



# Annual General Meeting

May 2023

# CORPORATE PROFILE



## Our Products

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

## Our DNA

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

## Our Geographical footprint

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

## The investment case

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

# HIGHLIGHTS JANUARY – DECEMBER 2022



- Loan portfolio increased by +27%\* during 2022
- Operating profit 434 MSEK, +23%
- Best-in-class return on equity, 23.6%
- Loan book growth of 93% within the Credit Cards segment vs 2021
- Focus on EPS-growth and capital – no dividend proposed for 2022
- Cooperations launched with the retailers Jollyroom & Haypp Group
- Post year-end: New Tier 2 instrument, 150 MSEK

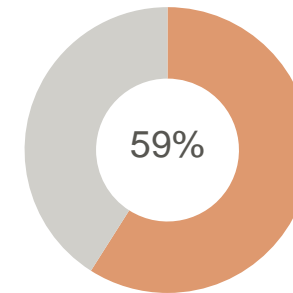
\* in local currencies

# CONSUMER LENDING

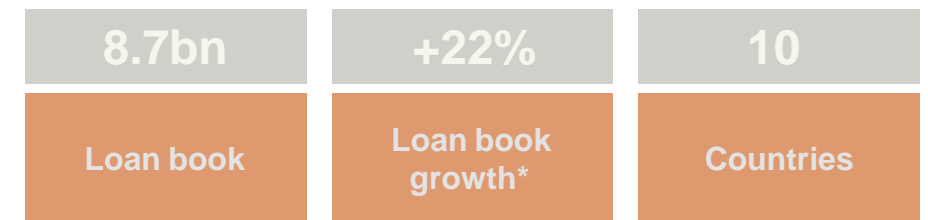
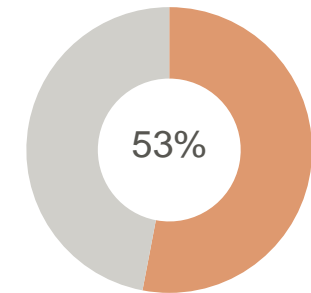


- Diversified portfolio with Nordic base
- Product offering tailored for each market
  - Average loan size on book of SEK – 69,000
  - Tenor typically between 12 and 60 months
- Marketed through direct channels, own data base and external partners
- Increase in front book APR, in line or above increase in funding cost
- Back book lending rates are up and so far outpace funding cost increases, but with a time lag contingent on consumer contract regulation
- Stable credit quality in the Nordics – higher losses in the Baltics albeit from low level

Share of TF Bank's loan book



Share of TF Bank's operating income



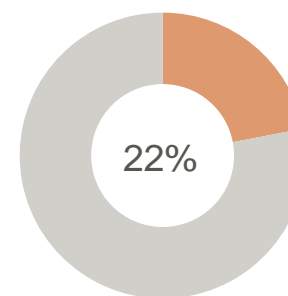
\* year-on-year

# CREDIT CARDS

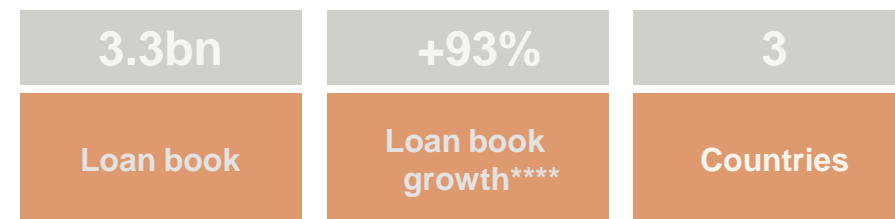
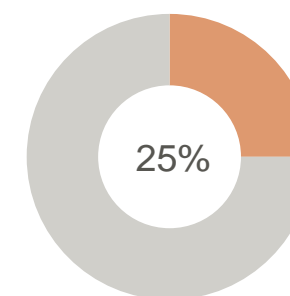


- Target group is German, Austrian and Norwegian consumers
- Simple and transparent offering – gold card with no fees
- Different income profile compared to consumer loans
  - "Low and grow" strategy
- Addressable market in number of consumers
  - Germany 35 M\*, Norway 3 M\*\* and Austria 3 M\*\*\*
- Active customers and net assets grew to 141,000 (80,000) and 3,264 MSEK (1,688) by year-end

Share of TF Bank's loan book



Share of TF Bank's operating income



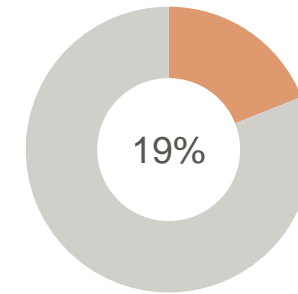
\* Schufa and TF Bank estimate, \*\* Gjeldsregistret and TF Bank estimate, \*\*\*TF Bank estimate, \*\*\*\* year-on-year

# ECOMMERCE SOLUTIONS

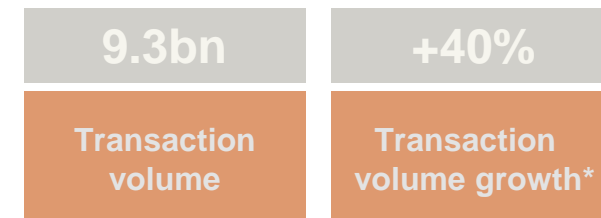
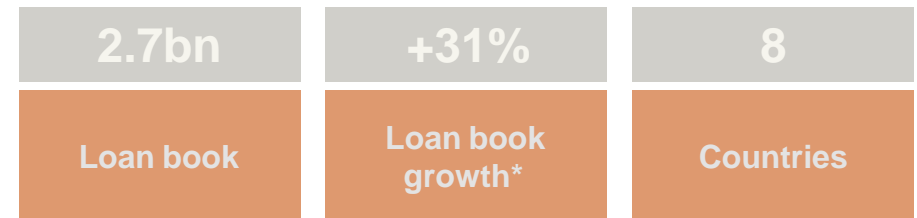
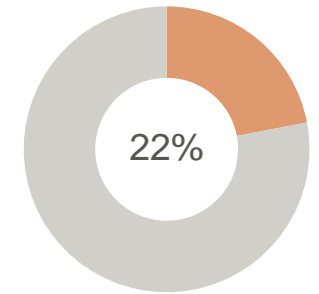


- Cooperation with Jollyroom and Haypp Group launched during the year
  - Expected transaction volume of more than SEK 3 billion
- Digital payment solutions offered in the Nordic region, the Baltics and Poland
- Best-in-class white label Checkout+ maintain focus on our partners throughout the whole customer journey
- Although many sectors in retail see lower demand the Bank is able to attract new merchant partners to fuel the growth

Share of TF Bank's loan book

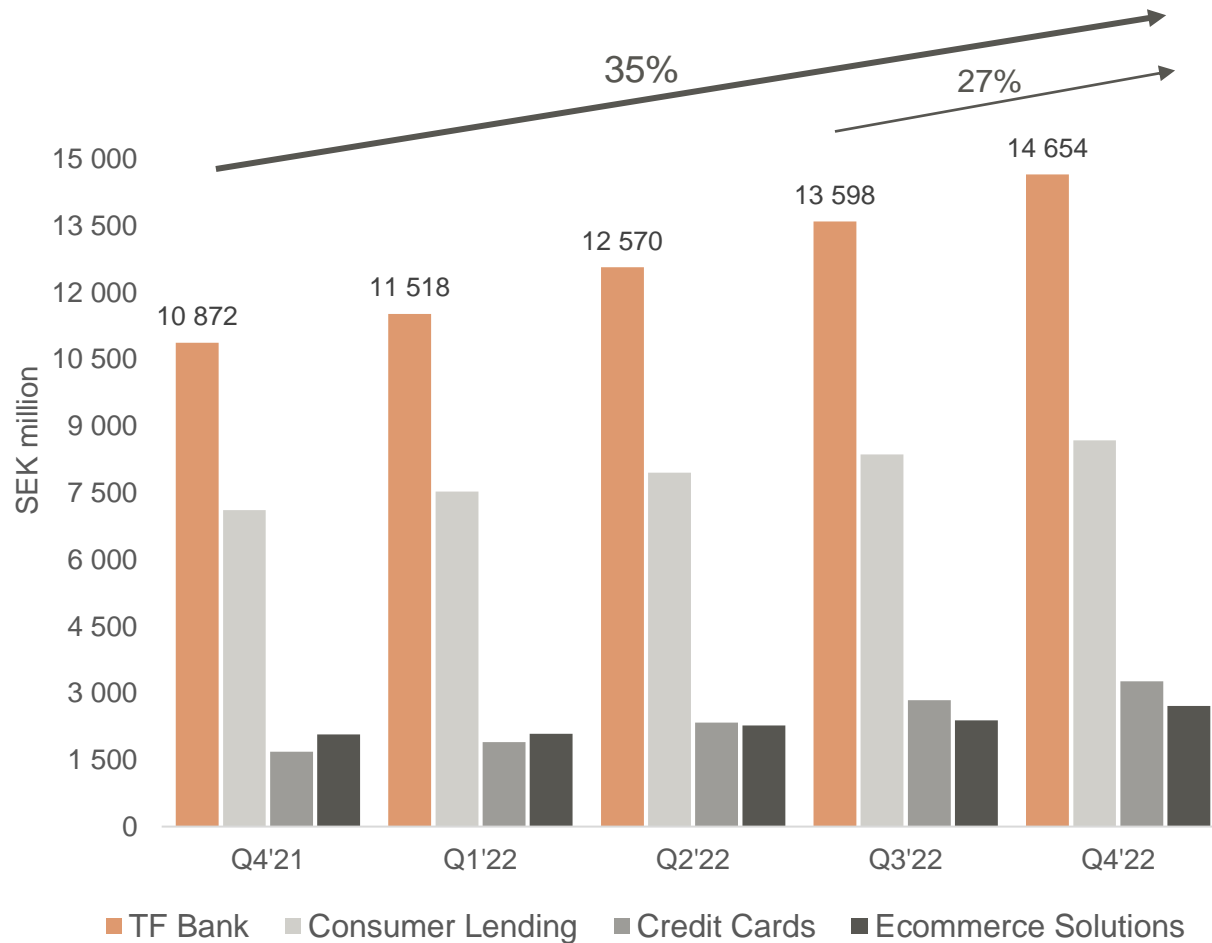


Share of TF Bank's operating income



\* year-on-year

# LOAN BOOK GROWTH



- TF Bank: Growth in 2022 = 35% (+27%\*)
- Consumer Lending: 2022 = 22% (15%\*)
- Credit Cards: 2022 = 93% (79%\*)
- Ecommerce Solutions: 2022 = 31% (24%\*)

\* in local currencies

# GROWTH AND DIVERSIFICATION



## Sweden

- Focus on profitability and e-commerce.



## Norway

- Continued positive long term outlook on the Norwegian economy. Focus on growth and margins. Credit card issuing at an all time high.



## Finland

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



## The Baltic states

- Portfolio management and profitability focus in consumer lending.



## Poland

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



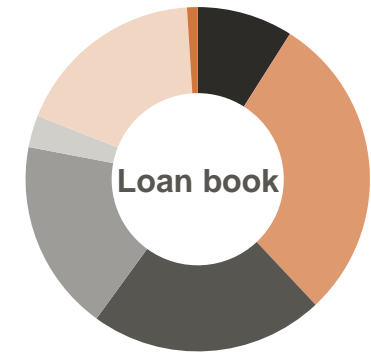
## Germany and Austria

- Credit card product in high demand. Competitive CAC\*. Austria reached cost coverage in Q4.



## New markets

- Denmark and Spain underwriting kept low (1 MEUR/market/month) – building credit experience.



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

\* Customer acquisition cost



# FINANCIAL TARGETS

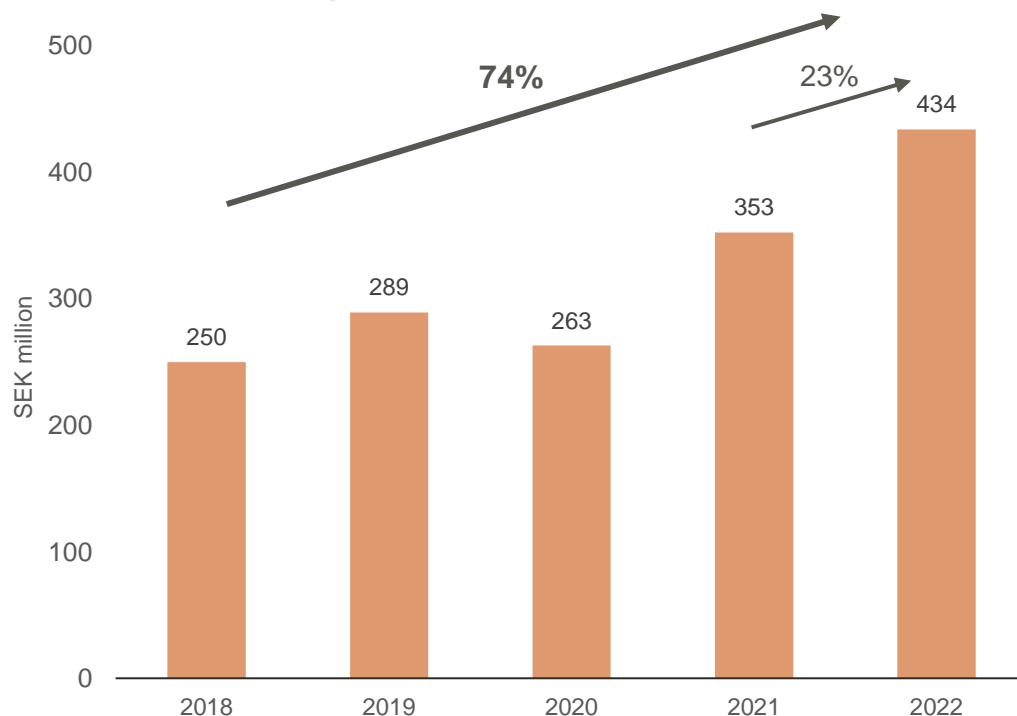


- **Growth** TF Bank's aim is to achieve a loan portfolio of SEK 20 billion by first half of 2025.
- **Profitability** TF Bank's aim is to achieve a return on equity well above 20%.
- **Capital structure** TF Bank's aim is that all capital ratios should exceed the regulatory requirement (including pillar 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.

# GROWING OPERATING PROFIT

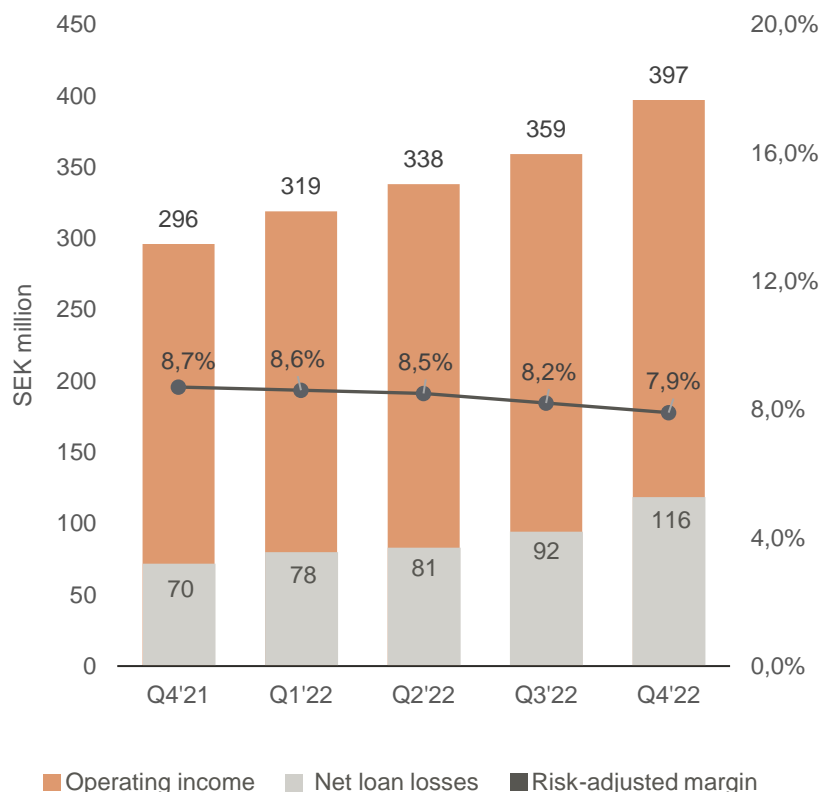


## Operating profit



- **Operating profit 2022 vs. 2021, +23%**
  - Operating profit 2022 vs. 2018, +74%
  - Increased profit year-on-year
  - Return on assets, 2.1%
- **Growth combined with high profitability**
  - Return on equity, 23.6% in 2022
  - Earnings per share, 15.18 SEK

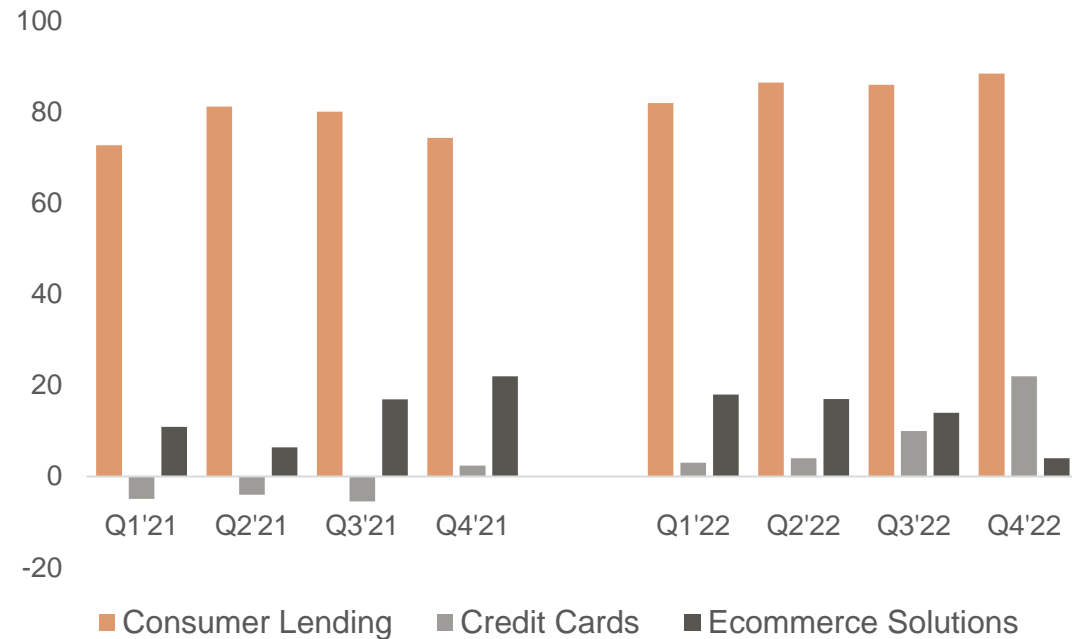
# STABILISED RISK-ADJUSTED MARGIN



- **Operating income**
  - Credit Cards the main driver
  - New pricing improves interest income
- **Net loan losses**
  - Record volume – higher provisions
  - Mix effect from segment growth
- **Risk-adjusted income**
  - Higher interest expenses during 2022
    - Not yet fully transferred to customers

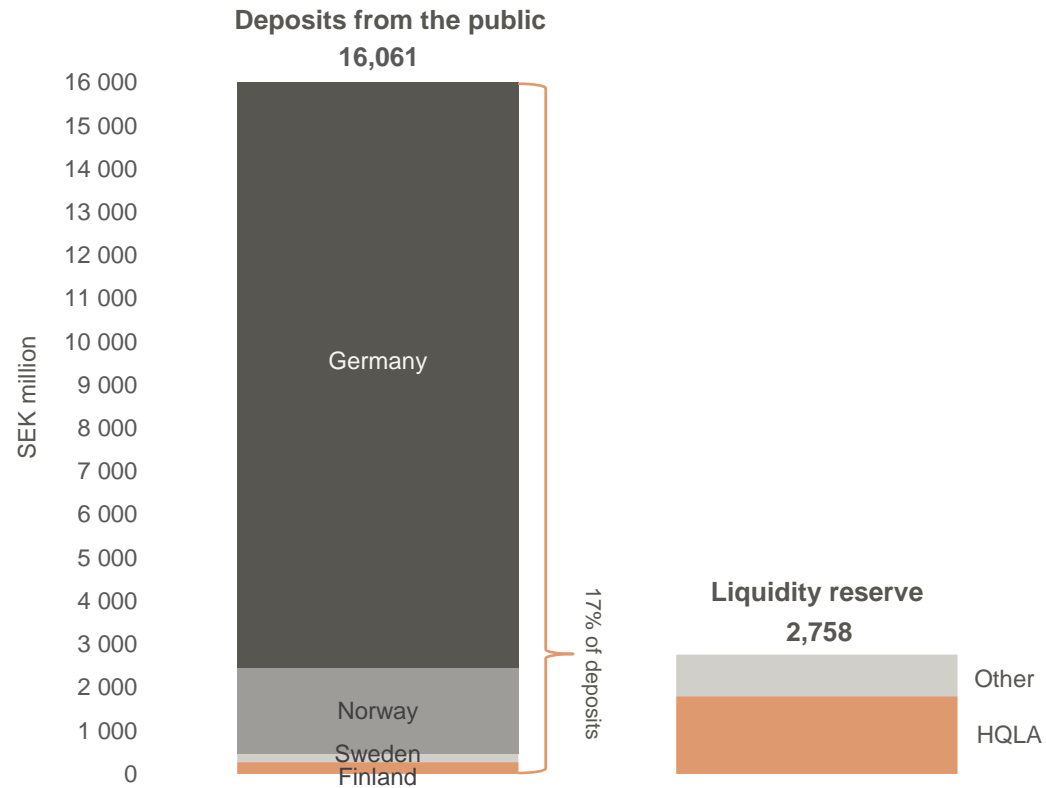
\* ratio = current quarter annualised, \*\* operating income minus net loan losses

# OPERATING PROFIT BY SEGMENT



- **Consumer Lending 2022 vs. 2021, +11%**
  - Return on assets, 3.2%
  - Higher loan losses in 2022
  - Challenges in the Baltic countries
- **Credit Cards 2022 vs. 2021, +425%**
  - Profit turnaround in 2022
  - Return on assets, 2.2%
- **Ecommerce Solutions 2022 vs. 2021, -6%**
  - Record volume lowers profit
  - Interest expenses not yet transferred to customers

# FUNDING AND LIQUIDITY



- **Retail deposits in 4 markets**

- Germany (SEK 13.6 billion)
- Norway (SEK 2.0 billion)
- Sweden (SEK 0.3 billion)
- Finland (SEK 0.2 billion)
- Fixed-term deposits: 39%

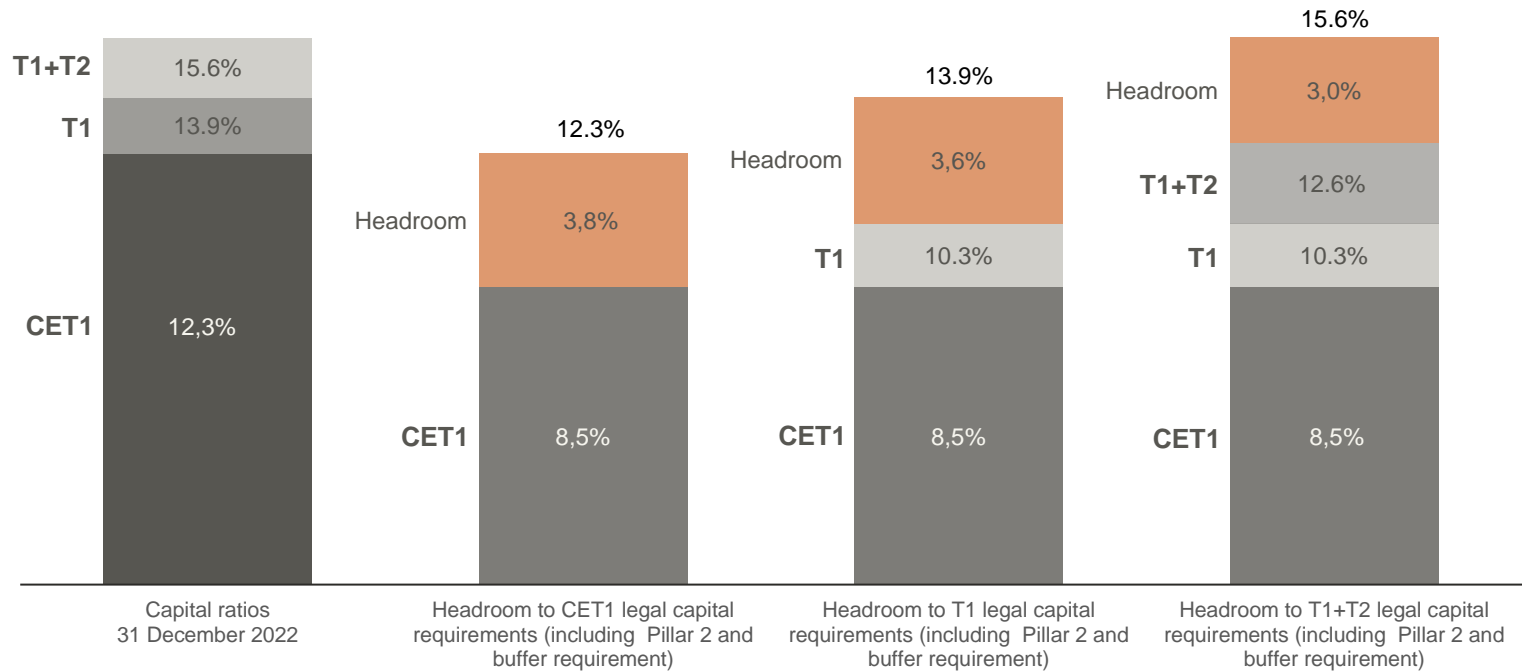
- **Liquidity reserve: 17% of deposits**

- Treasury bills 1.6 billion\*
- Government bonds 0.2 billion\*\*
- Other liquidity 1.0 billion

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

\*\* Norway, maturity date 2026-02-19

# CAPITAL SITUATION



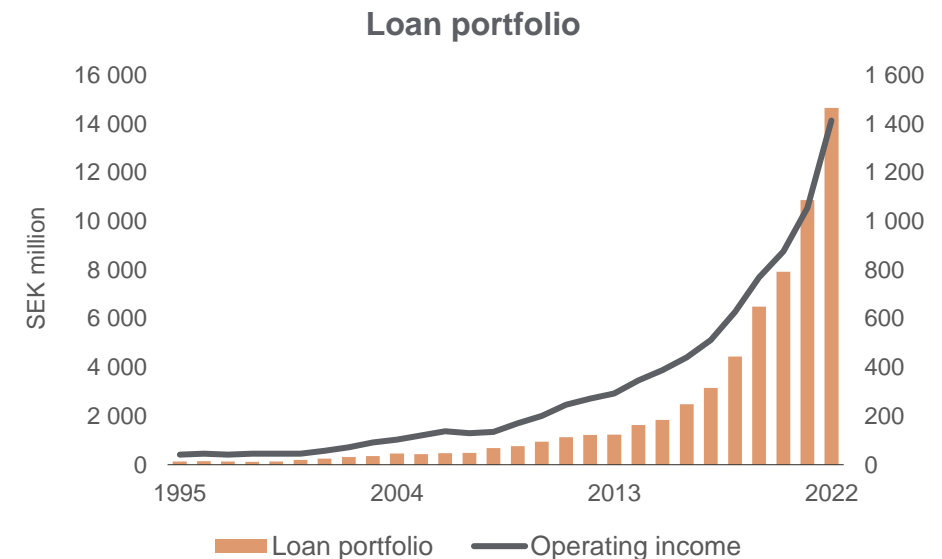
- Capital ratios impacted by loan book growth
- SFSA has given TF Bank permission to use the Alternative Standardised Approach for operational risk
- Higher countercyclical buffer requirements ahead

# WHY INVEST IN TF BANK



- Stable business model with 35 years of high yields
- Responsible organic growth with a diversified portfolio
- Controlled cost basis results in high efficiency
- Credit Cards and Ecommerce Solutions offers new opportunities for growth

Strong track record on growth and profitability





# Q&A Session





# Appendix

# Board of Directors



**John Brehmer**  
*Chairman of the Board since 2020*  
*Board member since 2010*  
**Current commitments:**  
**Chairman:** Mederion AB, Tiberon AB, Zebware AB  
**Board member:** Consortio Invest AB, Consortio Business Center AB  
**Holdings in company:** 3 361 852 shares



**Mari Thjømøe**  
*Board member since 2017*  
**Current commitments:**  
**Chairman:** Seilspport Maritimt Forlag AS, ThjømøeKranen AS  
**Board member:** Tryg A/S, Deezer S.A., Hafslund AS, FCG Fonder AB, Norconsult AS, Sintef Eiendom Holding AS  
**Holdings in company:** 11 850 shares



**Sara Mindus**  
*Board member since 2020*  
**Current commitments:**  
**Board member:** K-Fast Holding AB, Besqab AB, Dreams AB, Colibri Ventures AB, Faboss Invest AB, Sara Mindus AB  
**Holdings in company:** 25 000 shares



**Michael Lindengren**  
*Board member since 2021*  
**Current commitments:**  
**Chairman:** Acrap AB  
**Deputy chairman:** Tidaholms Sparbank  
**Board member:** Sparbanksstiftelsen Sjuhärad, Sparbanken Sjuhärad (publ) AB, Simplicity AB  
**Holdings in company:** 5 000 shares



**Niklas Johansson**  
*Board member since 2022*  
**Current commitments:**  
**Chairman:** Apoteket AB:s Pensionsstiftelse, AREIM AB  
**Board member:** Livförsäkringsbolaget Skandia, Euroclear Sweden AB  
**Holdings in company:** 300 shares



**Fredrik Oweson**  
*Board member since 2022*  
**Current commitments:**  
**Chairman:** Scope Capital SA, Woffel SA  
**Board member:** Swedish Bra Holding AB, Artificial Solutions International AB  
**Holdings in company:** 0 shares

# Executive management team



**Mattias Carlsson**  
*CEO*

**Education:** MSc, Engineering Physics, Uppsala University.  
At TF Bank since 2008 as CEO until 2015, Chairman of the board between 2015 and 2017 and CEO from 2017. Previous experience from Resurs Bank and SEB.

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

**Holdings in company:** 261 651 shares



**Mikael Meomuttel**  
*CFO, Deputy CEO and Head of Investor Relations*

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

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

**Current commitments:** Torhamnsskär Holding AB (chairman)

**Holdings in company:** 28 000 shares



**Espen Johannesen**  
*COO*

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

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

**Holdings in company:** 45 198 shares

# Contact

## Investor relations

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