's of the Parent Company	77,662	61,161	269,875
Average number of outstanding shares, thousands	21,500	21,500	21,500
Key figures ²			
Operating income margin, %	11.4	11.5	11.2
Total operating income, annualised	1,275,308	953,696	1,055,287
Average loans to the public	11,195,091	8,282,561	9,397,367
Net loan loss ratio, %	2.8	3.0	2.8
Net loan losses, annualised	311,828	248,684	260,564
Average loans to the public	11,195,091	8,282,561	9,397,367
Cost/Income ratio, %	43.3	40.9	41.9
Total operating expenses	138,059	97,609	442,165
Total operating income	318,827	238,424	1,055,287
Return on equity, %	24.5	24.1	24.4
Net profit for the period attributable to the shareholder's of the Parent Company, annualised	310,648	244,644	269,875
Average equity attributable to the shareholder's of the Parent Company	1,269,275	1,014,286	1,107,198
Return on loans to the public, %	2.8	3.0	2.9
Net profit for the period attributable to the shareholder's of the Parent Company, annualised	310,648	244,644	269,875
Average loans to the public	11,195,091	8,282,561	9,397,367

¹ The annualised figure has been calculated by multiplying the quarterly figure by four. The average has been calculated as opening balance plus closing balance, divided by two. In order for the key figures to reflect a true and fair view, the Group's opening balance for year 2020 has been used.

² Calculation of capital ratios is shown in Note 9.

REGULATORY KEY METRICS

TEMPLATE "EU KM1 – KEY METRICS TEMPLATE" IS DISCLOSED BELOW AS PER THE TECHNICAL STANDARDS IN THE COMMISSION IMPLEMENTING REGULATION 2021/637.

SEK thousand		31 Mar 2022	31 Dec 2021
Available own funds			
1	Common Equity Tier 1 capital (CET1)	1,287,537	1,237,589
2	Tier 1 capital	200,000	200,000
3	Total capital	198,196	198,042
Risk-weighted exposure amount			
4	Total risk exposure amount	10,559,971	10,079,383
Capital ratios (% of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio, %	12.2	12.3
6	Tier 1 ratio, %	14.1	14.3
7	Total capital ratio, %	16.0	16.2
Additional own funds requirements to address risks other than the risk of excessive leverage (% of risk-weighted exposure amount)			
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage, %	0.8	0.8
EU 7b	- of which, to be made up of CET1 capital, %	0.5	0.5
EU 7c	- of which, to be made up of Tier 1 capital, %	0.6	0.6
EU 7d	Total SREP own funds requirements, %	8.8	8.8
Combined buffer and overall capital requirement (% of risk-weighted exposure amount)			
8	Capital conservation buffer, %	2.5	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State, %	N/A	N/A
9	Institution specific countercyclical capital buffer, %	0.3	0.3
EU 9a	Systemic risk buffer, %	N/A	N/A
10	Global Systemically Important Institution buffer, %	N/A	N/A
EU 10a	Other Systemically Important Institution buffer, %	N/A	N/A
11	Combined buffer requirement, %	2.8	2.8
EU 11a	Overall capital requirements, %	11.6	11.6
12	CET1 available after meeting the total SREP own funds requirements, %	7.2	7.3
Leverage ratio			
13	Total exposure measure	16,436,458	13,751,040
14	Leverage ratio, %	9.1	10.5
Additional own funds requirements to address risks of excessive leverage (% of leverage ratio total exposure amount)			
EU 14a	Additional own funds requirements to address the risk of excessive leverage, %	N/A	N/A
EU 14b	- of which, to be made up of CET1 capital, %	N/A	N/A
EU 14c	Total SREP leverage ratio requirements, %	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement (% of total exposure measure)			
EU 14d	Total SREP leverage ratio requirements, %	N/A	N/A
EU 14e	Overall leverage ratio requirements, %	3.0	3.0
Liquidity Coverage Ratio			
15	Total high-quality liquid assets (Weighted value – average)	3,386,429	1,537,966
EU 16a	Cash outflows – Total weighted value	1,057,491	812,403
EU 16b	Cash inflows – Total weighted value	416,482	376,288
16	Total net cash outflows (adjusted value)	641,009	436,115
17	Liquidity coverage ratio, %	528	353
Net Stable Funding Ratio			
18	Total available stable funding	14,358,328	12,111,551
19	Total required stable funding	10,087,595	9,460,775
20	NSFR ratio, %	142	128

TF BANK'S GEOGRAPHICAL PRESENCE



SHARE OF LOAN PORTFOLIO BY COUNTRY AND QUARTER

