



2nd Quarter 2021

RESULT PRESENTATION

HIGHLIGHTS APRIL – JUNE 2021



- Loan book growth 31%* LTM
- Operating profit +19% vs Q2-2020
- Ecommerce Solutions transaction volumes +97% vs Q2-2020
- Expansion for credit cards in Germany, 292% LTM
- New forward flow contracts in Germany and the Baltics

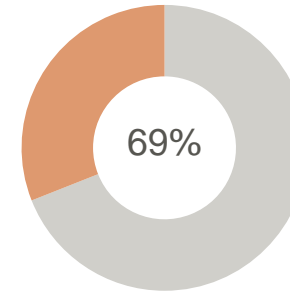
* Development of the loan portfolio in local currencies

CONSUMER LENDING

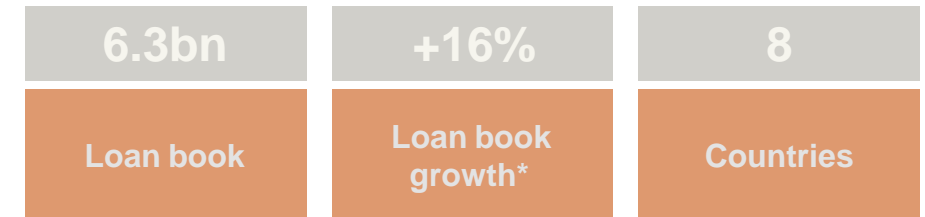
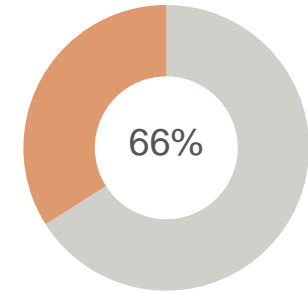


- Diversified portfolio with Nordic base
- Product offering tailored for each market
 - Average loan size on book of SEK – 58,000
 - Tenor typically between 12 and 60 months
- Marketed through direct channels, own data base and external partners
- Stable APR on new lending in the Nordics and CEE
- Stable to improving credit quality during the pandemic and no visible deterioration

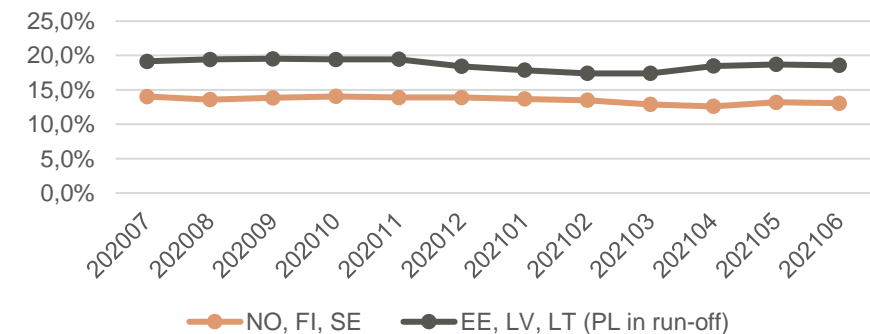
Share of TF Bank's loan book



Share of TF Bank's operating income



APR-New origins, volume weighted



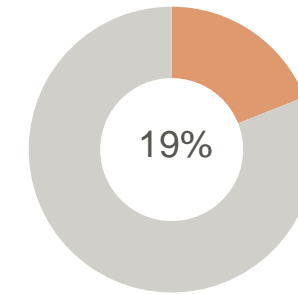
* year-on-year

ECOMMERCE SOLUTIONS

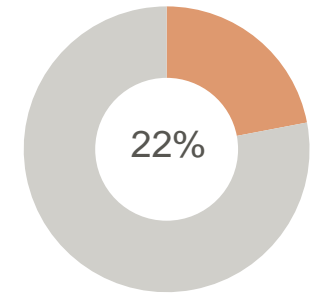


- Digital payment solutions offered in the Nordic region, the Baltics and Poland
- Successful launch of our BNPL-services for Boozt.com across all their web shops
- Best-in-class white label Checkout+ delivers higher transaction volumes, SEK 1 756 million (892) during Q2
- Roll-out of our baltic BNPL checkout in LV and LT in H2-2021

Share of TF Bank's loan book



Share of TF Bank's operating income



1.7bn

Loan book

+45%

Loan book
growth*

7

Countries

* year-on-year

ECOMMERCE SOLUTIONS – RAPID GROWTH IN Q2



- Major increase in active customers is important to further deepen our knowledge on customer behaviour
- Three main offerings to merchants:
 - APO: Tailormade payment solutions for merchants – stand alone or Checkout optimized for conversion
 - AMO: Branded life cycle marketing – Merchant in control
 - ARO: Optimise return flow – reduce environmental footprints

Strong growth over past 12 months

Transaction volume +78%	Active merchants +26%
SEK 4,7bn	230
Checkout volume +133%	Active customers +100%
SEK 3,7bn	2 Million

CELLBES **VIANOR** BUBBLEROOM

Booztpay. HobbyHall.fi  **BEIJER**
BYGGMATERIEL

 **ASKO** Hansapost.st.ee  **Däck365.se**

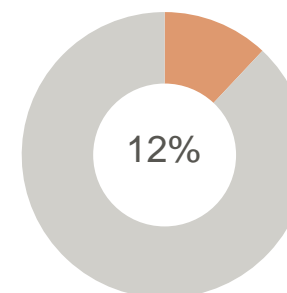
CREDIT CARDS



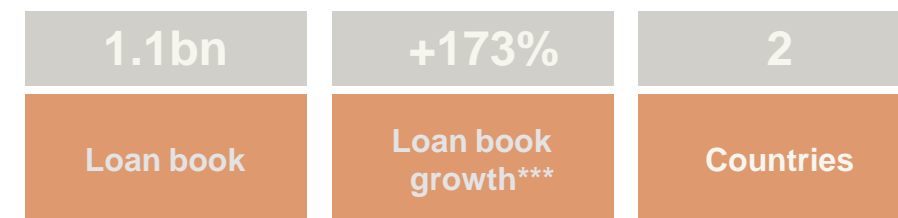
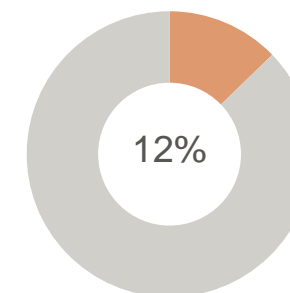
- Target group is German and Norwegian customers
- Simple and transparent offering – gold card with no fees
- Different income profile compared to consumer loans
 - Starts low – gradual build-up of income
- Addressable market in number of consumers
 - Germany 35 M* and Norway 3 M**
- Active customers and net assets grew to 61,000 (54,000) and 1,099 MSEK (958) respectively
- Risk level as expected
- Card issuing was intentionally lower in the first two months of Q2 and saw a rapid increase in the second half of June
- Card spending picking up

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

Share of TF Bank's loan book



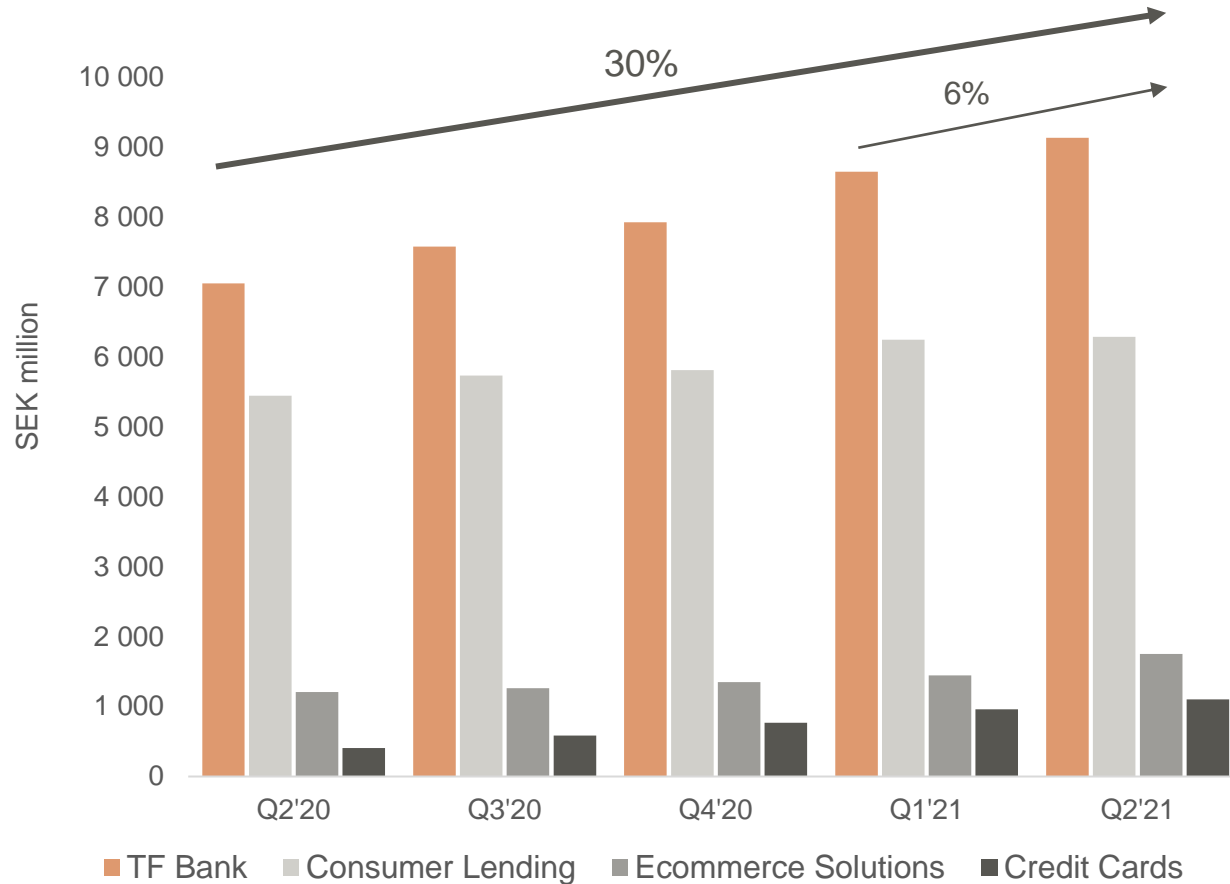
Share of TF Bank's operating income



Mid-term unit economics

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

LOAN BOOK GROWTH



- TF Bank: Growth in Q2 = 6% (-1%*)
- Year-on-year 30% (-1%*)
- Consumer Lending: Q2 = 1% (-2%*)
- Year-on-year 16% (0%*)
- Ecommerce Solutions: Q2 = 21% (0%*)
- Year-on-year 45% (-4%*)
- Credit Cards: Q2 = 15% (-2%*)
- Year-on-year 173%

* whereof currency effects

GROWTH AND DIVERSIFICATION



Sweden

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



Norway

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



Finland

- Indications that the temporary rate cap will expire by the end of Q3.



The Baltic states

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



Poland

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



Germany

- Credit card product in high demand. Card spending lower since mid-December as a result of the German lockdown. Positive signs since beginning of June that spending is picking up.

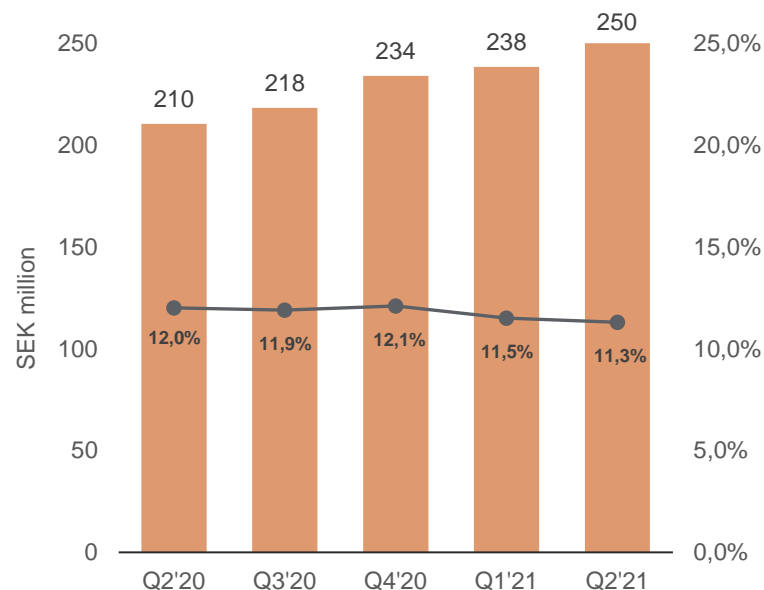


■ Sweden ■ Norway ■ Finland
■ Baltics ■ Poland ■ Germany

KPI – STABILIZED RISK ADJUSTED MARGIN

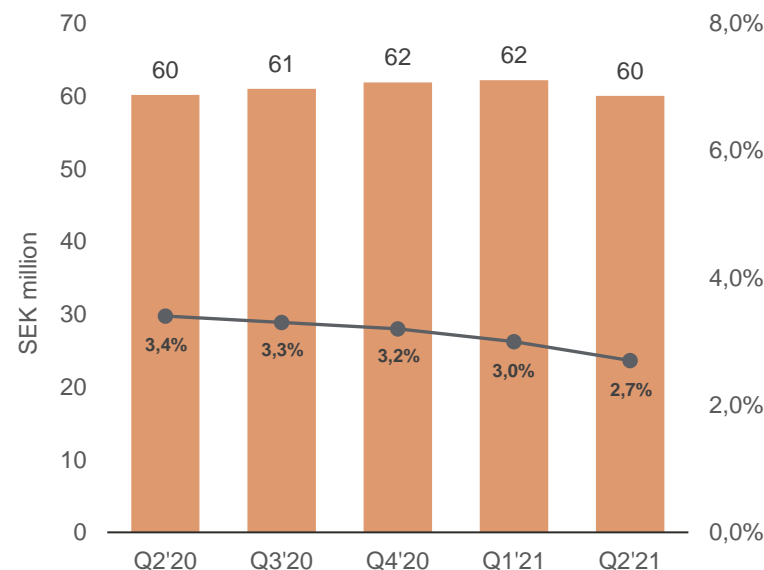


Operating income*



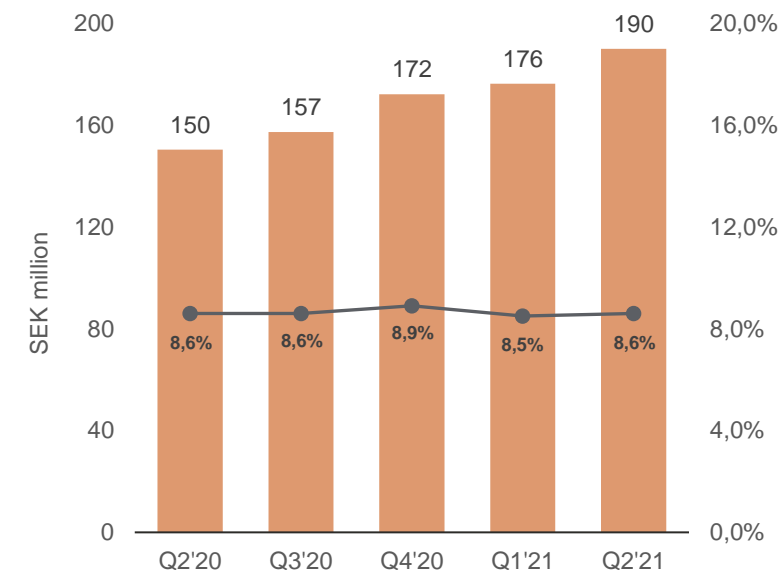
- **Income Q2-21 vs. Q2-20, +19%**
 - Cards in Germany, Ecommerce and Norway
 - Pandemic restrictions in the majority of Q2
 - Lower funding costs vs previous year

Net loan losses*



- **Losses Q2-21 vs. Q2-20, +1%**
 - Stable development last 5 quarters
 - Lower loan loss ratio in all segments
 - Improved credit quality in Finland

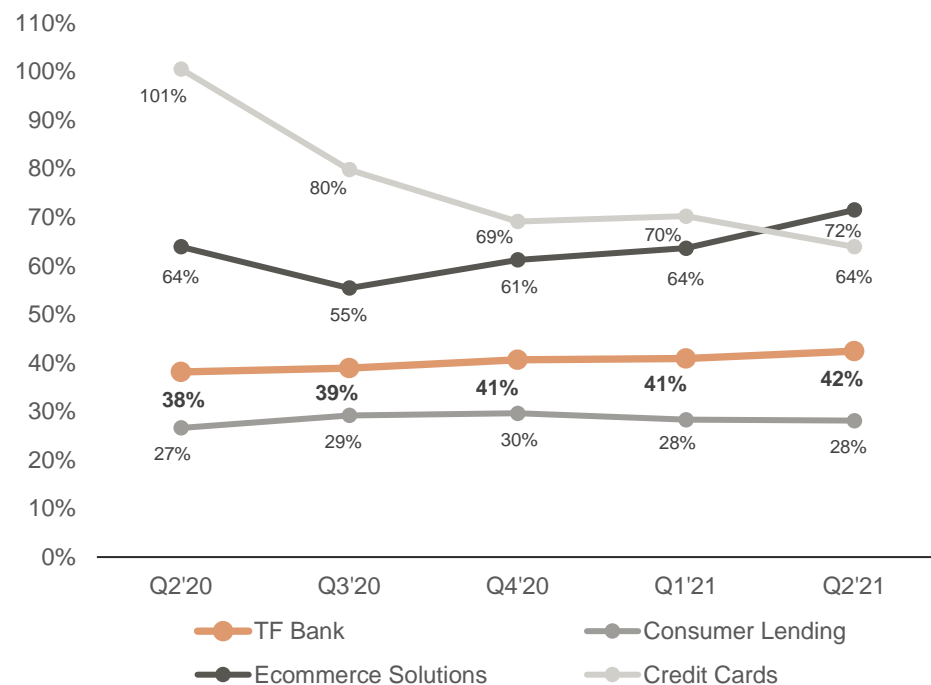
Risk-adjusted income**



- **Risk-adjusted income, +27%**
 - Stabilized margin, 8,6%
 - Improving credit quality

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

OPEX – INVESTMENTS IN GROWTH

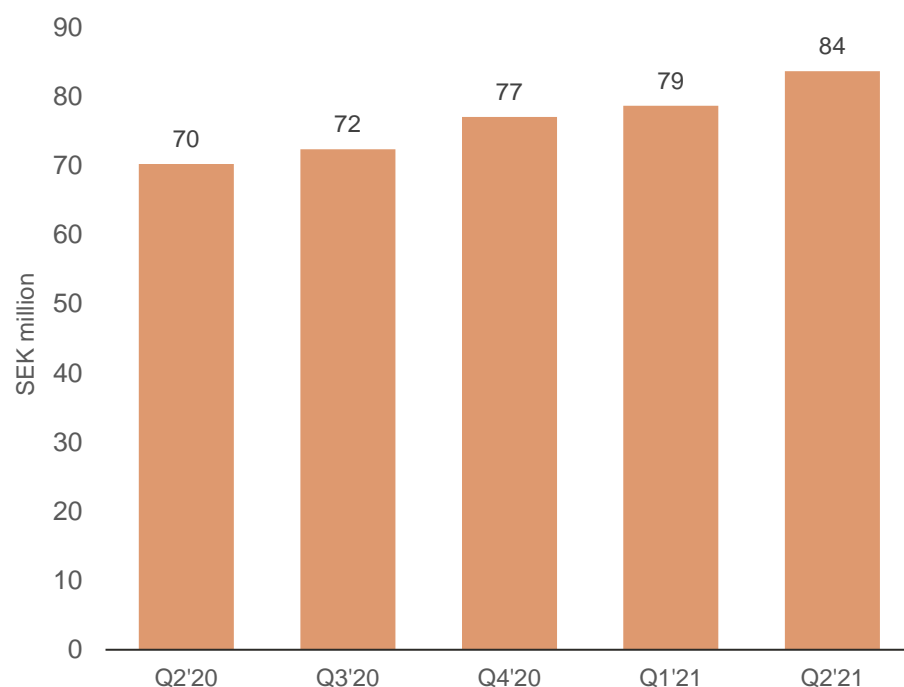


- **Expenses Q2-21 vs. Q2-20, +33%**
 - Higher volumes for Ecommerce Solutions
 - Expansion for credit cards in Germany
 - Cost/income ratio 42,4% (38,1)
- **Cost/income ratio per segment in Q2-21**
 - Consumer Lending 28%
 - Ecommerce Solutions 72%
 - Credit Cards 64%

POSITIVE TREND FOR OPERATING PROFIT



Operating profit

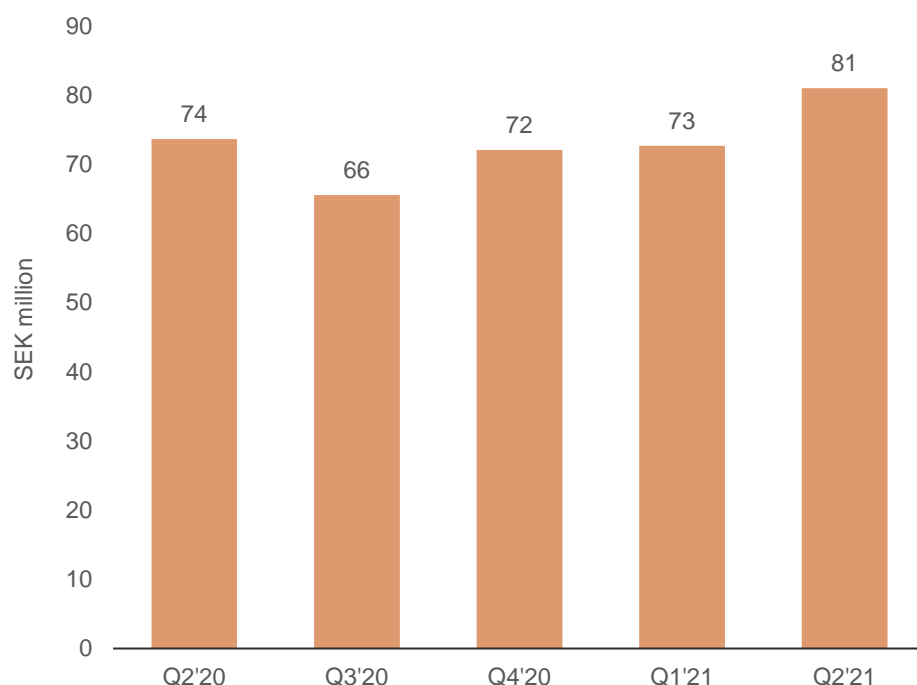


- **Operating profit Q2-21 vs. Q2-20, +19%**
 - Increasing profit from Q2-2020
 - Stabilized risk adjusted margin
 - Return on assets, 2,8%
- **Return on equity Q2-21, 23,5%**
 - High profitability for Consumer Lending
 - Earnings per share, 2,91 SEK

CONSUMER LENDING: STRONG QUARTER



Operating profit

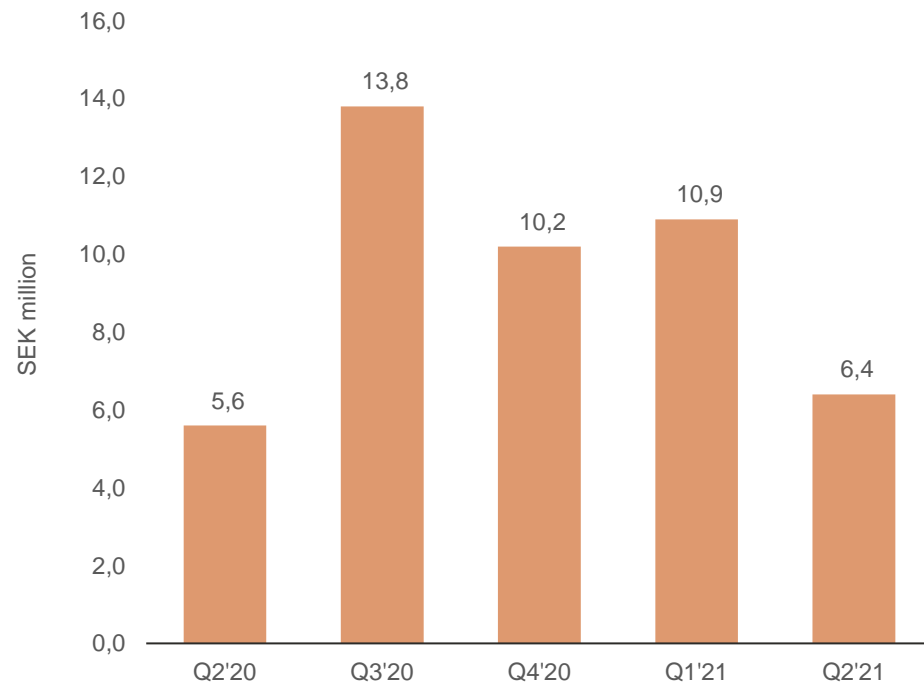


- **Operating profit Q2-21, 81 MSEK**
 - Net loan losses, -14% vs Q2-20
 - High efficiency, C/I ratio 28%
 - Return on assets, 4,0%
- **Lower net loan loss ratio, 2,3%**
 - Improved credit quality in Finland
 - New forward flow contracts in Q2

ECOMMERCE SOLUTIONS: HIGHER VOLUMES



Operating profit

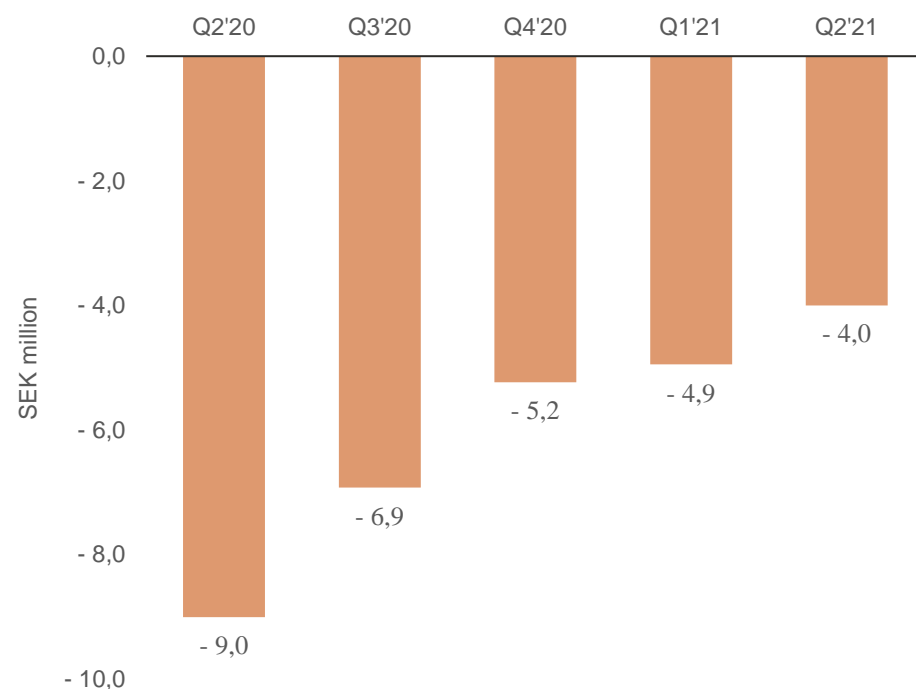


- **Operating profit Q2-21, 6,4 MSEK**
 - Higher OPEX ahead of new volumes
 - Improved credit quality
 - Return on assets, 1,2%
- **Payment solution delivered to Boozt**
 - Investments in Q1-21 (IT and OPEX)
 - Higher income from Q3 and onwards

CREDIT CARDS: HIGH GROWTH IN GERMANY

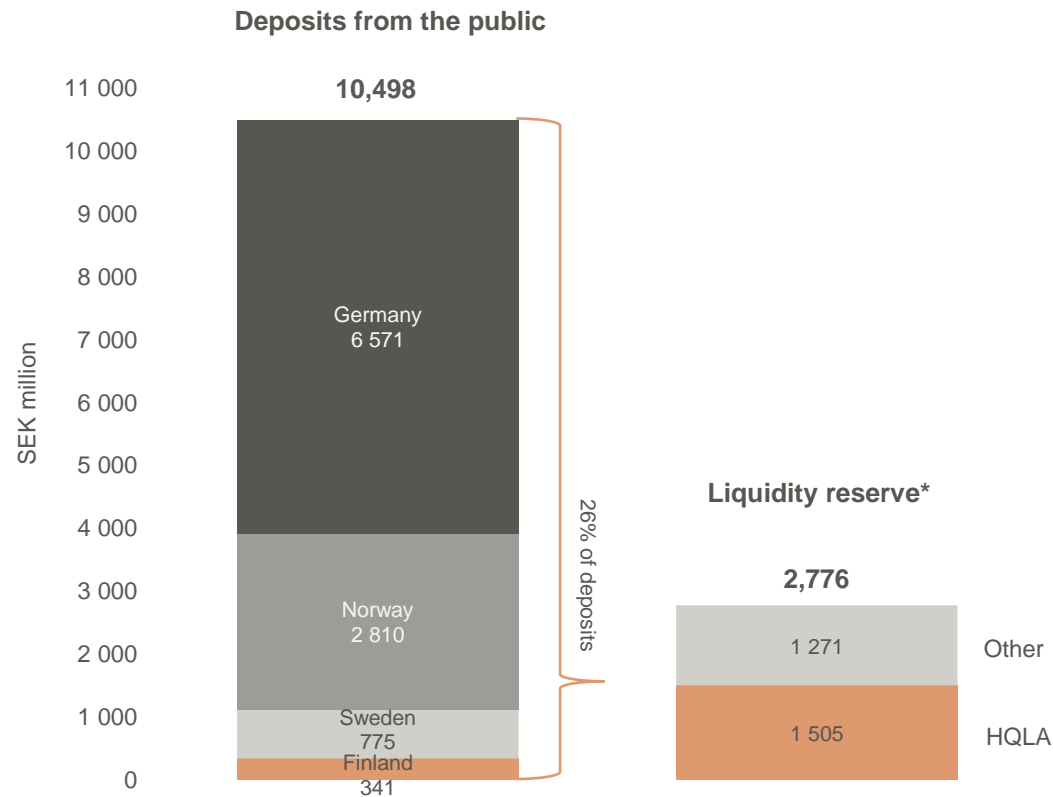


Operating profit



- **Operating profit Q2-21, -4,0 MSEK**
 - Upfront costs and provisions in Germany
 - New forward flow contract in Q2
 - Return on assets, neg
- **Pandemic restrictions lowers income margin**
 - Reduced spending per card
 - Improved volumes late in Q2

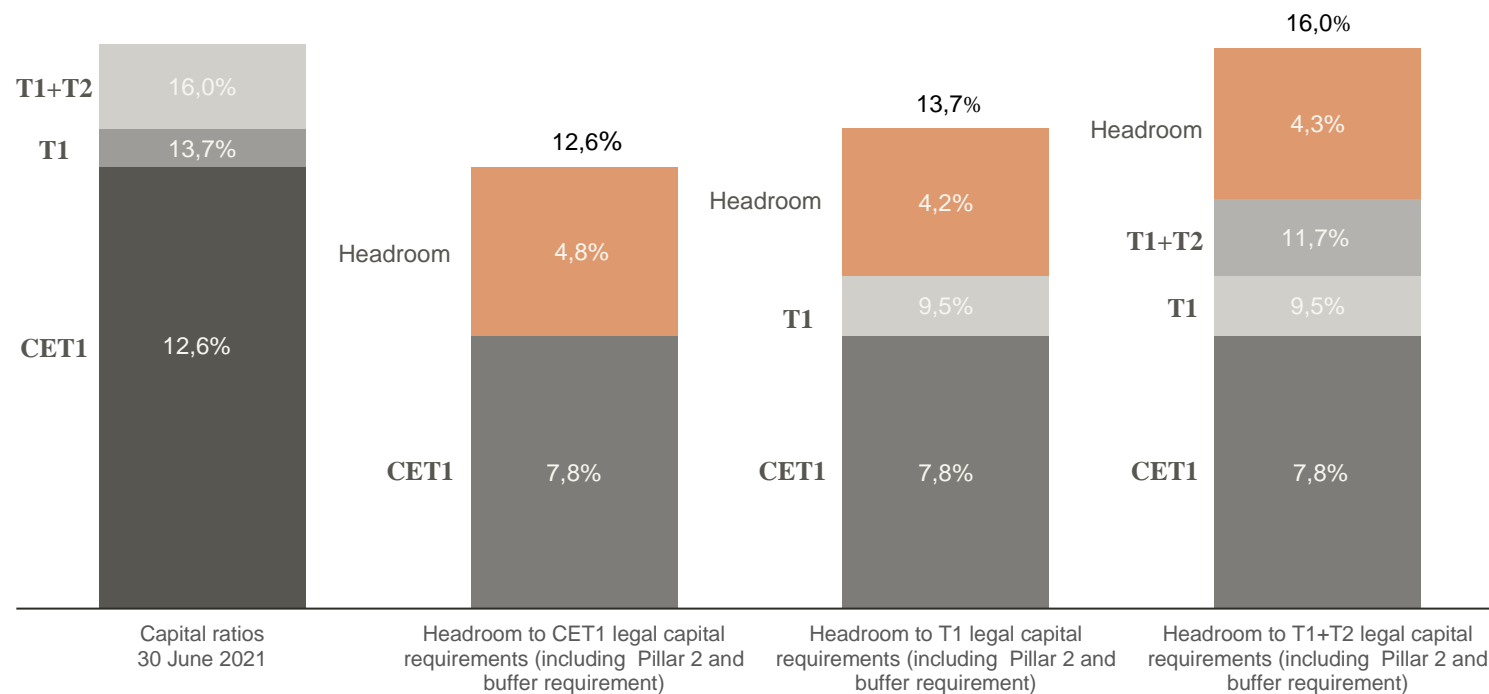
SOLID LIQUIDITY POSITION



- **Retail deposits in 4 markets**
 - Germany (SEK 6.6 billion)
 - Norway (SEK 2.8 billion)
 - Sweden (SEK 0.8 billion)
 - Finland (SEK 0.3 billion)
 - Fixed-term deposits: 35%
- **Liquidity reserve: 26% of deposits**
 - HQLA central banks etc. 1.5 billion
 - Other liquidity 1.3 billion
 - Low risk – stable return

* Liquidity reserve consists of Cash at Central Banks (1,385m), Treasury bills (120m) and Loans to credit institutions (1,271m)

CAPITAL POSITION IN Q2



- Stable capital ratios vs Q1-2021
- Higher legal capital requirements ahead
- Internal capital target: >2,5% legal requirements*

* incl. Pillar 2 and buffer requirements

LOOKING AHEAD



- Intention to announce new financial targets – H2 2021
- Card spending picking up and continues to improve as issued cards in H1-2021 is coming into use
- The outlook for credit quality remains positive
- Indications that the temporary rate cap in Finland will expire at the end of Q3





Q&A Session



Appendix

CORPORATE PROFILE



Our Products

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

Our DNA

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

Our Geographical footprint

We serve customers in the Nordics and around the Baltic sea

The investment case

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

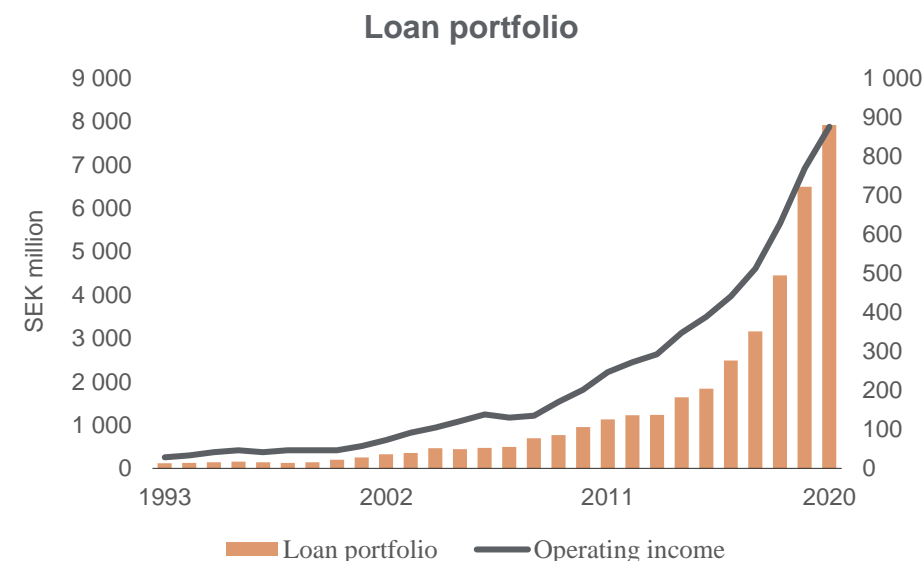
LONG TRACK RECORD OF PROFITABLE GROWTH



Long experience and proven business model

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

Strong track record on growth and profitability



FINANCIAL TARGETS AND DIVIDEND POLICY



If the macroeconomic situation continues to stabilise the Board of Directors intends to resolve on new financial targets during the second half of 2021. Currently TF Bank has the following target:

Capital structure	All capital ratios shall exceed the legal requirement (including pillar 2 and buffer requirements) by at least 2.5% points
Dividend policy	Distribute surplus capital relative to the capital target and the bank's capital planning

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, Business Center AB



Charlotta Björnberg-Paul

Board member since 2017

Current commitments:

Chairman: Saxo Oy

Board member: Mekalasi Oy, Plastone Oy

Co-founder: Superskills

Entrepreneur: Anki Rugs



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



Mari Thjømøe

Board member since 2017

Current commitments:

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

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



Bertil Larsson

Board member since 2007

Current commitments:

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

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



Sara Mindus

Board member since 2020

Current commitments:

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

Executive management team



Mattias Carlsson
CEO

Education: MSc, Engineering Physics, Uppsala University.

At TF Bank since 2008 as CEO until 2015, Chairman of the board between 2015 and 2017 and CEO from 2017. Previous experience from Resurs Bank and SEB.

Current commitments: Hoist Finance AB (chairman), Tobisflöte Holding AB (chairman), Tronstad Consulting AB (board member) RG Structure AB (Board member)



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).



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



Mikael Johansson
Head of Ecommerce Solutions

Education: MSc Business Administration and Mathematics Stockholms universitet

At 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. With TF Bank since 2014.



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.



Greta Montviliene
Head of Lithuania

8 years experience in marketing and sales with high focus on customer experience and digital marketing. Part of TF Bank team since 2019.



Torstein Jahnsen
Head of Norway

10 years' experience in consumer finance within operation, credit risk and marketing management. Before joining TF Bank, worked as COO in BB Bank which later became the Norwegian branch of TF Bank. With TF Bank since 2015.

1) Excluding Espen Johannesen, acting Head of Sweden and acting Head of Germany, as he is also the Head of Consumer Lending and consequently a member of the Executive Management Team as shown on p. 24.

Contact

Investor relations

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