



AGM

May 2020

CORPORATE PROFILE

Our Products

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

Our DNA

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

Our Geographical footprint

We serve customers in the Nordics and around the Baltic sea

The investment case

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

HIGHLIGHTS JANUARY – DECEMBER 2019

- Loan book growth, +46%
- Operating profit growth, +26%*
- Return on equity, 31%
- New and extended agreements within Ecommerce Solutions
- Expansion of the credit card operations in Germany
- Subordinated Tier 2 bonds of SEK 100 million issued



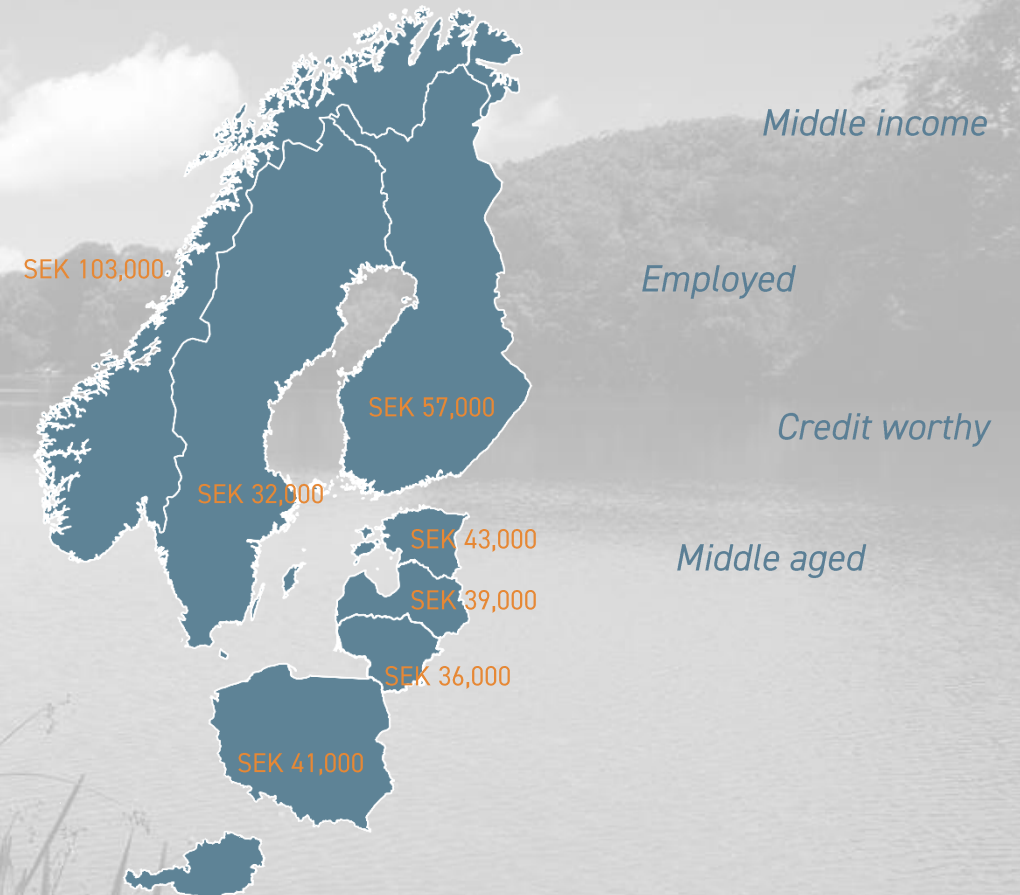
* excluding items affecting comparability, 20 MSEK, in Q4-2018

CONSUMER LENDING DIVERSIFIED PORTFOLIO WITH NORDIC BASE

At a glance

- 79 % of the loan portfolio distributed over 8 countries
- Product offering tailored for each market
- Marketed through direct channels, own data base and external partners
- Tenor of loans are typically between 12 and 60 months
- Average loan size on book of SEK ~56,000
- Credit quality keeps improving

Loan sizes (average) and customer profile



ECOMMERCE SOLUTIONS

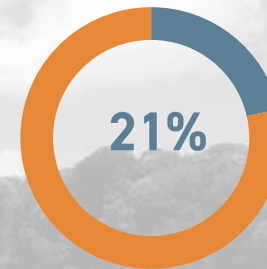
NEXT GENERATION PAYMENT SOLUTIONS

At a glance

- Best-in-class white label checkout solution with CRM functionality for online retailers – Checkout+
- Checkout+ allows retailers to offer payments in all Nordic countries through one single integration
- New checkout launched, targeted at Estonia's merchants
- Strong deal flow in the coming quarters
- German credit card pilot program, processing with more than 13,000 cards issued

Key metrics

Share of the
Group's loan portfolio



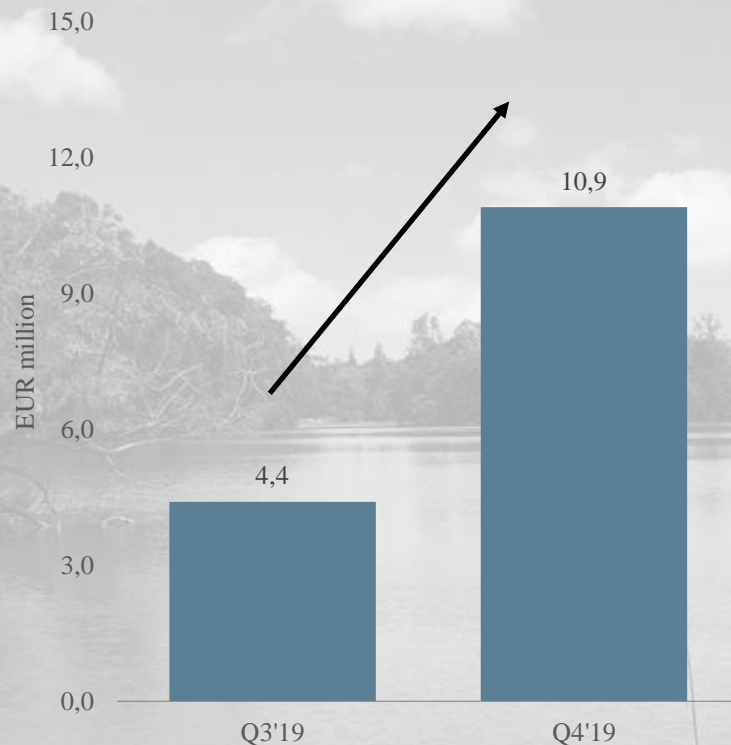
Amount outstanding
SEK 1351 million
(31 Dec 2019)

Loan portfolio growth
+9%
(Q4'19 vs Q3'19)

- **Digital payment solutions** offered in the Nordic region, the Baltics and Poland
- **Credit cards** in Norway and Germany

DEVELOPMENT GERMANY

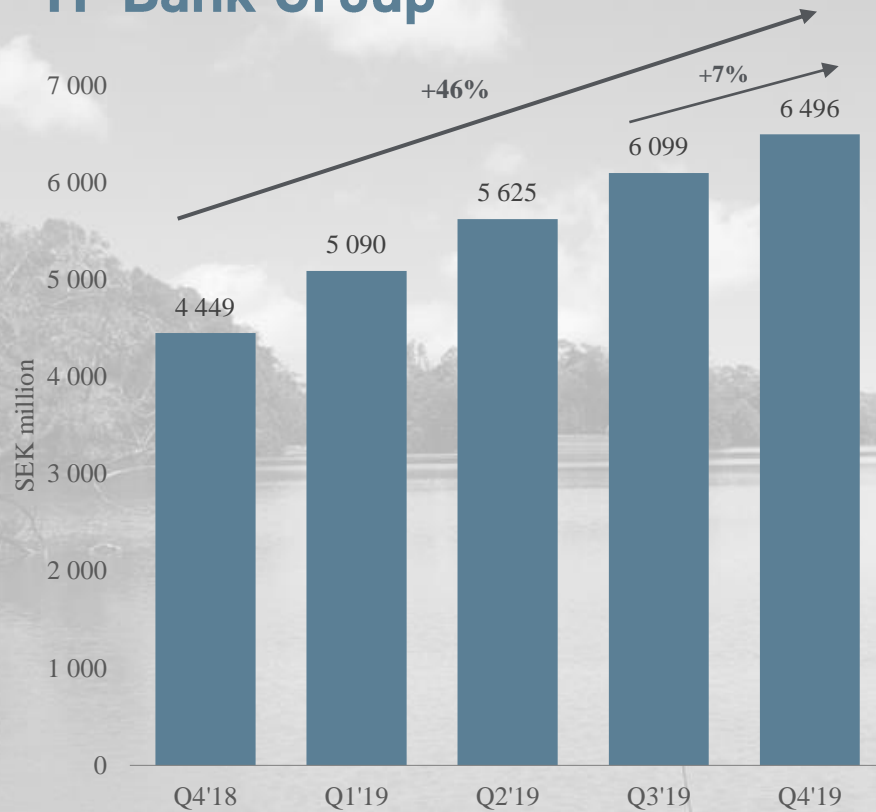
Loan portfolio



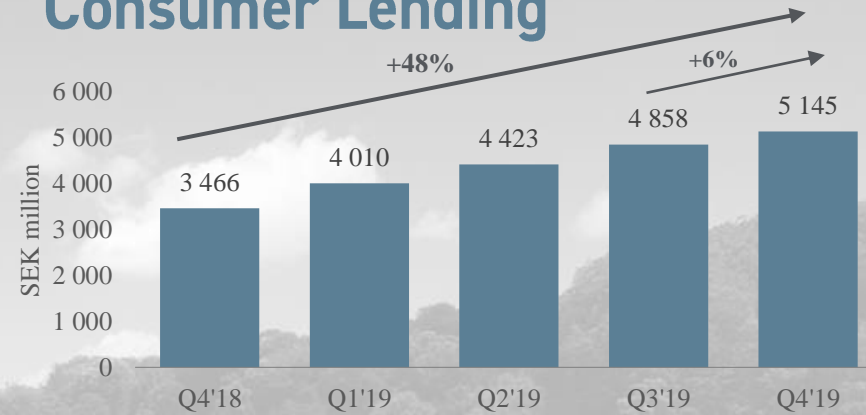
- **Credit card operations started in Germany late 2018**
 - Local marketing and service centre
 - Central functions (Risk, Finance, IT)
- **Product – Mastercard Gold**
 - Single risk exposure 1000 – 1500 EUR
 - Different income profile than consumer loans
- **Main competitors – Advanzia, Barclaycard, Hanseatic Bank**
- **More than 13.000 cards issued**
- **Credit quality and marketing cost per card in line with expectations**
- **Credit Cards separate segment from interim report Q1-2020**

STRONG LOAN BOOK GROWTH

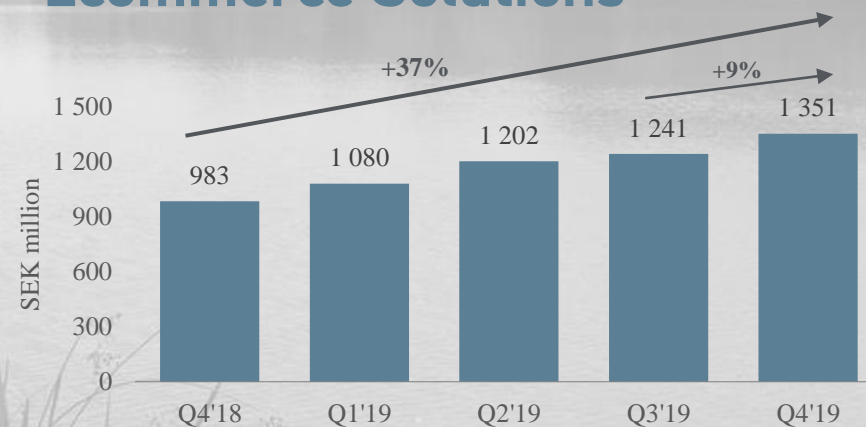
TF Bank Group



Consumer Lending



Ecommerce Solutions



GROWTH AND DIVERSIFICATION

Norway

Loan book SEK 2,140m (33%)
Change 12M'19: +56%
Strong growth for consumer lending

Finland

Loan book SEK 1,672m (26%)
Change 12M'19: +40%
Profitability and steady growth in both segments

Sweden

Loan book SEK 710m (11%)
Change 12M'19: +7%
Focus on profitability and e-commerce

Baltics

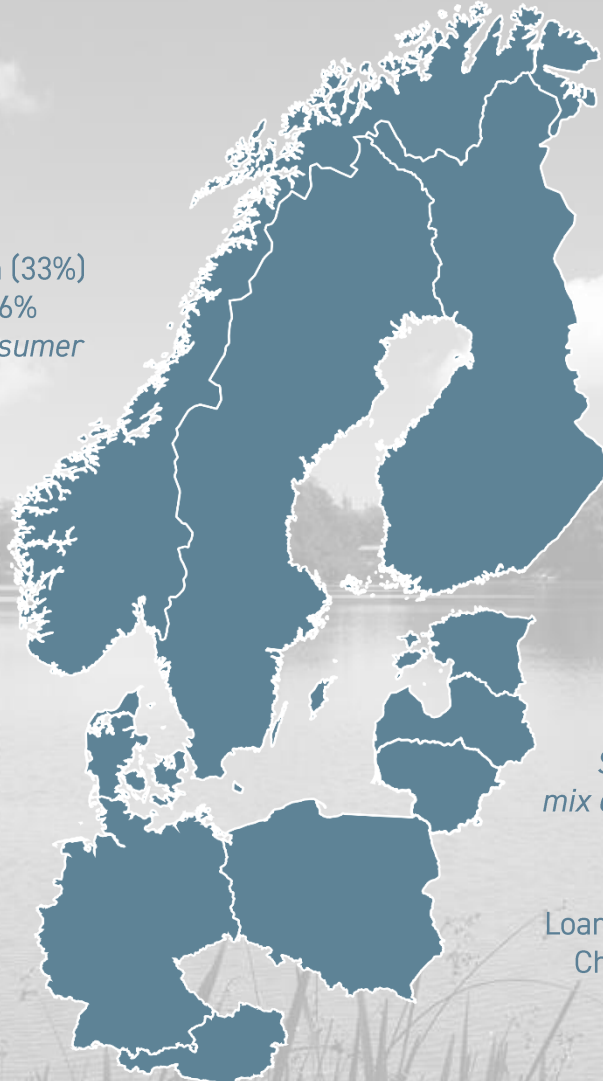
Loan book SEK 1,358m (21%)
Change 12M'19: +68%
Steady growth and profitability mix of consumer loans and ecommerce

Germany

Loan book SEK 125m (2%)
Change 12M'19: n/a
Product in high demand

Poland

Loan book SEK 434m (7%)
Change 12M'19: +17%
Strategic review



FINANCIAL TARGETS

Growth

TF Bank aims to achieve earnings per share of at least 14.50 SEK in 2020

Efficiency

TF Bank aims to achieve a cost/income ratio of below 35% in 2020

Capital structure

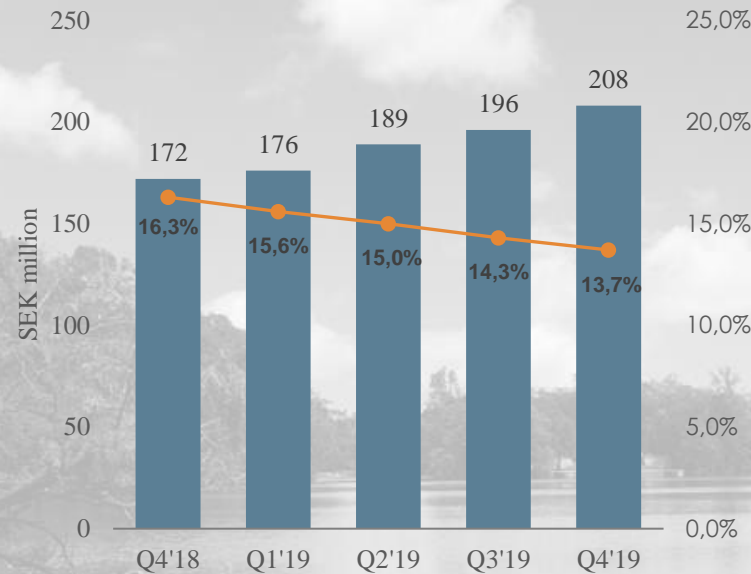
All capital ratios shall exceed the legal requirement (including pillar 2) by at least 2.5% points

Dividend policy

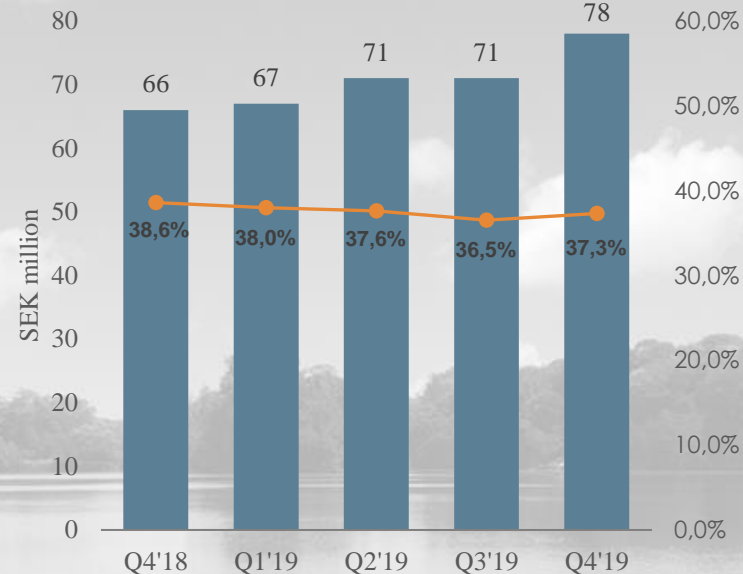
Distribute surplus capital relative to the capital target and the bank's capital planning

KPI – ACCORDING TO EXPANSION PLAN

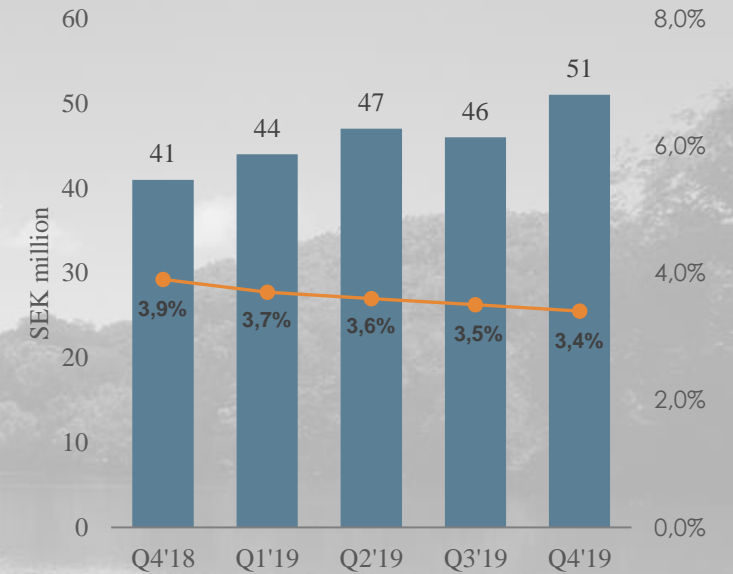
Operating income



Operating expenses*



Net loan losses



- Income Q4-19 vs. Q4-18, +21%

- Main growth drivers; Consumer loans in Norway and the Baltics
- Harmonization of the Group's accounting principles in Q4-2019

- Expenses Q4-19 vs. Q4-18, +17%*

- More staff, larger volumes, German credit cards
- Adjusted cost/income ratio 37,3%*

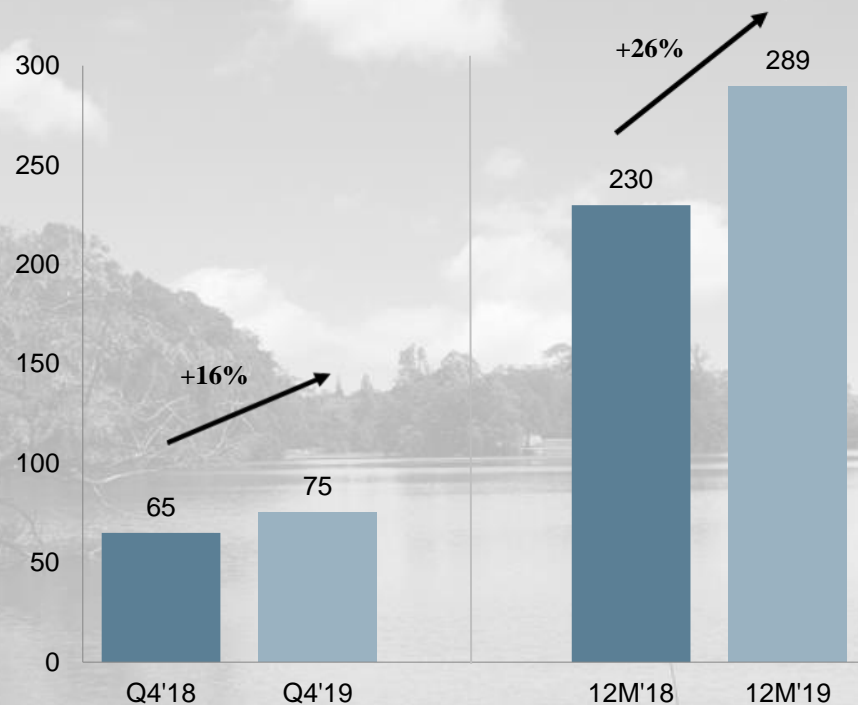
- Losses Q4-19 vs Q4-18, +26%

- Higher losses due to loan book growth
- Clean balance sheet policy

* excluding merger costs, 4 MSEK, in Q4-2019

PROFITABLE GROWTH

Operating profit*

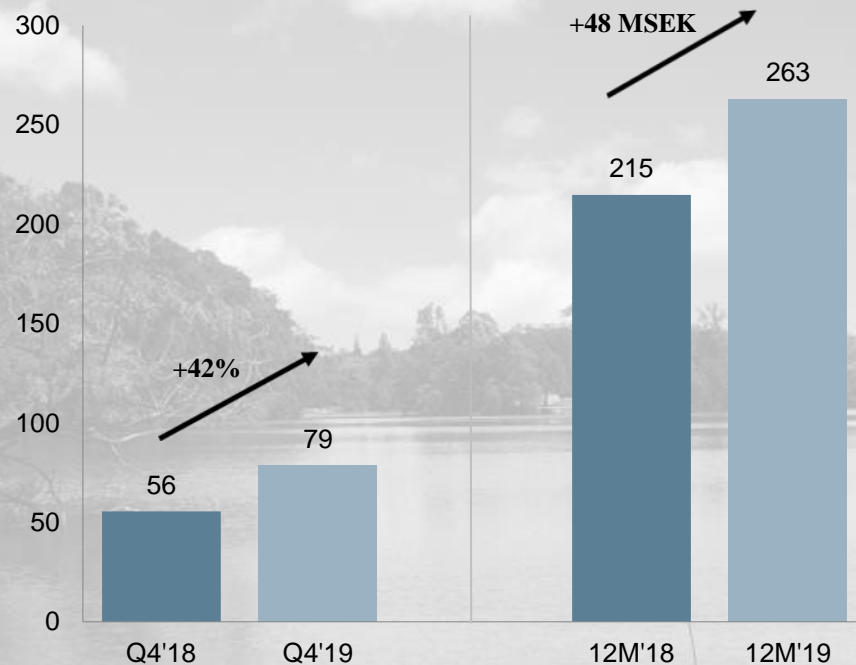


* excluding items affecting comparability, 20 MSEK, in Q4-2018

- Operating profit Q4-19 vs. Q4-18 +16%*
 - Investments in Germany
 - Return on equity 30,6%
- Earnings per share Q4-19 vs. Q4-18, +17%*
 - Q4-19: 2,58 SEK
 - Mergers - lower average tax rate 2020
- Earnings per share 2019 = 10,01 SEK, +25%

CONSUMER LENDING: NEW PRODUCT MIX

Operating profit

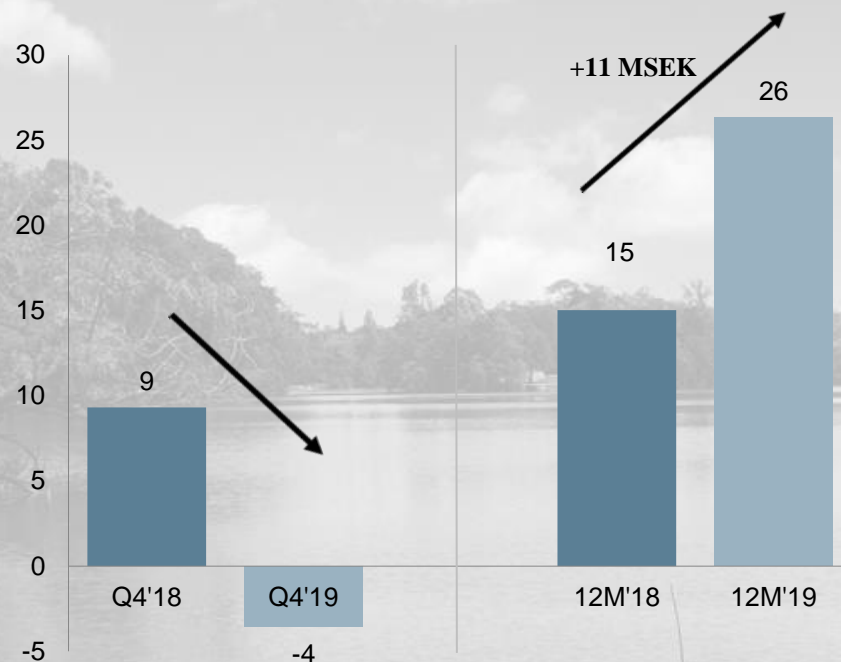


* excluding merger costs, 3 MSEK, in Q4-2019

- **Operating income Q4-19 vs. Q4-18 +26%**
 - Growth in Norway and the Baltics
 - Operating income margin 13,4%
- **Operating expenses Q4-19 vs. Q4-18, +10%***
 - Higher volumes affecting costs
 - Adjusted cost/income ratio 28,1%*
- **Net loan losses Q4-19 vs. Q4-18, +10%**
 - Review of past due loans > 90 days in Q4
 - Net loan loss ratio 3,5%

ECOMMERCE SOLUTIONS: AFFECTED BY CREDIT CARDS

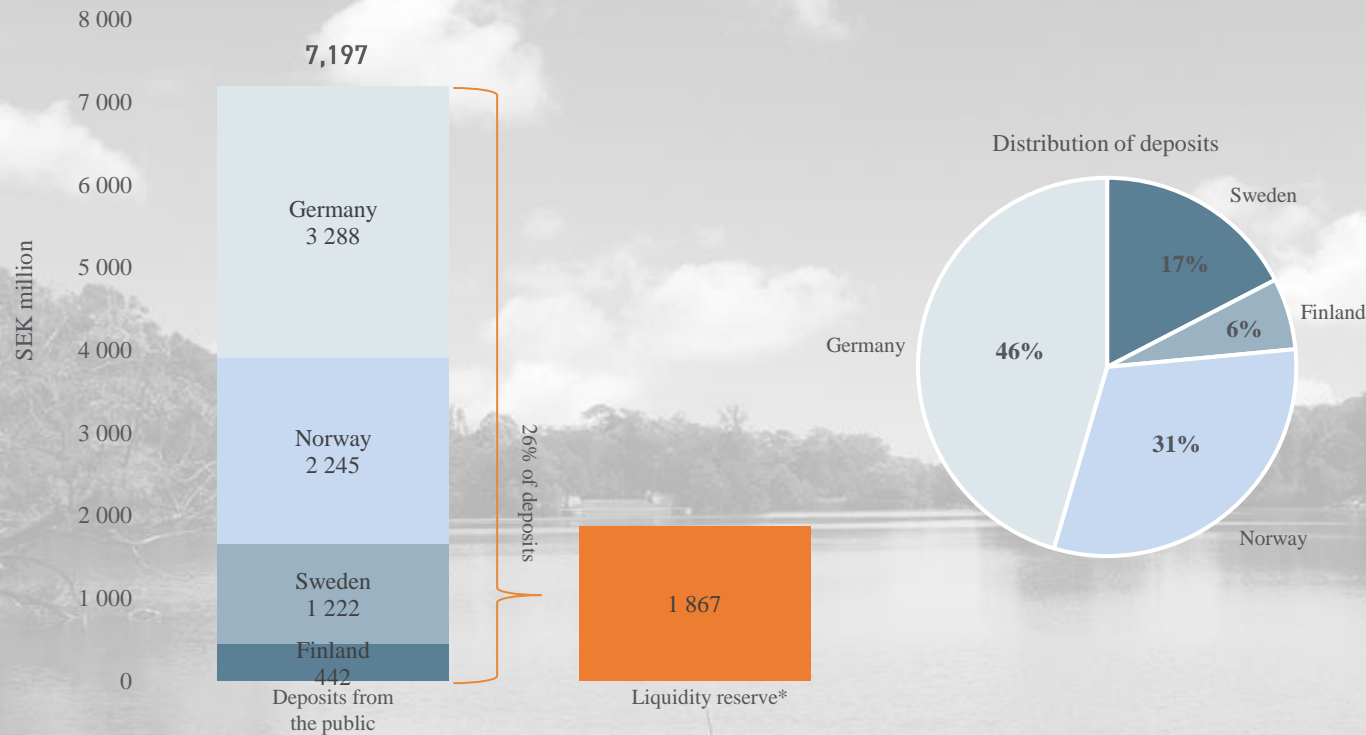
Operating profit



* excluding merger costs, 1 MSEK, in Q4-2019

- Operating income Q4-19 vs. Q4-18, +6%
 - New partnerships
 - Operating income margin 15,0%
- Operating expenses Q4-19 vs. Q4-18, +28%*
 - More customers and credit cards in Germany
 - Adjusted cost/income ratio 69,4%*
- Net loan losses Q4-19 vs. Q4-18, +77%
 - One partnership and provisions for future losses in Germany
 - Net loan loss ratio 3,1%

COST-EFFICIENT AND DIVERSIFIED FUNDING



- **Diversified retail deposits**

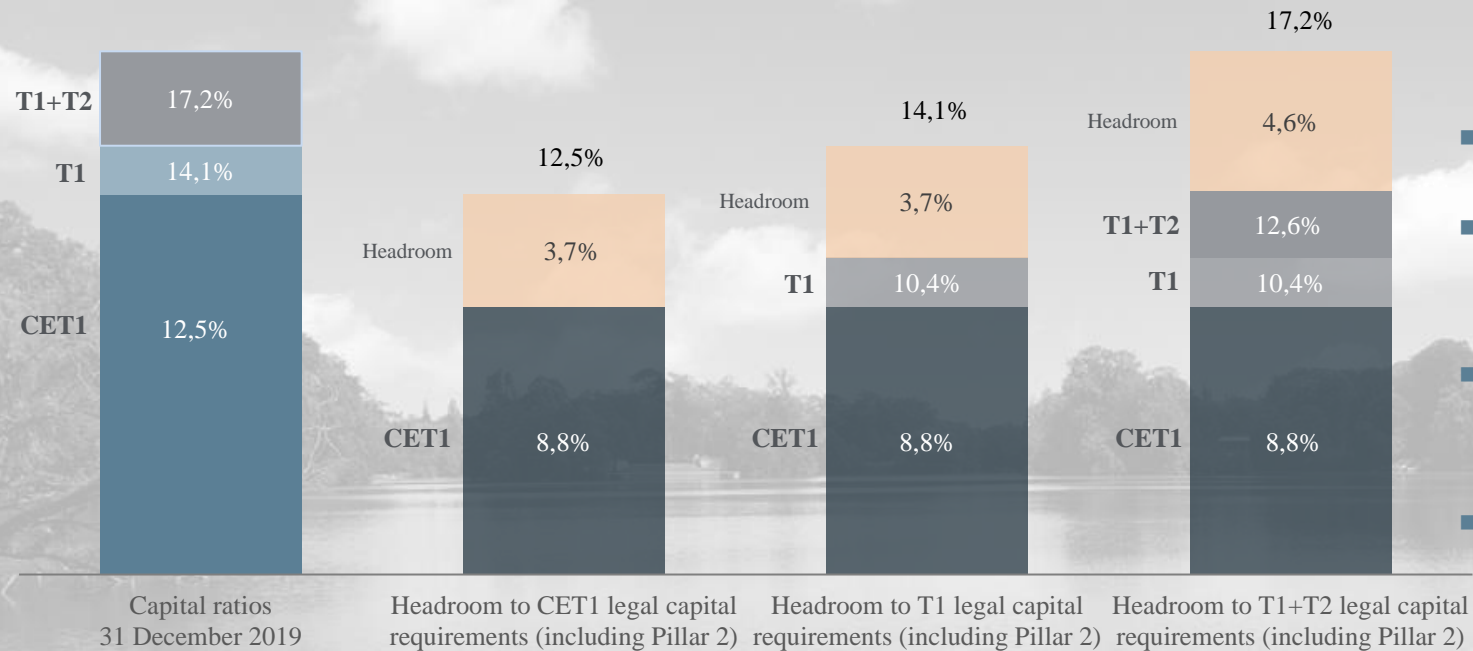
- Germany (SEK 3.3 billion)
- Norway (SEK 2.2 billion)
- Sweden (SEK 1.2 billion)
- Finland (SEK 0.4 billion)

- **Liquidity reserve: 26% of deposits**

- Overnight accounts in Nordic banks
- HQLA at central banks
- Stable return over the year

*Liquidity reserve consists of Cash at Central Banks (390m), Treasury bills (60m), Loans to credit institutions (1,363m), Shares (22m) and Unused credit facility (32m)

DIVERSIFIED CAPITAL STRUCTURE



- Higher capital ratios in Q4 (DPS 0,50 SEK)
- Internal capital target: >2,5% legal requirement (incl. Pillar 2)*
- Comfortable headroom to the internal target
- New regulatory capital requirements

* The Pillar 2 requirement should be covered by capital split similarly as for the Pillar 1 requirement, i.e. the Pillar 2 requirement of 0.9 % is split as follows: CET1 capital 0.6 %, T1 capital 0.7 % and total capital 0.9 %.

WHY INVEST IN TF BANK

- Resilient business model with more than 30 years of outstanding returns. The mix of consumer loans and payments makes it even stronger
- Profitable growth through TF Bank's diversified high yielding assets
- Lean cost base leading to world class efficiency at C/I of 37,8 % (2019)
- Nordic base added with CEE exposure

Q&A Session

APPENDIX

Board of Directors



Mari Thjømøe
Chairman of the Board since 2018
Board member since 2017
Current commitments:
Chairman: Seilsport Maritimt Forlag AS
Deputy chairman: Norconsult AS
Board member: Hafslund E-CO AS, Scatec Solar ASA, Ice ASA, Tryg A/S



Charlotta Björnberg-Paul
Board member since 2017
Current commitments:
Chairman: Saxo Oy
Board member: Paptic Ltd
Co-founder: Superskills
Entrepreneur; Anki Rugs



Tone Bjørnov
Board member since 2015
Current commitments:
Chairman: Filmparken AS, Storyline Studios AS, Hausmann AS
Board member: BB Bank ASA, Storyline Studios AS, Aqua Bio Technology ASA, Sparebankstiftelsen Bien, Guard Automation AS, Guard Electro AS, Omsorgsbygg Oslo KF, sparebanken Bien ASA, Varme og Bad AS



John Brehmer
Board member since 2010
Current commitments:
Chairman: Mederion AB, Tiberon AB, Zebware AB
Board member; Consortio Fashion Holding AB, TFB Holding AB, Halens Real Estate AB



Bertil Larsson
Board member since 2007
Current commitments:
Chairman: LåsTeam Sverige AB, Minso Solutions AB, Minso Holding AB, Aktiebolaget Borås Tidning, AB Effektiv
Board member: Conpera AB, Tore G Wärenstams stiftelse, Gota Media AB, Brf Asplickan, Kyrkesunds Båthamnsförening



Mattias Carlsson
Board member since 2008
Current commitments:
Chairman: BB Bank ASA, Avarda AB, Avarda Oy, Smedslättens Tennisbanor Aktiebolag, Qred AB
Board member: Tronstad Consulting AB

EXECUTIVE MANAGEMENT TEAM



Mattias Carlsson
CEO

Education: MSc, Engineering Physics, Uppsala University.
Current commitments: BB Bank ASA (chairman), Avarda AB (chairman), Avarda Oy (chairman), Smedslättens Tennisbanor Aktiebolag (chairman), Qred AB (chairman), and Tronstad Consulting AB (board member).



Mikael Meomuttel
CFO, Deputy CEO and Head of Investor Relations

Education: MSc, Business/Economics and Finance, University of Borås/University of Gothenburg.
At TF Bank since 2009, 2014 deputy CEO and from 2018 also the Group's Head of IR. Previously, among other things, been Financial Controller at Consortio Fashion Group AB (CFG).
Current commitments: Avarda AB (board member)



Espen Johannesen
Head of Consumer Lending

Education: Executive M.B.A Management control Norwegian School of Economics (NHH), Bachelor of economics, Business BI Norwegian School of Management
At BB Bank since 2010.



Mikael Johansson
Head of Ecommerce Solutions

Education: MSc Business Administration and Mathematics Stockholms universitet
With the Group since 2016 as CEO of Avarda. Previously, among other things, at GE Commercial Finance and as CEO of Santander Consumer Bank Sweden.
Current commitments: Svenska Bilhandlare AB (chairman)

Head of countries and functions ¹⁾



Vilma Sool
*Regional manager
Baltics
Head of Estonia*

10 years of experience in the consumer finance sector – established and led Bigbank Swedish branch.



Juho Maanpää
Head of Finland

Extensive consumer finance experience in Finland within operations management, credit risk and digital marketing. With TF Bank since 2013.



Juris Pūce
Head of Latvia

Before joining TF Bank in 2016, worked for seven years in Bigbank, serving as country manager in Latvia and Spain and in various positions with credit management services provider Creditreform.



Björn Skytt
CIO

Before joining TF Bank in 2010 worked as integration manager for ICA Banken and prior to that as project manager and system manager for SKF's financial and treasury systems.



Wojciech Drozd
Head of Poland

Sales leader with 20+ years of extensive consumer finance and retail banking experience from GE Money Bank Poland and Bank BPH.



Krzysztof Blach
Credit Manager

Credit Risk Manager with 15 years of experience in retail banking sector. Worked for GE Money Bank and BPH Bank in Poland holding various positions and for KBC Group across Europe.



Lennart Swoboda
Head of Germany

Seasoned Fintech and Bank manager in several positions in leading institutes. Prior establishing German business, led several M&A & Strategy projects for blue-chip Debt Management firms.



Sarunas Dmukauskas
Head of Lithuania

Before joining TF Bank at end of 2018, worked for 2 years in Mokilizingas as Head of Projects and prior to that as a project and product manager of Consumer Loans. Led development of various financial service related IT solutions.

1) Excluding Espen Johannesen, Head of Norway and acting Head of Sweden, as he is also the Head of Consumer Lending and consequently a member of the Executive Management Team as shown on p. 21.

Contact

Investor relations

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