



INTERIM REPORT  
January-June 2024

 TFBank

# PERIOD IN BRIEF

## JANUARY – JUNE 2024

COMPARED TO JANUARY - JUNE 2023 (unless otherwise stated)

- The loan portfolio amounted to SEK 19,423 million, compared to June 2023 the increase in local currencies was 18 %
- Operating profit increased by 27 % to SEK 305.6 million
- Earnings per share increased by 26 % to SEK 10.47
- Cost/income ratio improved to 39.8 % (41.6)
- Return on equity amounted to 22.3 % (22.0)
- Total capital ratio has decreased to 15.6 % (15.9) since year-end

## SIGNIFICANT EVENTS

JANUARY - JUNE 2024

- Lending operations in Spain have been established in the Credit Card segment with a similar offering as in other credit card markets.
- The credit card business had an organic loan book growth of 63 % over the past year and economies of scale in the business model have contributed to a significantly improved operating profit of 96 %.
- Strong performance in the Ecommerce Solutions segment has resulted in an increase in operating profit of 64 %, mainly related to rising operating income in the Nordic region.

## APRIL – JUNE 2024

COMPARED TO APRIL - JUNE 2023 (unless otherwise stated)

- The loan portfolio amounted to SEK 19,423 million, compared to June 2023 the increase in local currencies was 18 %
- Operating profit increased by 29 % to SEK 157.7 million
- Earnings per share increased by 29 % to SEK 5.43
- Cost/income ratio improved to 39.5 % (41.5)
- Return on equity amounted to 22.5 % (21.7)

The increased organic growth rate in the second quarter of the year reinforces the company's transformation journey towards a fast-growing European card and payment platform.

### LOAN PORTFOLIO <sup>1</sup>

30 JUNE 2024 COMPARED TO 30 JUNE 2023

SEK **19.4** BILLION **+18 %**

### TOTAL CAPITAL RATIO

30 JUNE 2024 COMPARED TO 31 DECEMBER 2023

**15.6 %** **-0.3** PERCENTAGE POINTS

### OPERATING PROFIT

JAN-JUN 2024 COMPARED TO JAN-JUN 2023

SEK **306** MILLION **+27 %**

### RETURN ON EQUITY

JAN-JUN 2024 COMPARED TO JAN-JUN 2023

**22.3 %** **+0.3** PERCENTAGE POINTS

<sup>1</sup> Development of the loan portfolio in local currencies

See separate section with definitions and reconciliation tables, page 41-42.

# THIS IS TF BANK

## BACKGROUND

TF Bank was founded 1987 and is a digital bank offering consumer banking services and e-commerce solutions through a proprietary IT platform with a high degree of automation. Deposit and/or lending activities are conducted in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland and the Netherlands through subsidiary, branch or cross-border banking with the support of the Swedish banking license. The operations are divided into three segments: Credit Cards, Ecommerce Solutions and Consumer Lending. TF Bank is listed at Nasdaq Stockholm.

In the Credit Cards segment TF Bank offers credit cards to creditworthy individuals. In the Ecommerce Solutions segment, TF Bank offers digital payment solutions primarily within e-commerce to creditworthy individuals. 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.

## THE GROUP'S KEY FIGURES

SEK thousand	Apr-Jun 2024	Apr-Jun 2023	Δ	Jan-Jun 2024	Jan-Jun 2023	Δ	Jan-Dec 2023
<b>Income statement</b>							
Operating income	595,321	479,235	24%	1,156,341	923,363	25%	1,998,121
Operating expenses	-235,294	-199,113	18%	-459,959	-384,500	20%	-831,671
Net loan losses	-202,313	-157,823	28%	-390,739	-298,249	31%	-656,851
Operating profit	157,714	122,299	29%	305,643	240,614	27%	509,599
Profit for the period	124,317	95,094	31%	240,129	187,864	28%	396,700
Earnings per share, SEK	5.43	4.22	29%	10.47	8.32	26%	17.53
<b>Balance sheet</b>							
Loans to the public	19,422,998	17,012,077	14%	19,422,998	17,012,077	14%	17,870,633
Deposits from the public	20,664,606	18,389,909	12%	20,664,606	18,389,909	12%	20,652,997
New lending	6,487,523	5,710,188	14%	12,062,831	10,641,184	13%	22,046,078
<b>Key figures</b>							
Operating income margin, %	12.5	11.9		12.4	11.7		12.3
Net loan loss ratio, %	4.2	3.9		4.2	3.8		4.0
Cost/Income ratio, %	39.5	41.5		39.8	41.6		41.6
Return on equity, %	22.5	21.7		22.3	22.0		21.9
Return on loans to the public, %	2.4	2.2		2.4	2.3		2.3
CET1 capital ratio, % <sup>1</sup>	12.0	11.8		12.0	11.8		12.0
Tier 1 capital ratio, % <sup>1</sup>	13.5	12.5		13.5	12.5		13.6
Total capital ratio, % <sup>1</sup>	15.6	15.0		15.6	15.0		15.9
Employees (FTE)	417	379	10%	411	367	12%	380

## EXCHANGE RATES

SEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
EUR Income statement (average)	11.51	11.46	11.39	11.32	11.48
EUR Balance sheet (end of reporting period)	11.36	11.79	11.36	11.79	11.10
NOK Income statement (average)	0.99	0.98	0.99	1.00	1.01
NOK Balance sheet (end of reporting period)	1.00	1.01	1.00	1.01	0.99
PLN Income statement (average)	2.68	2.52	2.64	2.45	2.53
PLN Balance sheet (end of reporting period)	2.64	2.65	2.64	2.65	2.56

<sup>1</sup> Comparative figures for the first half-year 2023 refers to the parent company TF Bank AB since the consolidated situation occurred in the fourth quarter of 2023. See separate section with definitions and reconciliation tables, page 41-42.

# CEO'S COMMENTS

**TF Bank's loan portfolio has increased by 18 % in local currencies over the past year and amounted to SEK 19.4 billion at the end of the quarter. The credit card business in Germany continues to drive the organic growth. The Group's operating profit increased by 29 % compared to the corresponding quarter in 2023.**

The increased organic growth rate in the second quarter of the year reinforces the company's transformation journey towards a fast-growing European card and payment platform. TF Bank is currently present in 13 European markets, with the idea of offering credits to private individuals at exactly the time when they need it. The Bank has an attractive positioning as a European credit card actor with strong BNPL ("Buy Now Pay Later") functionality with a proven ability to grow the pan-European credit card business, especially in Germany.

The strong growth in the Credit Card segment continued during the quarter and in local currencies the loan portfolio has increased by 63 % over the past year. The German business continues to drive the segment's growth and the number of active credit cards in Germany amounts to 252,000. Furthermore, credit cards were launched in Spain and in the coming quarters a launch in the Italian market is planned. In both countries, we expect a slow establishment in line with the Bank's "low and grow" strategy, just like in Germany where the establishment took place already in 2018.

Ecommerce Solutions had a negative organic growth of 2 % over the past year. BNPL's operations in the Nordic region are conducted under the Avarda brand, which is a leading player in payment and checkout solutions in the Nordic region. During the second half of the year, Avarda will establish in Germany by launching credit products for its digital payment solutions in the German market. In order to achieve full synergy in the European card and payment platform, we are preparing for parts of Avarda's operations to be conducted in the same legal entity as the credit card business, without any other business impact.

The Consumer Lending loan portfolio has grown by 1 % in local currencies over the past year. Before we began our transformation journey, the segment accounted for the primary growth in the Group. TF Bank has had a unique ability to consistently deliver high return on equity on consumer loans over the past decade. To ensure a continued focus in the profitable Nordic business, we have therefore applied to the Swedish Financial Supervisory Authority during the quarter to establish our own credit market company for this business within the Group.

TF Bank's capital ratios have been stable during the quarter and the margin to the regulatory requirements is reassuring. As we have previously communicated, we are working on various solutions to be able to mitigate the future negative effects of a higher provision ratio on non-performing loans in the capital adequacy under the so-called backstop framework. Among other things, we are investigating the possibility of establishing a business focused on non-performing loans, which meets the conditions for being a so-called "Specialised Debt Restructurer" in accordance with the updates in the capital adequacy regulations that come into force on January 1, 2025.

The European macroeconomic developments and the expected future interest rate cycle are expected to have a positive impact on us. Since the Bank's financing is interest rate sensitive, a stronger net interest income can be expected over time in the wake of lower central bank interest rates, the opposite of the situation of the larger banks. Hopefully, households are now through the most severe macroeconomic stress, with higher market interest rates and weakened purchasing power. We are positive that the inflation rate has decreased, which will strengthen households' purchasing power going forward. At the same time, we are humble about the fact that the new normal probably means higher interest rates than a few years ago.

Finally, I would like to mention that volumes in segment Credit Cards have kick-started the third quarter and the loan portfolio is shortly expected to pass our financial target to achieve a loan portfolio of SEK 20 billion by the first half of 2025. Therefore we plan to launch new financial targets in the second half of 2024.



*Joakim Jansson*  
President and CEO

# RESULTS AND FINANCIAL POSITION

## GROUP

### JANUARY - JUNE 2024

COMPARED TO JANUARY - JUNE 2023

#### Operating profit

Operating profit increased by 27 % to SEK 305.6 million (240.6). Higher operating income from the growing loan portfolio has contributed to the increasing operating profit. Earnings per share increased by 26 % to SEK 10.47 (8.32). Return on equity amounted to 22.3 % (22.0).

#### Operating income

The operating income has increased by 25 % to SEK 1,156 million (923.4). The increase is related to the growing loan portfolio and geographically it was primarily Germany that had higher operating income. The operating income comprises 93 % of net interest income and 7 % of net fee and commission income in the interim period. The operating income margin has improved to 12.4 % (11.7).

#### Interest income

Interest income increased by 42 % to SEK 1,473 million (1,041), which is partly due to a growing loan portfolio and partly to rising financing costs being passed on to the Bank's lending customers.

#### Interest expense

The interest expenses increased by 98 % to SEK 402.1 million (202.8). Rising financing costs are explained by the fact that new deposits have been received at a higher deposit rate than the interest rate on the existing deposit portfolio. Growing deposit balances during the last year have also contributed to an increase in interest expenses.

#### Net fee and commission income

Net fee and commission income increased to SEK 86.6 million (86.4). The marginal increase is mainly attributable to higher transaction-related costs in the Credit Cards segment associated with significantly increased transaction volumes. During the interim period, 39 % of TF Bank's fee and commission income consisted of collection fees and 61 % from insurance premiums and other commission income.

#### Operating expenses

The operating expenses increased by 20 % to SEK 460.0 million (384.5). The increase is mainly explained by higher sales-related expenses and more employees due to the increase in new lending. The C/I ratio improved to 39.8 % (41.6) especially as a result of economies of scale in the Credit Cards segment.

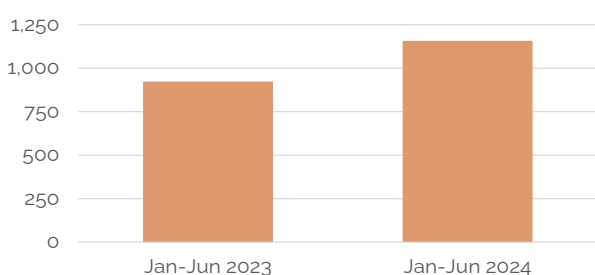
#### Loan losses

The loan losses increased by 31 % to SEK 390.7 million (298.2). The growing loan portfolio in the Credit Cards segment and higher loan losses in the Ecommerce Solutions segment contributed to an increase in the net loan losses. The loan loss ratio amounted to 4.2 % (3.8).

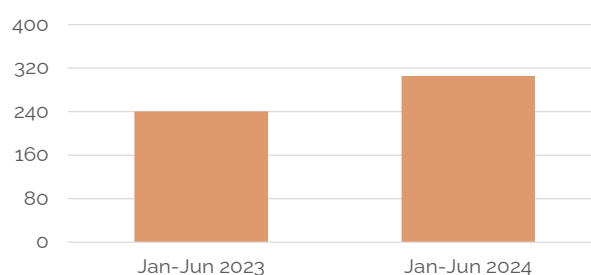
#### Tax expense

The tax expenses increased to SEK 65.5 million (52.8). The increase in the tax expenses is related to a higher operating profit.

OPERATING INCOME (SEK million)



OPERATING PROFIT (SEK million)



# RESULTS AND FINANCIAL POSITION

## GROUP

### JANUARY - JUNE 2024

COMPARED TO 31 DECEMBER 2023 (unless otherwise stated)

#### Loans to the public

The loan portfolio amounted to SEK 19,423 million (17,012), an increase in local currencies of 18 % compared to June 2023. Negative currency effects impacted the loan portfolio growth by 4 %. New lending increased by 13 % to SEK 12,063 million (10,641) compared to the first half of 2023. The increase is affected by record volumes in the Credit Cards segments.

TF Bank's loan portfolio is well-diversified with relatively small exposures in several different geographic markets. At the end of the first half of the year, the exposure towards the three largest countries was Germany at 32 %, Norway 23 % and Finland 17 %. The main driver of the past year's loan book growth has been the German credit card business.

#### Deposits from the public

Deposits from the public amounted to SEK 20,665 million (18,390), an increase in local currencies of 16 % compared to June 2023. Negative currency effects have affected the deposit balance by another 4 %. At the end of the first half of the year, deposits were geographically distributed between Germany 83 %, the Netherlands 9 % and other countries 8 %. During the end of 2023, the Bank launched deposit products in Spain, Ireland and the Netherlands.

The increased deposit balance over the past year is mainly attributable to the Netherlands and Germany and relates to savings accounts with fixed interest rate. At the end of the first half of the year, accounts with a fixed term comprised of 57 % (40) of TF Bank's total deposits.

#### Cash and cash equivalents

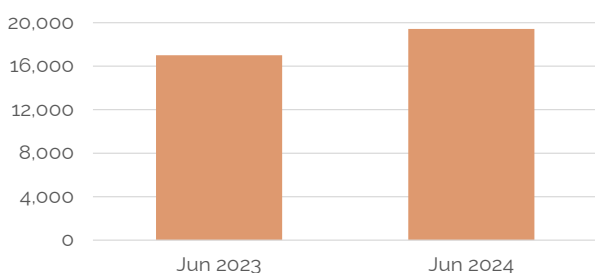
Cash and cash equivalents decreased to SEK 4,357 million (5,744) during the first half of 2024. The decrease is mainly attributable to increased lending to the public. At the end of the interim period, the available liquidity reserve amounted to 20 % (25)<sup>1</sup> of deposits from the public.

#### Capital adequacy

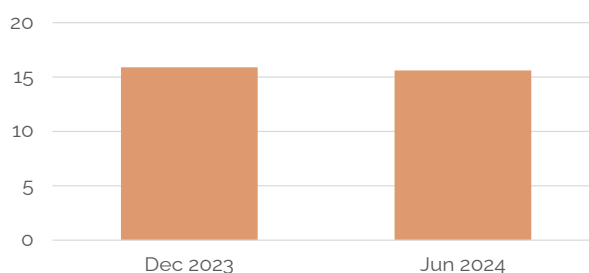
The capital ratios have been more or less stable since year-end and at the end of the first half of 2024 the CET1 capital ratio was 12.0 % (12.0), the Tier 1 capital ratio was 13.5 % (13.6) and the total capital ratio was 15.6 % (15.9). The deduction from own funds for provisions on non-performing loans has increased from SEK 40 million at year-end to SEK 92 million at the end of the first half of the year 2024.

TF Bank's regulatory CET1 capital requirement amounted to 8.8 % by the end of the first half of 2024, the Tier 1 capital requirement to 10.5 % and the total capital requirement to 12.8 %.

LOANS TO THE PUBLIC (SEK million)



TOTAL CAPITAL RATIO (%)



<sup>1</sup> Excluding restricted cash and cash equivalents that are not available the next day.

# RESULTS AND FINANCIAL POSITION

## GROUP

### APRIL - JUNE 2024

COMPARED TO APRIL - JUNE 2023

#### Operating profit

Operating profit increased by 29 % to SEK 157.7 million (122.3). Higher operating income from the growing loan portfolio had a positive effect on the operating profit. Earnings per share increased by 29 % to SEK 5.43 (4.22). Return on equity amounted to 22.5 % (21.7).

#### Operating income

The operating income has increased by 24 % to SEK 595.3 million (479.2). The increase is mainly explained by the growth of the loan portfolio in the Credit Card segment. The operating income margin has increased compared to the second quarter of 2023 and amounted to 12.5 % (11.9). The operating profit margin has strengthened thanks to Credit Cards and Ecommerce Solutions segments compared to last year.

#### Operating expenses

The operating expenses have increased by 18 % to SEK 235.3 million (199.1). The expenses for the quarter were impacted by high volumes for new lending resulting in higher sales-related costs. The C/I ratio, however, improved to 39.5 % (41.5).

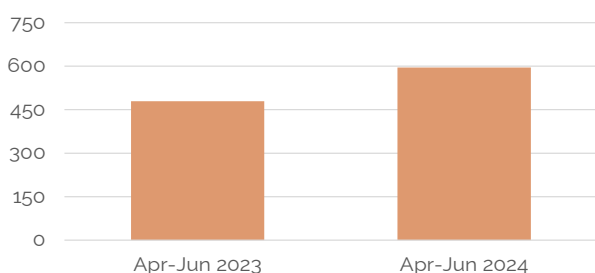
#### Loan losses

The loan losses increased by 28 % to SEK 202.3 million (157.8) and the loan loss ratio amounted to 4.2 % (3.9). The outcome in the quarter is among other things impacted by provisions for expected loan losses related to new lending in the Credit Cards segment and a higher level of credit losses in the Ecommerce Solutions segment.

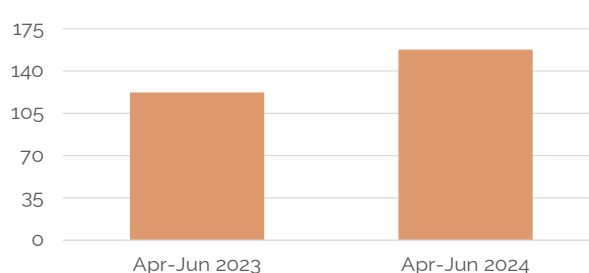
#### Loans to the public

The loan portfolio amounted to SEK 19,423 million (17,021), an increase in local currencies of 18 % compared to June 2023. Negative currency effects have affected the loan portfolio's growth by 4 %. The main driver in the quarter has been the growth for the German credit card portfolio. New lending increased by 14 % to SEK 6,488 million (5,710).

OPERATING INCOME (SEK million)



OPERATING PROFIT (SEK million)



# CREDIT CARDS

## JANUARY - JUNE 2024

COMPARED TO JANUARY - JUNE 2023 (unless otherwise stated)

In the Credit Cards segment, TF Bank offers credit cards to creditworthy individuals in Germany, Norway, Austria and Spain. The credit card offering has been available in the Bank since 2015 in the Norwegian market, with Germany being launched in 2018 and Austria in 2022. Lending operations in Spain have been established in the second quarter of 2024. The credit card is compatible with both Google Pay and Apple Pay in all markets, with the launch in Norway and Austria in the first quarter of 2024. A self-developed mobile app is used as the primary channel for customer communication.

At the end of the second quarter, the number of active German credit cards amounted to approximately 252,000, which is the fastest growing market in the segment. At the end of the second quarter, the number of active Norwegian credit cards was approximately 28,000 and the number of active credit cards in Austria was approximately 15,000. In the coming quarters, a launch is also planned in the Italian market.

### The loan portfolio

The loan portfolio amounted to SEK 7,324 million (4,663), an increase in local currencies of 63 % compared to June 2023. Negative currency effects impacted the loan portfolio growth by 6 %. The new lending has increased by 61 % to SEK 7,161 million (4,445). The increase is mainly related to the operations in Germany.

The loan portfolio in Germany has increased by 62 % to EUR 538 million (332) over the past year. The growth is mainly generated by an increased number of issued credit cards.

The loan portfolio in Norway has increased by 62 % to NOK 854 million (527) over the past year. The volumes have increased due to a changed credit strategy which has resulted in a significant increase in the utilisation rate on the credit cards. The loan portfolio in Austria has increased by 74 % to EUR 32 million (18) over the past year.

### Results

The operating profit has increased by 96 % to SEK 97.5 million (49.8). Higher income from the growing loan portfolio and economies of scale in the business model contributed to the considerable improvement in the profit.

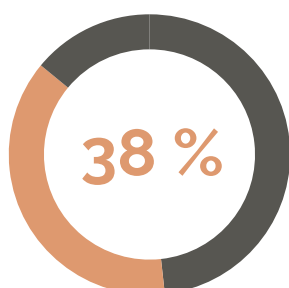
The operating income increased by 61 % to SEK 474.1 million (294.4). The increase is mainly related to the high growth in Germany. The operating income margin decreased to 14.4 % (14.9), mainly due to higher financing costs. Furthermore, a larger proportion of issued cards have been made through intermediaries, which also has a negative impact on margins.

The operating expenses increased by 39 % to SEK 173.5 million (124.9) and the expenses have been affected by factors such as a higher frequency in the number of newly issued cards. However, the C/I ratio improved to 36.6 % (42.4) due to economies of scale in the business model and a reduced direct marketing costs.

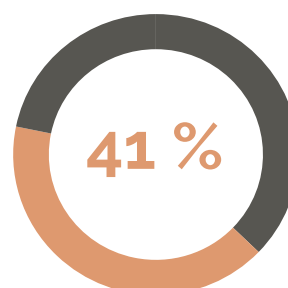
The loan losses increased by 70 % to SEK 203.0 million (119.7). The increase was primarily affected by provisions for expected credit losses related to the growing loan portfolio in Germany. The loan loss ratio increased to 6.2 % (6.0).

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 - JUNE 2024

COMPARED TO JANUARY - JUNE 2023 (unless otherwise stated)

In the Ecommerce Solutions segment, TF Bank offers digital payment solutions primarily within e-commerce to creditworthy individuals. The digital payment solutions are available in the Nordic region by the subsidiary Avarda AB and in the Baltics as well as Poland by TF Bank AB. During autumn 2023 new lending in Poland has ceased. New lending in the Baltic countries has ended as of the end of January 2024. At the end of the second quarter, the Nordic loan portfolio comprises 85 % of the segment and the remaining markets comprises 15 % combined at the end of the second quarter.

Avarda as a brand has been around since 2015 with a focus on digital payment solutions. Avarda AB conducts operations in Sweden, Norway, Finland and Denmark, via a branch or cross-border with the support of the Swedish license. The goal is to create a payment solution for e-retailers who want to build and strengthen their own brand throughout the entire buying journey, from checkout to payment. The payment solutions are offered for e-commerce and brick and mortar stores in the Nordic region. Avarda sees continued development of the business in the Nordic region and plans for an establishment in Germany during the second half of 2024.

### The loan portfolio

The loan portfolio amounted to SEK 2,725 million (2,851) a decrease in local currencies of 2 % compared to June 2023. Negative currency effects impacted the loan portfolio growth by another 2 %. New lending decreased by 11 % to SEK 2,662 million (3,006). The decrease is mainly related to new lending in the Baltics has ended as of the end of January 2024.

The loan portfolio in the Nordics increased by 13 % in local and amounted to SEK 2,358 million (2,126). In Finland, the portfolio increased by 5 % to EUR 99 million (94) over the past year. The increase is explained by a continued growth for e-commerce and an inflow of several new partners. The Swedish loan portfolio increased by 17 % to SEK 882 million (755) following strong sales development during the past year. In Norway the loan portfolio increased by 24 % to NOK 305 million (246). In Denmark, the loan portfolio decreased to DKK 4 million (7).

The loan portfolio in the Baltics has decreased by 50 % to EUR 16 million (32) over the past year. The decrease is mainly explained by new lending has ceased at the end of January 2024. In Poland, the loan portfolio has decreased by 46 % to PLN 71 million (132).

### Results

The operating profit increased by 64 % to SEK 45.5 million (27.7). The increase is mainly related to rising operating income in the Nordic region as a result of increased financing costs being passed on to customers to a greater extent.

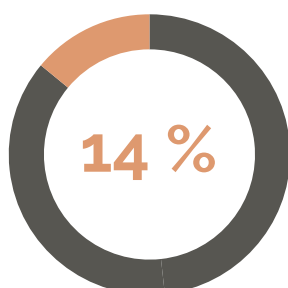
The operating income increased by 31 % to SEK 252.0 million (191.8) as a result of increased financing costs being passed on to customers. Increased transaction volumes in the Nordic region have also resulted in higher operating income. The operating income margin improved to 17.6 % (13.8).

The operating expenses increased by 21 % to SEK 147.9 million (122.1). This is explained by increased sales-related costs and more employees. However, the C/I ratio improved to 58.7 % (63.7).

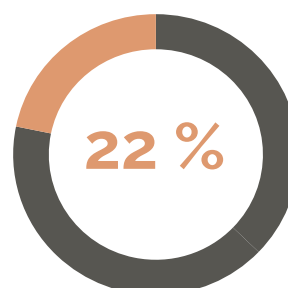
The loan losses increased by 40 % to SEK 58.6 million (41.9) which mainly is related to Finland and Sweden. The loan loss ratio increased to 4.1 % (3.0).

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



# CONSUMER LENDING

## JANUARY - JUNE 2024

COMPARED TO JANUARY - JUNE 2023 (unless otherwise stated)

In the Consumer Lending segment, TF Bank offers unsecured consumer loans to creditworthy individuals. The product offering differs between the various markets and is adjusted according to the specific conditions in each country. At the end of the second quarter, the average loan amount per customer was approximately SEK 72 thousand.

The Nordic loan portfolio comprises 67 % of the segment. The Nordic markets for consumer loans are characterised by credit information that is easy to access, a high share of credit intermediaries, and a well-functioning system for collection of unpaid debts.

The loan portfolio outside of the Nordics accounts for 33 % of the segment, the majority is in the Baltics. The Baltic countries have fast-growing credit markets with several established Nordic companies operating locally. The Bank has chosen to pause new lending in Spain and Sweden since the second half of the year 2023.

### The loan portfolio

The loan portfolio amounted to SEK 9,373 million (9,498), an increase in local currencies of 1 % compared to June 2023. Negative currency effects have impacted the loan portfolio's growth of 2 %. New lending has decreased by 30 % to SEK 2,240 million (3,190), which is an effect of a deliberate strategy to allocate more capital to other segments.

The Nordic loan portfolio has decreased by 2 % in local currencies to SEK 6,255 million (6,554). The loan portfolio in Norway has increased by 3 % to NOK 3,368 million (3,265) over the past year. Growth in Norway is characterised by stable margins and good credit quality. The loan portfolio in Finland

has decreased by 7 % to EUR 196 million (212). The Swedish loan portfolio has decreased by 26 % to SEK 468 million (636) and the loan portfolio in Denmark has increased by 74 % to DKK 132 million (76) over the past year.

The loan portfolio in the Baltics has increased by 12 % to EUR 258 million (231) over the past year. The growth is stable in all Baltic countries, but is slightly higher in Lithuania than in Estonia and Latvia. The Polish loan portfolio decreased to PLN 22 million (32). The loan portfolio in Spain amounted to EUR 11 million (11).

### Results

The operating profit is largely unchanged at SEK 162.7 million (163.1). Financing costs have increased, which has resulted in a slightly lower net interest income. At the same time, loan losses have decreased in corresponding degree.

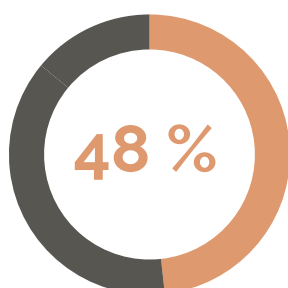
The operating income decreased by 2 % to SEK 430.3 million (437.2) which is mainly related to a slightly lower net interest income in the Nordics. The operating income margin has decreased to 9.3 % (9.6). Higher financing costs have had a negative impact on the operating income margin.

The operating expenses is largely unchanged and amounted to SEK 138.5 million (137.5). However, the C/I ratio increased to 32.2 % (31.5) as a result of a slightly lower net interest income.

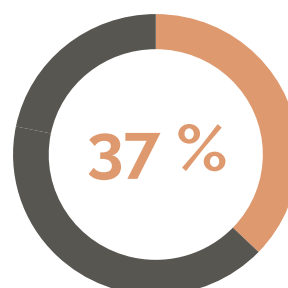
The loan losses have decreased by 6 % to SEK 129.0 million (136.6) and the loan loss ratio has improved to 2.8 % (3.0), which is explained by a slightly improved credit quality in the last quarter.

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

## 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. As of the last trading day of the second quarter of 2024, the share price closed at SEK 232, an increase of 36 % during the first half of the year. In total, approximately 1.1 million shares in TF Bank shares worth approximately SEK 409 million were traded on Nasdaq Stockholm during the first half of 2024.

## Institutions following TF Bank

ABG Sundal Collier, Carnegie, Nordea and DNB are following the company. All institutions had issued a buy recommendation for the TF Bank share at the end of the first half of 2024.

## 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 - June 2024

New lending in the Baltics in the Ecommerce Solutions segment has ended as of the end of January.

The Annual General Meeting on 2 May resolved that the Meeting's available standing funds be carried forward. John Brehmer was re-elected as Chairman of the Board. The other members of the Board of Directors were re-elected at the Annual General Meeting.

Lending operations in Spain have been established in the Credit Card segment with a similar offering as in other credit card markets.

The credit card business had an organic loan book growth of 63 % over the past year and economies of scale in the business model have contributed to a significantly improved operating profit of 96 %.

Strong performance in the Ecommerce Solutions segment has resulted in an increase in operating profit of 64 %, mainly related to rising operating income in the Nordic region.

## Presentation for investors, analysts, and media

A live conference call will be held on Friday 12 July 2024 at 08.15 CET, where CEO Joakim Jansson and CFO Mikael Meomuttel will present the interim 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 and ask questions call +46 (0)8 5053 9728 and enter the meeting code 830 7190 7947. For international investors, there is a 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](http://www.tfbankgroup.com).

# OTHER INFORMATION

## Risks and uncertainties

Different types of risks arise in the Group's business operations. The risks can be actualised 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 (interest rate, and currency exchange risks)
- Liquidity risks
- Operational risks (including process risks, IT and systemic risks and external risks)
- Other business risks (including business risks, cyclical risks and reputational risks)

The Bank estimates 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.

The banking operations are subject to extensive regulations concerning capital adequacy and liquidity requirements, which are primarily governed by the regulatory package that comprises Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR), which jointly implement the Basel agreement within the European Union (collectively known as the "Basel regulatory framework"). The Basel regulatory framework includes certain capital requirements that are intended to be adjustable over time and that are dependent on such factors as the presence of cyclical and structural systemic risks. The Bank must fulfil the specified capital and liquidity requirements and have capital and access to liquidity at all times. TF Bank monitors changes related to capital and liquidity requirements and takes these into consideration regarding the financial targets.

More information regarding the Bank's credit risks and capital adequacy can be found in Notes 2 and 9 and on page 42 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 31 of the Annual report 2023.

## Geopolitical and macroeconomic uncertainty

TF Bank is affected by changes in the world around us that are linked to geopolitics and macroeconomics. The geopolitical situation remains uncertain in parts of Europe, while the macroeconomic situation continues to be affected by the high inflation and higher interest rates of recent years. It cannot be ruled out that TF Bank's operations, new lending or credit losses may be adversely affected by geopolitical and macroeconomic events in the future.

## Environment

TF Bank works actively to conduct a responsible business where the intention is to have as limited negative impact on the environment and people as possible. Environmental resources are used responsibly and carefully throughout the Bank's operations. TF Bank conducts operations in an environmentally sustainable manner by, for example, improving efficiency and investing in sustainable products and services. The business model is as digital and automated as possible, making the Bank accessible while limiting the environmental impact. More detailed information about the Group's sustainability work can be found in TF Bank's Sustainability Report for 2023, which is published on the Group's website, [www.tfbankgroup.com](http://www.tfbankgroup.com).

From the financial year 2025, TF Bank will be covered by the new EU Sustainability Reporting Directive, CSRD, with the first reporting in 2026. This means that the Bank will report in accordance with the European Sustainability Reporting Standards (ESRS). The directive will entail increased requirements for more comprehensive disclosure and information linked to sustainability than is currently required, which the Group is working on continuously.

## Accounting policies

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

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

The Bank's accounting principles, valuation methods, and presentation remain substantially unchanged compared to the annual report 2023. The interim information on pages 3-43 is an integral part of this financial report.

## LOAN PORTFOLIO PERFORMANCE IN 2022-2024 (SEK MILLION)



# FINANCIAL INFORMATION



## INCOME STATEMENT - CONSOLIDATED

SEK thousand	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
	3					
<b>Operating income</b>						
Interest income		749,513	548,927	1,472,518	1,040,627	2,368,918
Interest expense		-200,012	-112,722	-402,064	-202,843	-547,605
<b>Net interest income</b>		<b>549,501</b>	<b>436,205</b>	<b>1,070,454</b>	<b>837,784</b>	<b>1,821,313</b>
Fee and commission income		87,884	67,533	167,676	128,458	280,246
Fee and commission expense		-42,603	-23,131	-81,108	-42,060	-103,335
<b>Net fee and commission income</b>		<b>45,281</b>	<b>44,402</b>	<b>86,568</b>	<b>86,398</b>	<b>176,911</b>
Net results from financial transactions		539	-1,372	-681	-819	-103
<b>Total operating income</b>		<b>595,321</b>	<b>479,235</b>	<b>1,156,341</b>	<b>923,363</b>	<b>1,998,121</b>
<b>Operating expenses</b>						
General administrative expenses		-206,610	-166,104	-402,884	-315,389	-706,846
Depreciation and amortisation of tangible and intangible assets		-16,864	-15,887	-33,441	-29,161	-60,466
Other operating expenses		-11,820	-17,122	-23,634	-39,950	-64,359
<b>Total operating expenses</b>		<b>-235,294</b>	<b>-199,113</b>	<b>-459,959</b>	<b>-384,500</b>	<b>-831,671</b>
<b>Profit before loan losses</b>		<b>360,027</b>	<b>280,122</b>	<b>696,382</b>	<b>538,863</b>	<b>1,166,450</b>
Net loan losses	4	-202,313	-157,823	-390,739	-298,249	-656,851
<b>Operating profit</b>		<b>157,714</b>	<b>122,299</b>	<b>305,643</b>	<b>240,614</b>	<b>509,599</b>
Income tax for the period		-33,397	-27,205	-65,514	-52,750	-112,899
<b>Profit for the period</b>		<b>124,317</b>	<b>95,094</b>	<b>240,129</b>	<b>187,864</b>	<b>396,700</b>
<i>Attributable to:</i>						
<i>Shareholders of the Parent Company</i>		116,774	90,789	225,133	178,938	376,853
<i>Additional Tier 1 capital holders</i>		7,543	4,305	14,996	8,926	19,847
<i>Basic earnings per share (SEK)</i>		5.43	4.22	10.47	8.32	17.53
<i>Diluted earnings per share (SEK)</i>		5.43	4.22	10.47	8.32	17.53

## STATEMENT OF OTHER COMPREHENSIVE INCOME - CONSOLIDATED

SEK thousand	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
<b>Profit for the period</b>	<b>124,317</b>	<b>95,094</b>	<b>240,129</b>	<b>187,864</b>	<b>396,700</b>
<b>Other comprehensive income</b>					
<b>Items that may subsequently be reclassified to the income statement</b>					
Gross exchange rate differences	1	-94	-300	-132	-1,358
Tax on exchange rate differences in the period	-	-25	-	-11	260
<b>Other comprehensive income for the period</b>	<b>1</b>	<b>-119</b>	<b>-300</b>	<b>-143</b>	<b>-1,098</b>
<b>Total comprehensive income for the period</b>	<b>124,318</b>	<b>94,975</b>	<b>239,829</b>	<b>187,721</b>	<b>395,602</b>
<i>Attributable to:</i>					
<i>Shareholders of the Parent Company</i>	116,775	90,670	224,833	178,795	375,755
<i>Additional Tier 1 capital holders</i>	7,543	4,305	14,996	8,926	19,847

## BALANCE SHEET - CONSOLIDATED

SEK thousand	Note	30 Jun 2024	31 Dec 2023
	2,5,6		
<b>ASSETS</b>			
Cash and balances with central banks		18,260	18,916
Treasury bills eligible for refinancing		2,403,908	3,635,697
Loans to credit institutions		1,934,924	2,089,504
Loans to the public	3.7	19,422,998	17,870,633
Shares		146	144
Goodwill		12,753	12,753
Intangible assets		95,895	93,088
Tangible assets		57,745	60,015
Other assets		74,385	52,105
Aktuell skattefordran		36	1,818
Deferred tax assets		28,294	54,277
Prepaid expenses and accrued income		76,227	57,808
<b>TOTAL ASSETS</b>		<b>24,125,571</b>	<b>23,946,758</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits and borrowings from the public	8	20,664,606	20,652,997
Other liabilities		291,404	421,487
Current tax liabilities		56,754	97,325
Accrued expenses and prepaid income		373,604	255,968
Provisions		5,938	11,158
Subordinated liabilities	11	347,518	346,909
<b>Total liabilities</b>		<b>21,739,824</b>	<b>21,785,844</b>
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital		107,500	107,500
<b>Total restricted equity</b>		<b>107,500</b>	<b>107,500</b>
<b>Non-restricted equity</b>			
Foreign currency reserve		1,672	1,972
Retained earnings including the profit for the period		2,026,575	1,801,442
<b>Total non-restricted equity</b>		<b>2,028,247</b>	<b>1,803,414</b>
<b>Total equity attributable to the shareholders of the Parent Company</b>		<b>2,135,747</b>	<b>1,910,914</b>
Tier 1 capital instrument		250,000	250,000
<b>Total equity attributable to the owners of the Parent Company</b>		<b>2,385,747</b>	<b>2,160,914</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>24,125,571</b>	<b>23,946,758</b>



## STATEMENT OF CHANGES IN EQUITY - CONSOLIDATED

SEK thousand	Restricted equity	Non-restricted equity			Total equity
	Share capital <sup>1</sup>	Foreign currency reserve	Retained earnings including the year's results	Tier 1 capital instrument <sup>2</sup>	
<b>Equity as at 1 Jan 2023</b>	<b>107,500</b>	<b>3,070</b>	<b>1,428,030</b>	<b>200,000</b>	<b>1,738,600</b>
<i>Adjustments due previous year</i>	-	-	-921	-	-921
Profit for the year	-	-	396,700	-	396,700
Other comprehensive income for the year	-	-1,098	-	-	-1,098
<i>Total comprehensive income for the year</i>	-	-1,098	396,700	-	395,602
<i>Transactions with owners of the Parent company</i>					
<i>Contributions from and value transfers to owners of the Parent company</i>					
Redemption of Tier 1 capital	-	-	-	-100,000	-100,000
Issue of Tier 1 capital	-	-	-	150,000	150,000
Transaction costs, issue of Tier 1 capital	-	-	-3,138	-	-3,138
Tax effect, transaction costs issue of Tier 1 capital	-	-	618	-	618
Interest Tier 1 capital	-	-	-19,847	-	-19,847
<i>Total contributions from and value transfers to owners of the Parent company</i>	-	-	-22,367	50,000	27,633
<b>Equity as at 31 Dec 2023</b>	<b>107,500</b>	<b>1,972</b>	<b>1,801,442</b>	<b>250,000</b>	<b>2,160,914</b>
<b>Equity as at 1 Jan 2024</b>	<b>107,500</b>	<b>1,972</b>	<b>1,801,442</b>	<b>250,000</b>	<b>2,160,914</b>
Profit for the period	-	-	240,129	-	240,129
Other comprehensive income for the period	-	-300	-	-	-300
<i>Total comprehensive income for the period</i>	-	-300	240,129	-	239,829
<i>Transactions with owners of the Parent company</i>					
<i>Contributions from and value transfers to owners of the Parent company</i>					
Interest Tier 1 capital	-	-	-14,996	-	-14,996
<i>Total contributions from and value transfers to owners of the Parent company</i>	-	-	-14,996	-	-14,996
<b>Equity as at 30 Jun 2024</b>	<b>107,500</b>	<b>1,672</b>	<b>2,026,575</b>	<b>250,000</b>	<b>2,385,747</b>

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

<sup>2</sup> Perpetual bonds, SEK 100 million with interest terms STIBOR +6.25% and first possible redemption 1 December 2026 and 150 SEK million with interest terms STIBOR +8.75% and first possible redemption 6 September 2028.

## CASH FLOW STATEMENT - CONSOLIDATED

SEK thousand	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
<b>Operating activities</b>			
Operating profit	305,643	240,614	509,599
<i>Adjustment for items not included in cash flow</i>			
Depreciation and amortisation of tangible and intangible assets	33,441	29,161	60,466
Accrued interest income and expense	43,145	47,798	90,153
Other non-cash items	927	-1,882	315
Paid income tax	-104,303	-82,784	-53,933
	<b>278,853</b>	<b>232,907</b>	<b>606,600</b>
Increase/decrease in loans to the public	-1,552,365	-2,357,722	-3,216,260
Increase/decrease in other short-term receivables	-88,701	-221,864	-45,036
Increase/decrease in deposits and borrowings from the public	11,609	2,281,781	4,544,867
Increase/decrease in other short-term liabilities	-64,346	127,770	311,144
<b>Cash flow from operating activities</b>	<b>-1,414,950</b>	<b>62,872</b>	<b>2,201,315</b>
<b>Investing activities</b>			
Investments in tangible assets	-7,374	-48,108	-54,113
Investments in intangible assets	-27,667	-27,712	-37,399
Paid interest on lease debt	-618	-671	-1,347
Amortisation of lease debt	-7,488	-7,276	-14,938
<b>Cash flow from investing activities</b>	<b>-43,147</b>	<b>-83,767</b>	<b>-107,797</b>
<b>Financing activities</b>			
Issue of Tier 1 capital	-	150,000	150,000
Issue of Tier 2 capital	-	-100,000	-100,000
Redemption of Tier 1 capital	-	-	150,000
Interest on Tier 1 capital	-14,996	-8,926	-19,847
Transaction costs, issue of Tier 1 capital	-	-	-3,138
Tax effect, transaction costs issue of Tier 1 capital	-	-	618
<b>Cash flow from financing activities</b>	<b>-14,996</b>	<b>41,074</b>	<b>177,633</b>
<b>Cash flow for the period</b>	<b>-1,473,093</b>	<b>20,179</b>	<b>2,271,151</b>
Cash and cash equivalents at the beginning of period	5,744,117	3,528,368	3,528,368
Exchange rate difference in cash and cash equivalents	86,068	127,116	-55,402
<b>Cash and cash equivalents at the end of period</b>	<b>4,357,092</b>	<b>3,675,663</b>	<b>5,744,117</b>
<i>Cash flow from operating activities includes interest expenses paid and interest payments received</i>			
Interest expenses paid	359,561	156,529	460,225
Interest payments received	1,387,132	943,193	2,214,814
<b>Components of cash and cash equivalents</b>			
Cash and balances with central banks	18,260	61,634	18,916
Treasury bills eligible for refinancing	2,403,908	2,224,844	3,635,697
Loans to credit institutions	1,934,924	1,389,185	2,089,504
<b>Total cash and cash equivalents</b>	<b>4,357,092</b>	<b>3,675,663</b>	<b>5,744,117</b>

# 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, Austria, Spain, Ireland and the Netherlands by subsidiary, branch or cross-border banking with the support of the Swedish banking license.

### COMPANY STRUCTURE

Company	Reg.nr
<b>Parent Company</b>	
TF Bank AB	556158-1041
<b>Branches</b>	
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
<b>Subsidiaries</b>	
Avarda AB	559310-4697
Avarda AB, branch Finland	3362665-9
Avarda AS	931 481 169
TFB Service UAB	304785170
TFB Service GmbH	HRB 208869 B
TFBN Services S.L.	B10781789
TF Nordic AB	559476-6379
U2B NPL AB	559476-6361

All subsidiaries are 100% owned.

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

### OWNERSHIP OF TF BANK AB AS AT 30 JUNE 2024

Shareholder	%
TFB Holding AB	30.31
Tiberon AB	15.07
Erik Selin Fastigheter AB	12.65
Proventus Aktiefbolag	5.42
Nordnet Pensionsförsäkring AB	4.87
Carnegie Fonder AB	4.53
Jack Weil	4.23
Goldman Sachs International	2.49
Försäkringsbolaget Avanza Pension	1.20
Livförsäkringsbolaget Skandia	1.08
Other shareholders	18.15
<b>Total</b>	<b>100.00</b>

Source: Euroclear

## NOTE 2 Credit risk

### Financial risks

TF Bank's activities are exposed to a variety of financial risks: credit risk, market risk (extensive currency risk and interest rate risk) and liquidity risk, but also operational risk and other operating risks such as business risks, economic risks, and reputational risks. 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 on the Bank's financial results. The Board establishes written policies with regards to 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. The area includes credit risks attributable to the loan portfolio, credit-related concentration risks and counterparty risks. Credit risk arises primarily through lending to the public and is the most significant risk in the Bank. Credit risks may even arise through placement of liquidity and derivative instruments. 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. The Bank monitors the development of the level of credit risk in the loan portfolios on a continuous basis. It decides 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 to the Board on a regular basis.

The Bank's credit approval process maintains high standards regarding ethics, quality and control. The proportion of past due receivables in stage 3 is affected by the fact that past due receivables are continuously sold on the markets where the price level is such that the Board deems it favorable for the Bank's development and risk profile. From year 2023, the price level has not been deemed favorable in some of the larger markets and the proportion of past due receivables in stage 3 has increased. The Bank's loans to the public consist primarily of unsecured consumer loans. As a result, TF 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 15 %, with the exception of some larger institutions for which the permitted amount is 85 % of Tier 1 capital. Treasury bills, government bonds and balances with central banks, as well as exposure to subsidiaries, are exempted from both limits.

### 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.

#### CREDIT CARDS

Income statement, SEK thousand	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Net interest income	257,655	162,081	482,782	297,597	713,302
Net fee and commission income	-2,178	-2,379	-8,513	-2,982	-10,928
Net results from financial transactions	173	-370	-218	-220	-27
<b>Total operating income</b>	<b>255,650</b>	<b>159,332</b>	<b>474,051</b>	<b>294,395</b>	<b>702,347</b>
General administrative expenses	-77,913	-47,371	-147,073	-85,668	-209,366
Depreciation and amortisation of tangible and intangible assets	-4,770	-3,825	-9,387	-6,302	-13,842
Other operating expenses	-8,860	-14,926	-17,059	-32,895	-54,329
<b>Total operating expenses</b>	<b>-91,543</b>	<b>-66,122</b>	<b>-173,519</b>	<b>-124,865</b>	<b>-277,537</b>
<b>Profit before loan losses</b>	<b>164,107</b>	<b>93,210</b>	<b>300,532</b>	<b>169,530</b>	<b>424,810</b>
Net loan losses	-112,167	-67,854	-203,045	-119,728	-287,447
<b>Operating profit</b>	<b>51,940</b>	<b>25,356</b>	<b>97,487</b>	<b>49,802</b>	<b>137,363</b>

Balance sheet, SEK thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>Loans to the public</b>			
Household sector	7,324,228	4,663,054	5,807,810
<b>Total loans to the public</b>	<b>7,324,228</b>	<b>4,663,054</b>	<b>5,807,810</b>
<b>Household sector</b>			
Stage 1, net	6,683,599	4,459,236	5,386,226
Stage 2, net	192,655	107,987	150,985
Stage 3, net <sup>1</sup>	447,974	95,831	270,599
<b>Total household sector</b>	<b>7,324,228</b>	<b>4,663,054</b>	<b>5,807,810</b>

Key figures <sup>2</sup>	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Operating income margin, %	14.7	15.1	14.4	14.9	15.5
Net loan loss ratio, %	6.4	6.4	6.2	6.0	6.3
Cost/Income ratio, %	35.8	41.5	36.6	42.4	39.5
Return on loans to the public, %	2.3	1.8	2.3	1.9	2.2
New lending, SEK thousand	3,962,084	2,483,247	7,161,438	4,444,500	10,303,935
Number of active credit cards	294,946	180,738	294,946	180,738	240,241

<sup>1</sup> 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.

<sup>2</sup> See separate section with definitions and reconciliation tables, page 41-42.

Note 3 cont.

## ECOMMERCE SOLUTIONS

Income statement, SEK thousand	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Net interest income	93,285	70,652	189,641	134,983	293,105
Net fee and commission income	31,104	30,404	62,514	56,922	122,721
Net results from financial transactions	92	-233	-115	-140	-18
<b>Total operating income</b>	<b>124,481</b>	<b>100,823</b>	<b>252,040</b>	<b>191,765</b>	<b>415,808</b>
General administrative expenses	-63,044	-55,147	-128,343	-105,948	-226,342
Depreciation and amortisation of tangible and intangible assets	-8,604	-7,821	-17,384	-15,338	-32,645
Other operating expenses	-520	342	-2,171	-811	-1,207
<b>Total operating expenses</b>	<b>-72,168</b>	<b>-62,626</b>	<b>-147,898</b>	<b>-122,097</b>	<b>-260,194</b>
<b>Profit before loan losses</b>	<b>52,313</b>	<b>38,197</b>	<b>104,142</b>	<b>69,668</b>	<b>155,614</b>
Net loan losses	-29,962	-21,339	-58,649	-41,936	-96,093
<b>Operating profit</b>	<b>22,351</b>	<b>16,858</b>	<b>45,493</b>	<b>27,732</b>	<b>59,521</b>

Balance sheet, SEK thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>Loans to the public</b>			
Household sector	2,709,545	2,820,303	2,988,895
Corporate sector <sup>1</sup>	15,823	30,318	22,163
<b>Total loans to the public</b>	<b>2,725,368</b>	<b>2,850,621</b>	<b>3,011,058</b>
<b>Household sector</b>			
Stage 1, net	2,377,079	2,603,922	2,735,381
Stage 2, net	160,492	121,079	134,101
Stage 3, net <sup>2</sup>	171,974	95,302	119,413
<b>Total household sector</b>	<b>2,709,545</b>	<b>2,820,303</b>	<b>2,988,895</b>

Key figures <sup>3</sup>	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Operating income margin, %	18.1	14.7	17.6	13.8	14.5
Net loan loss ratio, %	4.3	3.1	4.1	3.0	3.4
Cost/Income ratio, %	58.0	62.1	58.7	63.7	62.6
Return on loans to the public, %	2.5	1.9	2.4	1.5	1.5
New lending, SEK thousand	1,437,308	1,652,817	2,661,575	3,006,421	6,401,897
Transaction volume, SEK thousand	3,326,509	3,414,555	6,184,657	6,275,617	13,559,511

<sup>1</sup> Lending to the corporate sector consists of loans in stage 1 to a foreign partner within the segment.

<sup>2</sup> 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.

<sup>3</sup> See separate section with definitions and reconciliation tables, page 41-42.

Note 3 cont.

## CONSUMER LENDING

Income statement, SEK thousand	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Net interest income	198,561	203,472	398,031	405,204	814,906
Net fee and commission income	16,355	16,377	32,567	32,458	65,118
Net results from financial transactions	274	-769	-348	-459	-58
<b>Total operating income</b>	<b>215,190</b>	<b>219,080</b>	<b>430,250</b>	<b>437,203</b>	<b>879,966</b>
General administrative expenses	-65,653	-63,586	-127,468	-123,773	-255,200
Depreciation and amortisation of tangible and intangible assets	-3,490	-4,241	-6,670	-7,521	-13,979
Other operating expenses	-2,440	-2,538	-4,404	-6,244	-8,823
<b>Total operating expenses</b>	<b>-71,583</b>	<b>-70,365</b>	<b>-138,542</b>	<b>-137,538</b>	<b>-278,002</b>
<b>Profit before loan losses</b>	<b>143,607</b>	<b>148,715</b>	<b>291,708</b>	<b>299,665</b>	<b>601,964</b>
Net loan losses	-60,184	-68,630	-129,045	-136,585	-273,311
<b>Operating profit</b>	<b>83,423</b>	<b>80,085</b>	<b>162,663</b>	<b>163,080</b>	<b>328,653</b>

Balance sheet, SEK thousand	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>Loans to the public</b>			
Household sector	9,300,801	9,416,672	8,969,464
Corporate sector <sup>1</sup>	72,601	81,730	82,301
<b>Total loans to the public</b>	<b>9,373,402</b>	<b>9,498,402</b>	<b>9,051,765</b>
<b>Household sector</b>			
Stage 1, net	8,282,271	8,791,190	8,121,574
Stage 2, net	374,136	247,362	310,998
Stage 3, net <sup>2</sup>	644,394	378,120	536,892
<b>Total household sector</b>	<b>9,300,801</b>	<b>9,416,672</b>	<b>8,969,464</b>

Key figures <sup>3</sup>	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Operating income margin, %	9.2	9.5	9.3	9.6	9.9
Net loan loss ratio, %	2.6	3.0	2.8	3.0	3.1
Cost/Income ratio, %	33.3	32.1	32.2	31.5	31.6
Return on loans to the public, %	2.7	2.7	2.7	2.8	2.8
New lending, SEK thousand	1,088,131	1,574,124	2,239,818	3,190,263	5,340,246

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

<sup>2</sup> 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.

<sup>3</sup> See separate section with definitions and reconciliation tables, page 41-42.

Note 3 cont.

#### RECONCILIATION AGAINST FINANCIAL INFORMATION

Income statement, SEK thousand	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
<b>Operating income</b>					
Credit Cards	255,650	159,332	474,051	294,395	702,347
Ecommerce Solutions	124,481	100,823	252,040	191,765	415,808
Consumer Lending	215,190	219,080	430,250	437,203	879,966
<b>Total operating income</b>	<b>595,321</b>	<b>479,235</b>	<b>1,156,341</b>	<b>923,363</b>	<b>1,998,121</b>
<b>Operating profit</b>					
Credit Cards	51,940	25,356	97,487	49,802	137,363
Ecommerce Solutions	22,351	16,858	45,493	27,732	59,521
Consumer Lending	83,423	80,085	162,663	163,080	328,653
Other <sup>1</sup>	-	-	-	-	-15,938
<b>Total operating profit</b>	<b>157,714</b>	<b>122,299</b>	<b>305,643</b>	<b>240,614</b>	<b>509,599</b>

Balance sheet, SEK thousand	30 Jun 2024	30 Jun 2023	31 Dec 2022
<b>Loans to the public</b>			
Credit Cards	7,324,228	4,663,054	5,807,810
Ecommerce Solutions	2,725,368	2,850,621	3,011,058
Consumer Lending	9,373,402	9,498,402	9,051,765
<b>Total loans to the public</b>	<b>19,422,998</b>	<b>17,012,077</b>	<b>17,870,633</b>

#### NOTE 4 Net loan losses

SEK thousand	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Change in provision for sold past due receivables	-28,819	-38,805	-66,731	-112,028	-148,960
Realised loan losses	-13,334	-14,907	-27,746	-27,674	-56,031
Recovered from previous realised loan losses	110	62	198	259	337
Change in provision for expected loan losses, stage 1-3	-160,270	-104,173	-296,460	-158,806	-452,197
<b>Net loan losses</b>	<b>-202,313</b>	<b>-157,823</b>	<b>-390,739</b>	<b>-298,249</b>	<b>-656,851</b>

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

<sup>1</sup> Restructuring costs for adaptations of the current organisation.

**NOTE 5 Classification of financial assets and liabilities**

30 Jun 2024 SEK thousand	Financial instruments at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Derivatives used for hedge accounting	Non-financial assets and liabilities	Total
	Compulsory					
<b>Assets</b>						
Cash and balances with central banks	-	-	18,260	-	-	18,260
Treasury bills eligible for refinancing	-	-	2,403,908	-	-	2,403,908
Loans to credit institutions	-	-	1,934,924	-	-	1,934,924
Loans to the public	-	-	19,422,998	-	-	19,422,998
Shares	146	-	-	-	-	146
Derivatives	344	-	-	-	-	344
Other assets	-	-	-	-	344,991	344,991
<b>Total assets</b>	<b>490</b>	<b>-</b>	<b>23,780,090</b>	<b>-</b>	<b>344,991</b>	<b>24,125,571</b>
<b>Liabilities</b>						
Deposits and borrowings from the public	-	-	20,664,606	-	-	20,664,606
Subordinated liabilities	-	-	347,518	-	-	347,518
Derivatives	98,421	-	-	1,039	-	99,460
Other liabilities	-	-	-	-	628,240	628,240
<b>Total liabilities</b>	<b>98,421</b>	<b>-</b>	<b>21,012,124</b>	<b>1,039</b>	<b>628,240</b>	<b>21,739,824</b>

31 Dec 2023 SEK thousand	Financial instruments at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Derivatives used for hedge accounting	Non-financial assets and liabilities	Total
	Compulsory					
<b>Assets</b>						
Cash and balances with central banks	-	-	18,916	-	-	18,916
Treasury bills eligible for refinancing	-	-	3,635,697	-	-	3,635,697
Loans to credit institutions	-	-	2,089,504	-	-	2,089,504
Loans to the public	-	-	17,870,633	-	-	17,870,633
Shares	144	-	-	-	-	144
Derivatives	1,197	-	-	1,258	-	2,455
Other assets	-	-	-	-	329,409	329,409
<b>Total assets</b>	<b>1,341</b>	<b>-</b>	<b>23,614,750</b>	<b>1,258</b>	<b>329,409</b>	<b>23,946,758</b>
<b>Liabilities</b>						
Deposits and borrowings from the public	-	-	20,652,997	-	-	20,652,997
Subordinated liabilities	-	-	346,909	-	-	346,909
Derivatives	227,708	-	-	-	-	227,708
Other liabilities	-	-	-	-	558,230	558,230
<b>Total liabilities</b>	<b>227,708</b>	<b>-</b>	<b>20,999,906</b>	<b>-</b>	<b>558,230</b>	<b>21,785,844</b>



**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.

30 Jun 2024 SEK thousand	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and balances with central banks	-	-	18,260	18,260
Treasury bills eligible for refinancing	2,396,480	-	-	2,396,480
Loans to credit institutions	-	-	1,934,924	1,934,924
Loans to the public	-	-	22,282,679	22,282,679
Shares	-	146	-	146
Derivatives	-	344	-	344
<b>Total assets</b>	<b>2,396,480</b>	<b>490</b>	<b>24,235,863</b>	<b>26,632,833</b>
<b>Liabilities</b>				
Deposits and borrowings from the public	-	-	20,664,606	20,664,606
Subordinated liabilities	-	347,518	-	347,518
Derivatives	-	99,460	-	99,460
<b>Total liabilities</b>	<b>-</b>	<b>446,978</b>	<b>20,664,606</b>	<b>21,111,584</b>

31 Dec 2023 SEK thousand	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and balances with central banks	-	-	18,916	18,916
Treasury bills eligible for refinancing	3,629,343	-	-	3,629,343
Loans to credit institutions	-	-	2,089,504	2,089,504
Loans to the public	-	-	19,630,373	19,630,373
Shares	-	144	-	144
Derivatives	-	2,455	-	2,455
<b>Total assets</b>	<b>3,629,343</b>	<b>2,599</b>	<b>21,738,793</b>	<b>25,370,735</b>
<b>Liabilities</b>				
Deposits and borrowings from the public	-	-	20,652,997	20,652,997
Subordinated liabilities	-	346,909	-	346,909
Derivatives	-	227,708	-	227,708
<b>Total liabilities</b>	<b>-</b>	<b>574,617</b>	<b>20,652,997</b>	<b>21,227,614</b>

Note 6 cont.

### 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 16.03 % as at 30 June 2024 and 16.20 % as at 31 December 2023.

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

For lending to the public, the market value has been calculated as the difference between the market capitalisation of TF Bank shares on the balance sheet date and the shareholders' equity adjusted for other surplus and deficit values of assets and liabilities in the balance sheet.

30 Jun 2024 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
<b>Assets</b>			
Cash and balances with central banks	18,260	18,260	-
Treasury bills eligible for refinancing	2,403,908	2,396,480	-7,428
Loans to credit institutions	1,934,924	1,934,924	-
Loans to the public	19,422,998	22,282,679	2,859,681
Shares	146	146	-
Derivatives	344	344	-
<b>Total assets</b>	<b>23,780,580</b>	<b>26,632,833</b>	<b>2,852,253</b>
<b>Liabilities</b>			
Deposits from the public	20,664,606	20,664,606	-
Subordinated liabilities	347,518	347,518	-
Derivatives	99,460	99,460	-
<b>Total liabilities</b>	<b>21,111,584</b>	<b>21,111,584</b>	<b>-</b>

31 Dec 2023 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
<b>Assets</b>			
Cash and balances with central banks	18,916	18,916	-
Treasury bills eligible for refinancing	3,635,697	3,629,343	-6,354
Loans to credit institutions	2,089,504	2,089,504	-
Loans to the public	17,870,633	19,630,373	1,759,740
Shares	144	144	-
Derivatives	2,455	2,455	-
<b>Total assets</b>	<b>23,617,349</b>	<b>25,370,735</b>	<b>1,753,386</b>
<b>Liabilities</b>			
Deposits from the public	20,652,997	20,652,997	-
Subordinated liabilities	346,909	346,909	-
Derivatives	227,708	227,708	-
<b>Total liabilities</b>	<b>21,227,614</b>	<b>21,227,614</b>	<b>-</b>

**NOTE 7 Loans to the public**

SEK thousand	30 Jun 2024	31 Dec 2023
Loans to the household sector	19,334,574	17,766,169
Loans to the corporate sector <sup>1</sup>	88,424	104,464
<b>Total loans to the public</b>	<b>19,422,998</b>	<b>17,870,633</b>
<b>Loans to the household sector, gross</b>		
Stage 1, gross	17,639,079	16,505,116
Stage 2, gross	864,342	711,193
Stage 3, gross <sup>2</sup>	2,207,265	1,604,567
<b>Total loans to the household sector, gross</b>	<b>20,710,686</b>	<b>18,820,876</b>
<b>Provisions for expected loan losses, household sector</b>		
Stage 1	-296,130	-261,935
Stage 2	-137,059	-115,109
Stage 3 <sup>2</sup>	-942,923	-677,663
<b>Total provisions for expected loan losses, household sector</b>	<b>-1,376,112</b>	<b>-1,054,707</b>
<b>Loans to the household sector, net</b>		
Stage 1, net	17,342,949	16,243,181
Stage 2, net	727,283	596,084
Stage 3, net <sup>2</sup>	1,264,342	926,904
<b>Total loans to the household sector, net</b>	<b>19,334,574</b>	<b>17,766,169</b>
<i>Geographic distribution of net loans</i>		
Germany	6,111,299	4,784,548
Norway	4,511,508	4,245,890
Finland	3,377,805	3,478,514
Sweden	1,367,457	1,485,643
Latvia	1,068,796	988,664
Estonia	1,032,673	1,066,304
Lithuania	1,007,139	885,922
Austria	365,505	291,619
Poland	247,162	314,539
Denmark	207,478	176,249
Spain	126,176	152,741
<b>Total loans to the public</b>	<b>19,422,998</b>	<b>17,870,633</b>

**CHANGE IN PROVISION FOR NET LOAN LOSSES**

SEK thousand	30 Jun 2024	31 Dec 2023
<b>Opening balance</b>	<b>-1,054,707</b>	<b>-607,619</b>
Change in provision for sold loans	-66,731	-148,960
Reversal of provision for sold loans	66,731	148,960
Change in provision for expected loan losses in stage 1	-29,049	-71,555
Change in provision for expected loan losses in stage 2	-19,481	-39,201
Change in provision for expected loan losses in stage 3	-252,705	-351,825
Exchange rate differences	-20,170	15,493
<b>Closing balance</b>	<b>-1,376,112</b>	<b>-1,054,707</b>

<sup>1</sup> Lending to the corporate sector consists of loans in stage 1 to counterparties regarding sale of past due receivables and a loan in stage 1 to a foreign partner within the segment Ecommerce Solutions.

<sup>2</sup> 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	30 Jun 2024	31 Dec 2023
Germany	17,198,905	19,275,721
Netherlands	1,869,869	162,800
Ireland	631,294	103,291
Finland	312,279	326,736
Norway	279,334	559,370
Spain	214,113	29,888
Sweden	158,812	195,191
<b>Total deposits and borrowings from the public</b>	<b>20,664,606</b>	<b>20,652,997</b>

Deposits from the public only occur in the household sector and 98 % (98) is covered by a deposit guarantee scheme. Deposits in Finland are payable on demand. Other countries' deposits are payable on demand and on maturity. Deposits with maturity amounts to 57 % (40) of total deposits from the public.

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

SEK thousand	30 Jun 2024	31 Dec 2023
Opening balance	20,652,997	16,108,130
Change	-460,277	4,642,515
Exchange rate differences	471,886	-97,648
<b>Closing balance</b>	<b>20,664,606</b>	<b>20,652,997</b>

**NOTE 9 Capital adequacy****Background**

Information about the Bank's capital adequacy in this document includes information in accordance with Chapter 6, Sections 3-4 of the Swedish Financial Supervisory Authority's (Swedish FSA) regulations and general guidelines (FFFS 2008:25) on annual accounts of credit institutions and investment firms and related information contained in article 433b 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). 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 and as such the stock exchange rules are also applicable. TF Bank is classified as a small and non-complex institute in accordance to article 4.1.145 of Regulation (EU) No 575/2013. 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 FSA's regulations and general recommendations on regulatory requirements and capital buffers (FFFS 2014:12) and the Swedish FSA's memorandum (FI dnr 20-20990) on the new capital requirements for Swedish banks.

**Own funds**

TF Bank's own funds consists of equity attributable to the shareholders and issued bonds. Shareholders' equity after regulatory adjustments constitutes common equity Tier 1 capital. Issued bonds constitute additional Tier 1 capital or Tier 2 capital. The bonds are subordinated to the Bank's other creditors and bonds that constitute additional Tier 1 capital can under certain conditions be converted into share capital. On March 7, 2024, the Swedish FSA approved TF Bank AB's application to include the interim profit in own funds.

**Risk exposure amount**

TF Bank's risk exposure amount mainly consists of credit risk and operational risk. The risk exposure amount for credit risk is calculated according to the standardised method and the Bank's exposures are weighted based on various percentages specified in Regulation (EU) No. 575/2013. The risk exposure amount for operational risk is calculated using the alternative standardised method according to Regulation (EU) No. 575/2013.

**Capital requirements**

The regulatory capital requirement in pillar 1 means that total own funds must amount to at least 8 % of the risk-weighted exposure amount for credit risk, credit valuation adjustment risk, market risk and operational risk. After that, additional capital requirements are added for the risks that are not covered via pillar 1, which is, for example, concentration risk, currency risk and interest rate risk. The capital requirements for these risks are covered via pillar 2. In addition to this, additional capital is allocated for a capital conservation buffer of 2.5 % of the risk-weighted exposure amount as well as an institution-specific countercyclical capital buffer that is weighted based on geographical exposures. As of 30 June 2024, TF Bank's countercyclical buffer requirement of 1.2 % is related to 2.5 % for exposures in Norway and Denmark, 2.0 % for exposures in Sweden, 1.5 % for exposures in Estonia, 1.0 % for exposures in Lithuania and 0.75 % for exposures in Germany.

**Internally assessed capital requirement**

At least annually, TF Bank carries out a process to assess whether the Bank's capital and liquidity forecast during the coming three-year period is sufficient to manage the risks to which the Bank is, or may become, exposed. The process is carried out in accordance with Article 73 of the EU directive EU/2013/36 and is called internal capital and liquidity assessment process (ICAAP).

Note 9 cont.

#### THE GROUP'S CAPITAL SITUATION <sup>1</sup>

SEK thousand	30 Jun 2024	31 Dec 2023
Common Equity Tier 1 capital (CET1)	1,992,435	1,817,029
Additional Tier 1 capital (AT1)	250,000	250,000
Tier 2 capital	347,518	346,909
<b>Own funds</b>	<b>2,589,953</b>	<b>2,413,938</b>
<b>Risk exposure amount</b>	<b>16,590,741</b>	<b>15,143,851</b>
- of which: credit risk	15,604,620	14,207,588
- of which: credit valuation adjustment risk	61,964	12,106
- of which: market risk	-	-
- of which: operational risk	924,157	924,157
<b>Capital ratios</b>		
CET1 capital ratio, %	12.0	12.0
Tier 1 capital ratio, %	13.5	13.6
Total capital ratio, %	15.6	15.9

#### THE GROUP'S REGULATORY CAPITAL REQUIREMENTS

SEK thousand	30 Jun 2024		31 Dec 2023	
	Amount	Percent <sup>3</sup>	Amount	Percent <sup>3</sup>
<b>Capital requirement under pillar 1</b>				
CET1 capital	746,583	4.5	681,473	4.5
Tier 1 capital	995,444	6.0	908,631	6.0
Total capital	1,327,259	8.0	1,211,508	8.0
<b>Capital requirement under pillar 2</b>				
CET1 capital	107,567	0.6	91,531	0.6
Tier 1 capital	143,423	0.9	122,042	0.8
Total capital	191,231	1.2	162,722	1.1
- of which, concentration risk	155,222	0.9	135,850	0.9
- of which, currency risk	1,094	0.0	1,664	0.0
- of which, interest rate risk	34,915	0.2	25,208	0.2
<b>Total capital requirement under pillar 1 and pillar 2</b>				
CET1 capital	854,151	5.1	773,004	5.1
Tier 1 capital	1,138,868	6.9	1,030,673	6.8
Total capital	1,518,490	9.2	1,374,230	9.1
<b>Institution-specific buffer requirement</b>				
Total buffer requirement	605,563	3.7	555,779	3.7
- of which, capital conservation buffer	414,769	2.5	378,596	2.5
- of which, countercyclical buffer	190,794	1.2	177,183	1.2
<b>Total capital requirement including buffer requirement</b>				
CET1 capital	1,459,713	8.8	1,328,784	8.8
Tier 1 capital	1,744,430	10.5	1,586,452	10.5
Total capital	2,124,053	12.8	1,930,009	12.7

<sup>1</sup> In accordance with (EU) 2021/637 TF Bank AB discloses the information about capital adequacy and other information as per the template "EU KM1" on page 43.

<sup>2</sup> Capital requirements expressed as a percentage of the risk exposure amount.

Note 9 cont.

#### GROUP'S OWN FUNDS

SEK thousand	30 Jun 2024	31 Dec 2023
<b>CET1 capital</b>		
Share capital	107,500	107,500
Other reserves	1,673	1,972
Retained earnings including net profit for the period reviewed by the auditor	2,026,574	1,801,442
Adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends <sup>1</sup>	-6,328	-
- Intangible assets <sup>2</sup>	-32,083	-35,882
- Goodwill	-12,753	-12,753
- Deferred tax assets that rely on future profitability	-	-4,969
- Insufficient coverage for non-performing exposures <sup>3</sup>	-92,148	-40,281
<b>Total CET1 capital</b>	<b>1,992,435</b>	<b>1,817,029</b>
<b>Additional Tier 1 capital</b>		
Perpetual subordinated loan	250,000	250,000
<b>Tier 2 capital</b>		
Fixed term subordinated loans	347,518	346,909
<b>Own funds</b>	<b>2,589,953</b>	<b>2,413,938</b>

#### THE GROUP'S SPECIFICATION OF RISK EXPOSURE AMOUNT AND CAPITAL REQUIREMENT

SEK thousand	30 Jun 2024		31 Dec 2023	
	Risk exposure amount	Capital requirement 8 %	Risk exposure amount	Capital requirement 8 %
<b>Credit risk under the standardised approach</b>				
Corporate exposures	82,311	6,585	79,920	6,394
Household exposures	13,521,178	1,081,694	12,597,979	1,007,838
Exposures secured by real estate collateral	14,930	1,194	15,891	1,271
Exposures in default	1,263,901	101,112	926,385	74,111
Exposures to institutions	450,342	36,027	415,622	33,250
Equity exposures	146	12	144	12
Other items	271,812	21,745	171,647	13,732
<b>Total</b>	<b>15,604,620</b>	<b>1,248,370</b>	<b>14,207,588</b>	<b>1,136,607</b>
<b>Credit valuation adjustment</b>				
Standardised method	61,964	4,957	12,106	968
<b>Total</b>	<b>61,964</b>	<b>4,957</b>	<b>12,106</b>	<b>968</b>
<b>Market risk</b>				
Foreign exchange rate risk	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operational risk</b>				
Alternative Standardised Approach	924,157	73,933	924,157	73,933
<b>Total</b>	<b>924,157</b>	<b>73,933</b>	<b>924,157</b>	<b>73,933</b>
<b>Total risk exposure amount and total capital requirement</b>	<b>16,590,741</b>	<b>1,327,259</b>	<b>15,143,851</b>	<b>1,211,508</b>

<sup>1</sup> Deduction of dividends have been made in accordance with the Board of Directors' proposal to the Annual General Meeting and the dividend policy for interim results.

<sup>2</sup> Deduction according to Commission Delegated Regulation (EU) 2020/2176.

<sup>3</sup> Deduction according to Regulation (EU) No 2019/630.

## NOTE 10 Liquidity coverage

### Background

Information about the Bank's liquidity coverage in this document includes information in accordance with Chapter 5, Section 9 of the Swedish FSA's regulations and general guidelines (FFFS 2010:7) on publication of information on liquidity risk. Information on regulatory liquidity requirements in this document refers to information set out in Part Six of Regulation (EU) No 575/2013.

### Liquidity reserve

In accordance with FFFS 2010:7, a responsible institution is required to keep a separate reserve of high-quality liquid assets that can be used to secure short-term solvency in the event of the loss or deterioration of access to normally available funding sources. TF Bank's available liquidity reserve consists of treasury bills, government bonds, cash at central banks and loans to credit institutions. Only amounts that are available the following day are counted in the available liquidity reserve.

### Sources of financing

TF Bank's main source of financing is deposits from the public. Deposits are only from the household sector and 98 % (98) is covered by a government deposit guarantee scheme. The other sources of financing are subordinated debt, additional Tier 1 capital instruments and equity attributable to the shareholders.

### THE GROUP'S LIQUIDITY POSITION

SEK thousand	30 Jun 2024	31 Dec 2023
<b>Liquidity reserve<sup>1</sup></b>		
Treasury bills eligible for refinancing - EU-commission <sup>2</sup>	733,833	1,322,471
Treasury bills and government securities eligible for refinancing - Norway <sup>2</sup>	637,874	246,800
Treasury bills eligible for refinancing - Netherlands <sup>2</sup>	508,038	440,823
Treasury bills and municipalities eligible for refinancing - Sweden <sup>2</sup>	298,368	1,129,677
Treasury bills eligible for refinancing - Finland <sup>2</sup>	225,795	495,926
<b>Total liquidity reserve</b>	<b>2,403,908</b>	<b>3,635,697</b>
<b>Other available liquidity reserve</b>		
Cash and balances with central banks <sup>3</sup>	6,254	5,968
Loans to credit institutions <sup>3</sup>	1,687,161	1,562,740
<b>Total other available liquidity reserve</b>	<b>1,693,415</b>	<b>1,568,708</b>
<b>Total available liquidity reserve</b>	<b>4,097,323</b>	<b>5,204,405</b>
<b>Sources of financing</b>		
Deposits from the public	20,664,606	20,652,997
Subordinated liabilities	347,518	346,909
Tier 1 capital instrument	250,000	250,000
Equity attributable to shareholders	2,135,747	1,910,914
<b>Total sources of financing</b>	<b>23,397,871</b>	<b>23,160,820</b>
<b>Key figures</b>		
Available liquidity reserve / Deposits from the public	20	25
Liquidity coverage ratio, %	492	354
Net Stable Funding ratio, %	110	128

### REGULATORY LIQUIDITY REQUIREMENTS

	30 Jun 2024	31 Dec 2023
<b>Key figures</b>		
Liquidity coverage ratio, %	100	100
Net Stable Funding ratio, %	100	100

<sup>1</sup> According to definition in FFFS 2010:7.

<sup>2</sup> Remaining term to maturity for treasury bills and municipalities are up to 12 month. Maturity date for Norwegian government bonds of NOK 250 million is 19 Februari 2026.

<sup>3</sup> Excluding restricted cash and cash equivalents that are not available the next day.

**NOTE 11 Subordinated liabilities**

SEK thousand	30 Jun 2024	31 Dec 2023
Fixed-term subordinated liabilities	347,518	346,909
<b>Total</b>	<b>347,518</b>	<b>346,909</b>

Subordinated loans are subordinated to other liabilities. The table below shows the terms for each bond. The prospectus are available on the Bank's website, [www.tfbankgroup.com](http://www.tfbankgroup.com).

Issuing date	Nominal amount (SEK thousand)	Interest rate terms	Maturity date
27 September 2019	100,000	STIBOR 3 months +4.65%	27 September 2029
14 December 2020	100,000	STIBOR 3 months +5.50%	14 December 2030
28 February 2023	150,000	STIBOR 3 months +6.50%	28 February 2033

**NOTE 12 Pledged assets, contingent liabilities and commitments**

SEK thousand	30 Jun 2024	31 Dec 2023
<b>Pledged assets</b>		
Restricted bank deposits <sup>1</sup>	12,006	12,948
<b>Total</b>	<b>12,006</b>	<b>12,948</b>

SEK thousand	30 Jun 2024	31 Dec 2023
<b>Commitments</b>		
Unutilised credit limits	8,038,604	5,983,885
<b>Total</b>	<b>8,038,604</b>	<b>5,983,885</b>

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

<sup>1</sup> Restricted bank deposits refers to minimum reserve requirements at central banks in Estonia, Finland, Latvia and Poland.



**NOTE 13 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	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
<i>The following transactions have been made between companies within the Group:</i>					
General administrative expenses	-4,189	-1,888	-9,432	-3,630	-7,671
<b>Total</b>	<b>-4,189</b>	<b>-1,888</b>	<b>-9,432</b>	<b>-3,630</b>	<b>-7,671</b>
<i>The following transactions have been made with other related parties:</i>					
Interest income (transaction costs)	-10,971	-11,651	-19,948	-21,893	-41,739
Fee and commission income	749	782	1,249	1,516	2,907
General administrative expenses	-557	-422	-937	-792	-1,688
<b>Total</b>	<b>-10,779</b>	<b>-11,291</b>	<b>-19,636</b>	<b>-21,170</b>	<b>-40,520</b>
<i>Acquisition of assets and liabilities from other related parties:</i>					
Ecommerce Solutions	140,739	157,694	246,896	273,402	496,554
<b>Total</b>	<b>140,739</b>	<b>157,694</b>	<b>246,896</b>	<b>273,402</b>	<b>496,554</b>

SEK thousand	30 Jun 2024	31 Dec 2023
<i>Assets and liabilities at the end of the period as a result of transactions with other related parties:</i>		
Other assets	4,370	412
Other liabilities	645	178

# PARENT COMPANY

## Generally

TF Bank AB, org.nr: 556158-1041, is a banking company registered in Borås, Sweden. The company is licensed to conduct banking operations. Deposit and/or lending activities are conducted in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland and the Netherlands through branch or cross-border banking with the support of the Swedish banking license.

## JANUARY - JUNE 2024

COMPARED TO JANUARY - JUNE 2023 (unless otherwise stated)

### Operating profit

Operating profit increased by 12 % to SEK 268.9 million (240.6). The result has been affected by operations in Ecommerce Solutions in the Nordic region are conducted through subsidiaries.

### Operating income

The operating income has increased to SEK 1,985 million (924.0) primarily attributable to dividends from subsidiaries. Excluding dividends, operating income increased by 1 % partly as a result of the growing loan portfolio in Germany. Operating income has, however, been negatively impacted by the fact that the Ecommerce Solutions business in the Nordic region is conducted through subsidiaries.

### Operating expenses

The operating expenses decreased by 14 % to SEK 331.0 million (385.2). The decrease is mainly explained by operations in Ecommerce Solutions in the Nordic region are conducted through subsidiaries.

### Loan losses

The loan losses increased by 13 % to SEK 337.1 million (298.2). The growing loan portfolio in the Credit Cards segment contributed to an increase in the loan losses.

### Tax expense

The tax expenses increased to SEK 58.3 million (52.7). The increase in the tax expenses is related to a higher operating profit.

## JANUARY - JUNE 2024

COMPARED TO 31 DECEMBER 2023 (unless otherwise stated)

### Loans to the public

Loans to the public increased by 11 % to SEK 17,091 million (15,424) in the first half of the year of 2024. The increase is impacted by record volumes in the Credit Cards segment.

### Deposits from the public

Deposits from the public increased to SEK 20,665 million (20,653) during the first half of the 2024. At the end of the first half of the year, deposits were geographically distributed between Germany 83 %, the Netherlands 9 % and other countries 8 %. During the end of 2023, the Bank launched deposit products in Spain, Ireland and the Netherlands.

### Loans to credit institutions

Loans to credit institutions amounted to SEK 3,689 million (2,994) at the end of the first half of the year 2024. The majority of the lending consists of lending to the subsidiary Avarda AB of SEK 2,153 million (1,324). The remainder relates to non-fixed-term accounts with several different Nordic banks.

### Shares in subsidiaries

Shares in subsidiaries amounted to SEK 567 million (1,615) at the end of the first half of the year and have been affected by a larger dividend from the subsidiary Avarda AB which has resulted in a write-down of shares in subsidiaries.

### Capital adequacy

The capital ratios have increased since year-end and at the end of the half year the Parent Company's total capital ratio was 16.5 % (16.2), the Tier 1 capital ratio was 14.3 % (13.9) and the Common Equity Tier 1 capital ratio was 12.7 % (12.2). The increase in capital ratios is related to changes in exposures to the subsidiary Avarda AB.

## INCOME STATEMENT - PARENT COMPANY

SEK thousand	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
<b>Operating income</b>					
Interest income	669,572	548,879	1,315,411	1,040,579	2,293,271
Interest expense	-200,827	-112,379	-403,880	-202,154	-547,971
<b>Net interest income</b>	<b>468,745</b>	<b>436,500</b>	<b>911,531</b>	<b>838,425</b>	<b>1,745,300</b>
Fee and commission income	57,174	67,534	105,998	128,458	246,847
Fee and commission expense	-41,997	-23,131	-79,707	-42,060	-103,335
<b>Net fee and commission income</b>	<b>15,177</b>	<b>44,403</b>	<b>26,291</b>	<b>86,398</b>	<b>143,512</b>
Received dividend	1,048,000	-	1,048,000	-	-
Net results from financial transactions	204	-1,371	-826	-819	-902
<b>Total operating income</b>	<b>1,532,126</b>	<b>479,532</b>	<b>1,984,996</b>	<b>924,004</b>	<b>1,887,910</b>
<b>Operating expenses</b>					
General administrative expenses	-153,708	-170,703	-297,978	-324,762	-661,489
Depreciation and amortisation of tangible and intangible assets	-5,929	-10,909	-11,437	-20,486	-37,668
Other operating expenses	-11,304	-17,122	-21,604	-39,950	-63,862
<b>Total operating expenses</b>	<b>-170,941</b>	<b>-198,734</b>	<b>-331,019</b>	<b>-385,198</b>	<b>-763,019</b>
<b>Profit before loan losses</b>	<b>1,361,185</b>	<b>280,798</b>	<b>1,653,977</b>	<b>538,806</b>	<b>1,124,891</b>
Net Loan losses	-174,230	-157,823	-337,108	-298,249	-631,231
Impairment of financial fixed assets	-1,048,000	-	-1,048,000	-	-
<b>Operating profit</b>	<b>138,955</b>	<b>122,975</b>	<b>268,869</b>	<b>240,557</b>	<b>493,660</b>
Income tax for the period	-29,688	-27,169	-58,333	-52,691	-109,159
<b>Profit for the period</b>	<b>109,267</b>	<b>95,806</b>	<b>210,536</b>	<b>187,866</b>	<b>384,501</b>

## STATEMENT OF OTHER COMPREHENSIVE INCOME - PARENT COMPANY

SEK thousand	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
<b>Profit for the period</b>	<b>109,267</b>	<b>95,806</b>	<b>210,536</b>	<b>187,866</b>	<b>384,501</b>
<b>Other comprehensive income</b>					
<b>Items that may subsequently be reclassified to the income statement</b>					
Gross exchange rate differences	330	115	-402	50	-1,173
Tax on exchange rate differences in the period	-	-25	-	-11	260
<b>Other comprehensive income for the period</b>	<b>330</b>	<b>90</b>	<b>-402</b>	<b>39</b>	<b>-913</b>
<b>Total comprehensive income for the period</b>	<b>109,597</b>	<b>95,896</b>	<b>210,134</b>	<b>187,905</b>	<b>383,588</b>

## BALANCE SHEET - PARENT COMPANY

SEK thousand	30 Jun 2024	31 Dec 2023
<b>ASSETS</b>		
Cash and balances with central banks	18,260	18,916
Treasury bills eligible for refinancing	2,303,930	3,536,570
Loans to credit institutions	3,688,518	2,994,041
Loans to the public	17,091,212	15,424,259
Shares	146	144
Shares in subsidiaries	566,558	1,614,558
Goodwill	7,014	7,652
Intangible assets	39,420	39,216
Tangible assets	5,778	6,514
Other assets	34,187	13,644
Deferred tax assets	20,549	55,285
Prepaid expenses and accrued income	72,193	53,286
<b>TOTAL ASSETS</b>	<b>23,847,765</b>	<b>23,764,085</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Deposits and borrowings from the public	20,664,603	20,652,996
Other liabilities	116,674	295,421
Current tax liabilities	48,533	94,075
Accrued expenses and prepaid income	323,662	217,527
Provisions	5,638	11,158
Subordinated liabilities	347,518	346,909
<b>Total liabilities</b>	<b>21,506,628</b>	<b>21,618,086</b>
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	107,500	107,500
Statutory reserve	1,000	1,000
Development costs fund	39,420	39,215
<b>Total restricted equity</b>	<b>147,920</b>	<b>147,715</b>
<b>Non-restricted equity</b>		
Tier 1 capital instrument	250,000	250,000
Foreign currency reserve	-1,680	-1,278
Retained earnings	1,734,361	1,365,061
Profit for the period	210,536	384,501
<b>Total non-restricted equity</b>	<b>2,193,217</b>	<b>1,998,284</b>
<b>Total equity</b>	<b>2,341,137</b>	<b>2,145,999</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>23,847,765</b>	<b>23,764,085</b>

**NOTE 14 Capital adequacy**
**THE PARENT COMPANY'S CAPITAL SITUATION**

SEK thousand	30 Jun 2024	31 Dec 2023
Common Equity Tier 1 capital (CET1)	1,968,816	1,829,184
Additional Tier 1 capital (AT1)	250,000	250,000
Tier 2 capital	347,518	346,909
<b>Own funds</b>	<b>2,566,334</b>	<b>2,426,093</b>
<b>Risk exposure amount</b>	<b>15,517,224</b>	<b>14,942,035</b>
- of which: credit risk	14,578,094	14,050,361
- of which: credit valuation adjustment risk	61,964	14,508
- of which: market risk	-	-
- of which: operational risk	877,166	877,166
<b>Capital ratios</b>		
CET1 capital ratio, %	12.7	12.2
Tier 1 capital ratio, %	14.3	13.9
Total capital ratio, %	16.5	16.2

**THE PARENT COMPANY'S REGULATORY CAPITAL REQUIREMENTS**

SEK thousand	30 Jun 2024		31 Dec 2023	
	Amount	Percent <sup>1</sup>	Amount	Percent <sup>1</sup>
<b>Capital requirement under pillar 1</b>				
CET1 capital	698,275	4.5	672,392	4.5
Tier 1 capital	931,033	6.0	896,522	6.0
Total capital	1,241,378	8.0	1,195,363	8.0
<b>Capital requirement under pillar 2</b>				
CET1 capital	103,766	0.7	84,641	0.6
Tier 1 capital	138,354	0.9	112,855	0.8
Total capital	184,472	1.2	150,473	1.0
- of which, concentration risk	139,228	0.9	128,880	0.9
- of which, currency risk	1,418	0.0	1,261	0.0
- of which, interest rate risk	43,826	0.3	20,332	0.1
<b>Total capital requirement under pillar 1 and pillar 2</b>				
CET1 capital	802,041	5.2	757,033	5.1
Tier 1 capital	1,069,387	6.9	1,009,377	6.8
Total capital	1,425,850	9.2	1,345,836	9.0
<b>Institution-specific buffer requirement</b>				
Total buffer requirement	574,138	3.7	564,809	3.8
- of which, capital conservation buffer	387,931	2.5	373,551	2.5
- of which, countercyclical buffer	186,207	1.2	191,258	1.3
<b>Total capital requirement including buffer requirement</b>				
CET1 capital	1,376,178	8.9	1,321,842	8.8
Tier 1 capital	1,643,525	10.6	1,574,186	10.5
Total capital	1,999,988	12.9	1,910,645	12.8

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

Note 14 cont.

#### THE PARENT COMPANY'S OWN FUNDS

SEK thousand	30 Jun 2024	31 Dec 2023
<b>CET1 capital</b>		
Share capital	107,500	107,500
Other reserves	38,740	38,938
Retained earnings including net profit for the period reviewed by the auditor	1,944,897	1,749,561
Adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends <sup>1</sup>	-6,328	-
- Intangible assets <sup>2</sup>	-17,087	-18,965
- Goodwill	-7,014	-7,652
- Insufficient coverage for non-performing exposures <sup>3</sup>	-91,892	-40,198
<b>Total CET1 capital</b>	<b>1,968,816</b>	<b>1,829,184</b>
<b>Additional Tier 1 capital</b>		
Perpetual subordinated loan	250,000	250,000
<b>Tier 2 capital</b>		
Fixed term subordinated loans	347,518	346,909
<b>Own funds</b>	<b>2,566,334</b>	<b>2,426,093</b>

#### THE PARENT COMPANY'S SPECIFICATION OF RISK EXPOSURE AMOUNT AND CAPITAL REQUIREMENT

SEK thousand	30 Jun 2024		31 Dec 2023	
	Risk exposure amount	Capital requirement 8 %	Risk exposure amount	Capital requirement 8 %
<b>Credit risk under the standardised approach</b>				
Corporate exposures	82,311	6,585	79,920	6,394
Household exposures	11,873,070	949,846	10,822,202	865,776
Exposures secured by real estate collateral	14,930	1,194	15,891	1,271
Exposures in default	1,129,593	90,367	847,714	67,817
Exposures to institutions	777,339	62,187	598,944	47,916
Equity exposures	566,704	45,336	1,614,702	129,176
Other items	134,147	10,732	70,988	5,679
<b>Total</b>	<b>14,578,094</b>	<b>1,166,248</b>	<b>14,050,361</b>	<b>1,124,029</b>
<b>Credit valuation adjustment</b>				
Standardised method	61,964	4,957	14,508	1,161
<b>Total</b>	<b>61,964</b>	<b>4,957</b>	<b>14,508</b>	<b>1,161</b>
<b>Market risk</b>				
Foreign exchange rate risk	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operational risk</b>				
Alternative Standardised Approach	877,166	70,173	877,166	70,173
<b>Total</b>	<b>877,166</b>	<b>70,173</b>	<b>877,166</b>	<b>70,173</b>
<b>Total risk exposure amount and total capital requirement</b>	<b>15,517,224</b>	<b>1,241,378</b>	<b>14,942,035</b>	<b>1,195,363</b>

<sup>1</sup> Deduction of dividends have been made in accordance with the Board of Directors' proposal to the Annual General Meeting and the dividend policy for interim results.

<sup>2</sup> Deduction according to Commission Delegated Regulation (EU) 2020/2176.

<sup>3</sup> Deduction according to Regulation (EU) No 2019/630.

## THE PARENT COMPANY'S LIQUIDITY POSITION

SEK thousand	30 Jun 2024	31 Dec 2023
<b>Liquidity reserve<sup>1</sup></b>		
Treasury bills eligible for refinancing - EU-commission <sup>2</sup>	733,833	1,322,471
Treasury bills and government securities eligible for refinancing - Norway <sup>2</sup>	637,874	246,800
Treasury bills eligible for refinancing - Netherlands <sup>2</sup>	508,038	440,823
Treasury bills eligible for refinancing - Sweden <sup>2</sup>	198,390	1,030,550
Treasury bills eligible for refinancing - Finland <sup>2</sup>	225,795	495,926
<b>Total liquidity reserve</b>	<b>2,303,930</b>	<b>3,536,570</b>
<b>Other available liquidity reserve</b>		
Cash and balances with central banks <sup>3</sup>	6,254	5,968
Loans to credit institutions <sup>3</sup>	1,262,294	1,142,989
<b>Total other available liquidity reserve</b>	<b>1,268,548</b>	<b>1,148,957</b>
<b>Total available liquidity reserve</b>	<b>3,572,478</b>	<b>4,685,527</b>
<b>Sources of financing</b>		
Deposits from the public	20,664,603	20,652,996
Subordinated liabilities	347,518	346,909
Tier 1 capital instrument	250,000	250,000
Equity attributable to shareholders	2,091,137	1,895,999
<b>Total sources of financing</b>	<b>23,353,258</b>	<b>23,145,904</b>
<b>Key figures</b>		
Available liquidity reserve / Deposits from the public	17	23
Liquidity coverage ratio, %	237	231
Net Stable Funding ratio, %	109	129

## REGULATORY LIQUIDITY REQUIREMENTS

	30 Jun 2024	31 Dec 2023
<b>Key figures</b>		
Liquidity coverage ratio, %	100	100
Net Stable Funding ratio, %	100	100

<sup>1</sup> According to definition in FFFS 2010:7.

<sup>2</sup> Remaining term to maturity for treasury bills is up to X month. Maturity date for Norwegian government bonds of NOK 250 million is 19 Februari 2026.

<sup>3</sup> Excluding restricted cash and cash equivalents that are not available the next day.

# 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 parent company and the Group and describes the material risks and uncertainties that the parent company and the Group faces.

Borås, 11 July 2024

John Brehmer  
*Chairman*

Niklas Johansson

Michael Lindengren

Sara Mindus

Fredrik Oweson

Arti Zeighami

Joakim Jansson  
*President and 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.

## **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, the amounts have been reduced by returns.

## **NUMBER OF ACTIVE CREDIT CARDS**

All issued cards at the last day of the period with balance above 0 or transaction in last twelve months prior to reporting date.

## **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**

15 October 2024 Interim report January-September 2024

20 January 2025 Year-end report 2024

This is information which TF Bank is required to disclose under the EU Market Abuse Regulation and the Securities Market Act. The information was provided for publication through a pressrelease 12 July 2024 at 07:00 CET.

## **CONTACTS**

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# RECONCILIATION TABLES

## KEY FIGURES <sup>1</sup>

SEK thousand	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
<b>Income statement</b>					
<i>Earnings per share, SEK</i>	5.43	4.22	10.47	8.32	17.53
Net profit for the period attributable to the shareholder's of the Parent Company	116,774	90,789	225,133	178,938	376,853
Average number of outstanding shares, thousands	21,500	21,500	21,500	21,500	21,500
<b>Key figures <sup>2</sup></b>					
<i>Operating income margin, %</i>	12.5	11.9	12.4	11.7	12.3
Total operating income, annualised	2,381,284	1,916,940	2,312,682	1,846,726	1,998,121
Average loans to the public	19,110,967	16,149,174	18,646,816	15,833,225	16,262,503
<i>Net loan loss ratio, %</i>	4.2	3.9	4.2	3.8	4.0
Net loan losses, annualised	809,252	631,292	781,478	596,498	656,851
Average loans to the public	19,110,967	16,149,174	18,646,816	15,833,225	16,262,503
<i>Cost/Income ratio, %</i>	39.5	41.5	39.8	41.6	41.6
Total operating expenses	235,294	199,113	459,959	384,500	831,671
Total operating income	595,321	479,235	1,156,341	923,363	1,998,121
<i>Return on equity, %</i>	22.5	21.7	22.3	22.0	21.9
Net profit for the period attributable to the shareholder's of the Parent Company, annualised	467,096	363,156	450,266	357,876	376,853
Average equity attributable to the shareholder's of the Parent Company	2,077,405	1,671,527	2,022,981	1,627,511	1,724,758
<i>Return on loans to the public, %</i>	2.4	2.2	2.4	2.3	2.3
Net profit for the period attributable to the shareholder's of the Parent Company, annualised	467,096	363,156	450,266	357,876	376,853
Average loans to the public	19,110,967	16,149,174	18,646,816	15,833,225	16,262,503

<sup>1</sup> 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.

<sup>2</sup> 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	30 Jun 2024	31 Dec 2023
<b>Available own funds</b>		
1 Common Equity Tier 1 capital (CET1)	1,992,435	1,817,029
2 Tier 1 capital	2,242,435	2,067,029
3 Total capital	2,589,953	2,413,938
<b>Risk-weighted exposure amount</b>		
4 Total risk exposure amount	16,590,741	15,143,851
<b>Capital ratios (% of risk-weighted exposure amount)</b>		
5 Common Equity Tier 1 ratio, %	12.0	12.0
6 Tier 1 ratio, %	13.5	13.6
7 Total capital ratio, %	15.6	15.9
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (% of risk-weighted exposure amount)</b>		
EU 7a Additional own funds requirements to address risks other than the risk of excessive leverage, %	1.2	1.1
EU 7b - of which, to be made up of CET1 capital, %	0.6	0.6
EU 7c - of which, to be made up of Tier 1 capital, %	0.9	0.8
EU 7d Total SREP own funds requirements, %	9.2	9.1
<b>Combined buffer and overall capital requirement (% of risk-weighted exposure amount)</b>		
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, %	1.2	1.2
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, %	3.7	3.7
EU 11a Overall capital requirements, %	12.8	12.7
12 CET1 available after meeting the total SREP own funds requirements, %	6.9	6.9
<b>Leverage ratio</b>		
13 Total exposure measure	25,119,556	24,150,038
14 Leverage ratio, %	8.9	8.6
<b>Additional own funds requirements to address risks of excessive leverage (% of leverage ratio total exposure amount)</b>		
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
<b>Leverage ratio buffer and overall leverage ratio requirement (% of total exposure measure)</b>		
EU 14d Total SREP leverage ratio requirements, %	N/A	N/A
EU 14e Overall leverage ratio requirements, %	3.0	3.0
<b>Liquidity Coverage Ratio</b>		
15 Total high-quality liquid assets (Weighted value – average)	2,410,162	3,641,665
EU 16a Cash outflows – Total weighted value	1,710,787	2,070,091
EU 16b Cash inflows – Total weighted value	1,221,008	1,042,366
16 Total net cash outflows (adjusted value)	489,779	1,027,725
17 Liquidity coverage ratio, %	492	354
<b>Net Stable Funding Ratio</b>		
18 Total available stable funding	17,644,666	18,626,082
19 Total required stable funding	15,972,484	14,553,355
20 Net Stable Funding ratio, %	110	128

# TF BANK'S GEOGRAPHICAL PRESENCE



SHARE OF LOAN PORTFOLIO BY QUARTER

