YEAR-END REPORT

January-December 2017

TFBank

THE PERIOD IN BRIEF

FULL YEAR 2017

COMPARED WITH THE FULL YEAR 2016

- Total operating income increased by 16.1 % to SEK 511.6 million
- The loan portfolio amounted to SEK 3,156 million on 31 December 2017, an increase of 26.8 % during the year
- Operating profit increased by 38.0 % to SEK 192.9 million
- Adjusted operating profit increased by 21.3 % to SEK 192.9 million [1]
- Net profit increased by 35.3 % to SEK 147.8 million
- Adjusted net profit increased by 18.9 % to SEK 147.8 million [1]
- The cost/income ratio was 37.0 % (38.6)
- CET1 capital ratio was 13.2 % and the total capital ratio was 16.2 %
- Earnings per share amounted to SEK 7.04 (5.47)
- Adjusted earnings per share amounted to SEK 7.04 (6.16) [1]
- The Board of Directors proposes to the Annual General Meeting a dividend of SEK 2.25 (2.20) per share for 2017

SIGNIFICANT EVENTS

JANUARY-DECEMBER 2017

- The subsidiary Avarda signed an agreement in June with a large Finnish merchant, Hobby Hall.
- TF Bank started to offer deposits in Norway and Germany.
- The subsidiary BB Finans received approval in August to provide banking services in Norway and in connection with the approval changed its name to BB Bank ASA.
- In November, TF Bank acquired Intrum Justitia's 49 percent stake in Avarda AB. The subsidiary is now wholly owned.
- Declan Mac Guinness left the post as CEO and Mattias Carlsson, former Chairman of the board, was appointed acting CEO.

FOURTH QUARTER 2017

COMPARED WITH THE FOURTH QUARTER 2016

- Total operating income increased by 13.6 % to SEK 133.9 million
- Operating profit increased by 18.5 % to SEK 50.1 million
- Net profit increased by 17.2 % to SEK 38.5 million
- The cost/income ratio was 36.9 % (40.0)
- Earnings per share amounted to SEK 1.82 (1.63)

> **When 2017 is summed up, we look back on a successful year for TF Bank.**

TOTAL OPERATING INCOME

JAN-DEC 2017 COMPARED WITH JAN-DEC 2016

SEK 512 MILLION +16 %

LOAN PORTFOLIO

31 DECEMBER 2017 COMPARED WITH 31 DECEMBER 2016

SEK 3.2 BILLION +27 %

TOTAL CAPITAL RATIO

31 DECEMBER 2017 COMPARED WITH 31 DECEMBER 2016

16.2 % -2.0 PERCENTAGE POINTS

ADJUSTED EARNINGS PER SHARE [1]

JAN-DEC 2017 COMPARED WITH JAN-DEC 2016

SEK 7.04 +14 %

[1] Adjustments have been made to the comparative figures for 2016 for items affecting comparability related to the initial public offering in the second quarter of 2016.

See separate section with definitions, page 35.

CEO'S COMMENTS

When 2017 is summed up, we look back on a successful year for TF Bank. The loan portfolio has increased by 27 % and the adjusted operating profit has increased by 21 %. Growth has been strong mainly in Norway and the Baltic countries. Diversification is one of the keywords in the business and during the year we have launched deposits in Norway and Germany, which gives us more options for financing loan growth in the coming years.

Avarda wholly owned by TF Bank

As of November, the subsidiary Avarda is wholly owned by TF Bank. Avarda operates sales finance and develops new customised, transparent e-commerce solutions for merchants throughout the Nordic region. In June, TF Bank announced that Avarda has entered into an agreement with the one the largest Finnish e-retailers, Hobby Hall. Implementation of the agreement has been executed according to plan and Avarda's volumes are expected to increase significantly in 2018. We estimate that Avarda has great potential to generate significant new business in 2018

Strengthening of the management team

During the year, the organisation has changed through the election of three experienced members of the Board and change of the CEO. In December, TF Bank announced that the management team has been strengthened with Espen Johannesen and Mikael Johansson. Espen and Michael add many years of banking experience to the management team. Espen has successfully built BB Bank into an actor to count on in the Norwegian market. Mikael, who is our CEO of Avarda, has previously served as CEO of Santander Consumer Bank Sweden, has extensive experience of payment solutions for e-commerce and retail. As we have previously communicated, a recruitment process is also ongoing to find a permanent solution for the role as CEO.

New accounting rules - IFRS 9

The new accounting rules for future loan losses, IFRS 9, have a significant impact on TF Bank's equity. The transition effect has a negative impact on equity of SEK 55 million on January 1, 2018. However, taking into account the phase-in arrangement, the bank's own funds will only reduce by SEK 3 million in 2018. An increase in provisions also means that the bank's balance sheet is more robust for future challenges. In the result for 2018, IFRS 9 will imply a higher provision on the growth in the loan portfolio compared to current rules, but TF Bank intend to phase-in this effect over a period of time in the calculation of own funds. Furthermore, the Bank's assessment is that the underlying credit loss level continues to develop positively in 2018.

Outlook 2018

TF Bank does not compete with traditional major banks and their main products. We always try to go one step further than their "one-size fits all strategy". The bank strives to have products that really fit the customer's circumstances and work in their daily lives. We operate in carefully selected segments where we have the experience and expertise to deliver good and sustainable risk-adjusted return through responsible action. The bank benefits from a modern infrastructure that provides efficient distribution.

The acquisition of shares in Avarda, strong business situation in the Baltics and Norway, as well as new deposit products in Norway and Germany have created a platform for continued growth in 2018. The new rules on lending practices in Norway are expected to have little impact on our ability to continue our successful business operations. The credit card business in Germany is also advancing according to plan. Finally, I would like to thank all the employees of the bank for Your efforts during TF Bank's 30th operational year.

Mattias Carlsson
Acting President and CEO

THE GROUP

TF Bank was founded in Sweden in 1987 for the purpose of offering financing solutions to customers ordering goods from mail-order catalogues. Over time, the Group has grown in terms of product offering, income and geographical presence. TF Bank currently offers consumer banking services through a highly automated in-house developed IT platform designed for scalability and adaptability to different products, countries, currencies and digital banking solutions. TF Bank carries out deposit and/or lending activities with consumers in Sweden, Finland, Norway, Denmark, Poland, Germany, Estonia and Latvia through subsidiaries, branches or cross-border banking.

The Group's main business consists of lending to the public through two segments: Direct to Consumer and Sales Finance. In the Direct to Consumer segment, TF Bank offers consumer loans without collateral to creditworthy individuals. The Sales Finance segment offers financing solutions to e-commerce and retailers for managing consumer invoice payments and instalment purchases. As of 1 January 2017, credit cards are also included in the segment.

KEY FIGURES, GROUP

SEK thousand	**Oct-Dec 2017**	Oct-Dec 2016	**Jan-Dec 2017**	Jan-Dec 2016
Income statement				
Operating income	133,946	117,896	511,570	440,799
Operating profit	50,124	42,310	192,938	139,824
Net profit for the period	38,523	32,875	147,836	109,268
Earnings per share, SEK	1.82	1.63	7.04	5.47
Balance sheet				
Loans to the public	3,156,289	2,489,283	3,156,289	2,489,283
Deposits from the public	3,754,030	2,284,645	3,754,030	2,284,645
Credit volume	783,605	637,961	2,968,611	2,391,729
Key figures				
Operating income margin, %	17.9	20.2	17.9	20.2
Net loan loss ratio, %	4.5	5.1	4.5	5.1
Cost/Income ratio, %	36.9	40.0	37.0	38.6
Return on equity, %	29.7	29.1	29.7	29.1
CET1 capital ratio, %	13.2	14.5	13.2	14.5
Total capital ratio, %	16.2	18.2	16.2	18.2
Employees (FTE)	116	101	110	98

ADJUSTED KEY FIGURES, GROUP

SEK thousand	**Oct-Dec 2017**	Oct-Dec 2016	**Jan-Dec 2017**	Jan-Dec 2016
Operating profit	50,124	42,310	192,938	139,824
Items affecting comparability [1]	-	-	-	19,275
Adjusted operating profit	50,124	42,310	192,938	159,099
Adjusted income tax expense	-11,601	-9,435	-45,102	-34,797
Adjusted net profit for the period	38,523	32,875	147,836	124,302
Adjusted net profit attributable to the shareholders of the Parent company	39,169	34,971	151,459	132,538
Adjusted earnings per share, SEK	1.82	1.63	7.04	6.16
Adjusted return on equity, %	29.7	32.8	29.7	32.8

[1] Items affecting comparability in 2016 relates to transaction costs attributable to the listing on the Nasdaq Stockholm. All costs related to the initial public offering are presented as items affecting comparability.

See separate section with definitions, page 35.

EARNINGS AND FINANCIAL POSITION

JANUARY - DECEMBER 2017

Operating profit increased by 38.0 % to SEK 192.9 million (139.8). Items affecting comparability, related to the stock market listing, are included in the comparative period with SEK 19.3 million. Adjusted operating profit increased by 21.3 % and was positively affected by the Group's growth in lending and improved C/I ratio. Adjusted earnings per share increased to SEK 7.04 (6.16) and adjusted return on equity was 29.7 % (32.8).

Operating income

Operating income increased by 16.1 % to SEK 511.6 million (440.8) during 2017. The operating income margin decreased to 17.9 % (20.2), mainly due to a change in the new lending product mix as Norwegian consumer loans constitute an increasing share of the Group's lending.

Interest income

Interest income increased by 18.8 % to SEK 533.2 million (448.9) during 2017. The increase is generated by strong organic lending growth, particularly in Norway but also in the Baltics and Poland, which had a positive impact on the Groups interest income. Interest income for consumer loans and credit cards in Norway were significantly higher than the previous year.

Interest expenses

The Group's interest expenses amounted to SEK 64.6 million (49.9). The increase in interest expenses is primarily due to a growing balance of deposits as well the fact that lending growth is primarily driven by foreign markets, where interest rates are somewhat higher. However, new deposit products have contributed to a reduction in the Group's interest expenses in relation to interest bearing liabilities during the year.

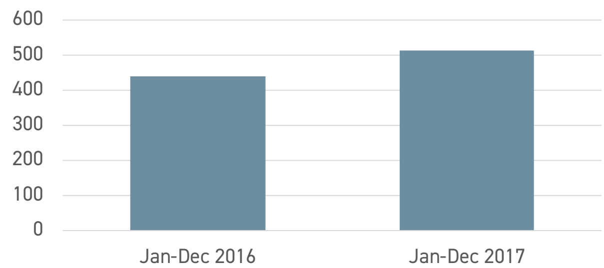
Net fee and commission income

Net fee and commission income increased by 3.5 % to SEK 42.8 million (41.4). Net fee and commission income is mainly made up of insurance-related income and expenses. During 2017 net fee and commission income has been adversely affected by an adjustment of the product mix in Poland, where there are no new sales of insurance products due to legal requirements.

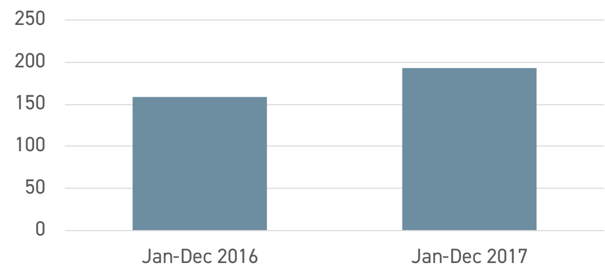
Operating expenses

The Group's operating expenses increased by 11.3 % to SEK 189.3 million (170.1). The increase is mainly attributable to more employees in the Group, IT expenses and expenses related to the growth in new lending. Costs increased less than income leading to a decrease in C/I ratio to 37.0 % (38.6).

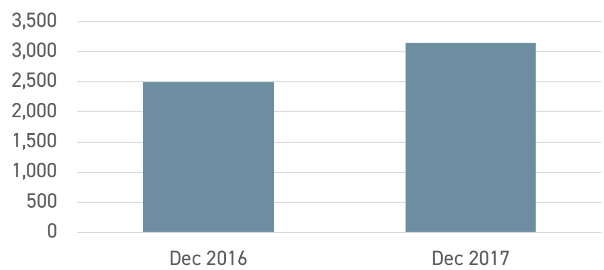
OPERATING INCOME (SEK million)



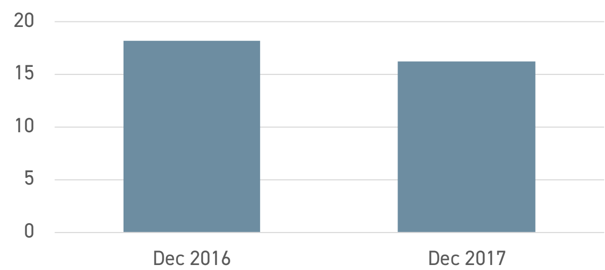
ADJUSTED OPERATING PROFIT (SEK million) [1]



LOANS TO THE PUBLIC (SEK million)



TOTAL CAPITAL RATIO (%)



[1] Adjustments have been made for items affecting comparability related to the initial public offering.

See separate section with definitions, page 35.

Loan losses
Net loan losses increased by 15.9 % to SEK 129.3 million (111.6), whereas the net loan loss level decreased to 4.5 % (5.1), mainly because of lower loan losses in the growing Norwegian market. New agreements with debt collection agencies in the Swedish and Finnish markets also had a positive impact on the loan losses during the interim period.

Tax expenses
The Group's tax expense amounted to SEK 45.1 million (30.6). The average tax rate increased to 23.4 % (21.9). The tax rate in 2017 is affected by the fact that interest expenses on the bank's subordinated loan are no longer tax-deductible. In addition, the high corporate tax in Norway is having a larger impact on the Groups tax rate as BB Bank continues to show positive growth.

Lending
The loans to the public increased by 26.8 % to SEK 3,156 million (2,489) during 2017. Currency effects had a positive impact on growth with 0.8 %. The loan portfolio in Norway increased by 70 % during the year with the growth coming both from BB Bank's consumer loans and credit cards. Customer balances in the Baltics and Poland have also had strong growth, but from lower levels. The loan portfolio in Finland increased by 7.5 % while the Swedish loans decreased by 5.6 % in 2017. The Group's new lending amounted to SEK 2,969 million (2,392).

Deposits
Deposits from the public increased by 64.3 % to SEK 3,754 million (2,285). New deposits in Sweden, Norway and Germany drove the strong growth during the year. The new products lead to increased spread of geographical risk and lower funding costs for the Group. The new deposit products in Norway and Germany also mean that a smaller proportion of the Group's foreign assets depend on financing through currency derivatives.

Investments
The Group's investments increased to SEK 48.4 million (12.0) during 2017. This year's investments primarily concern the acquisition of Intrum Justitia's shares in Avarda and product development within Sales Finance. During the year, the subsidiary Avarda developed a custom checkout solution offered to retailers in the Nordic region.

Cash and cash equivalents
The Group's liquidity reserve amounted to SEK 1,264 million (380.9). The increase in 2017 is mainly related to the high deposit growth. The Group's total available liquidity, including undrawn credit facility of SEK 30 million, amounted to 34 % (31) of deposits from the public. The strong liquidity position resulted in the Parent company deciding in July to terminate in advance the agreement for a credit facility of SEK 300 million.

Capital adequacy
TF Bank's capital ratios continue to be at levels providing a good margin against the regulatory requirements. The CET1 capital ratio was 13.2 % (14.5), while the total capital ratio was 16.2 % (18.2). The continued growth in lending and adjustment of the operating risk for operating income for the year was partly offset by the recognition of the interim profit after the Board's proposed dividend of SEK 2.25 per share. The Group is positioned to meet both increased regulatory capital requirements and higher capital requirements through the Group's expected future growth.

OCTOBER - DECEMBER 2017

Operating profit increased by 18.5 % to SEK 50.1 million (42.3) and was positively affected by the Group's lending growth and improved C/I figure. Earnings per share increased to SEK 1.82 (1.63).

Operating income

The Group's operating income increased by 13.6 % to SEK 133.9 million (117.9) in 2017. Net interest income amounted to SEK 122.9 million (108.2) and was affected by slightly higher interest expenses during the last quarter of 2017. Net commission income increased to SEK 11.2 million (9.9) and is positively affected by revenues from the Norwegian credit card business.

Operating expenses

The Group's operating expenses increased by 4.9 % to SEK 49.5 million (47.2). The increase is mainly related to more employees in the Group as well as costs attributable to increased new lending. The average number of employees in the fourth quarter was 116 (101). The C/I ratio improved by 3.1 percentage points to 36.9 % (40.0) compared to the corresponding period in 2016.

Loan losses

Loan losses increased by 20.8 % to SEK 34.3 million (28.4) and are affected by the high lending growth rate in 2017. The credit quality of consumer loans in Sweden and Finland has also been slightly worse than expected during the quarter. In our growth markets Norway and the Baltics, credit loss levels remained low during the quarter.

Tax expenses

The Group's tax expense amounted to SEK 11.6 million (9.4). The average tax rate increased to 23.1 % (22.3). The difference is primarily due to the fact that interest expenses on the bank's subordinated loan is no longer tax deductible and the rising profit in BB Bank is taxed at the somewhat higher Norwegian tax rate.

DIRECT TO CONSUMER

JANUARY-DECEMBER 2017

Background

In the segment Direct to Consumer, TF Bank offers unsecured loans to creditworthy individuals. The average loan amount per customer on 31 December 2017 was approximately SEK 33 thousand with an average maturity of approximately 23 months. The most common use of the unsecured loan is to meet short-term financing needs, such as vacation, appliances, car repair and the like.

Operations are conducted in six countries and the established core markets are Sweden, Finland and Norway. In recent years, the consumer credit market has grown steadily in these countries and growth has been higher than GDP growth. The operations are also conducted in Estonia, Latvia and Poland. The Bank has also received approval from the Swedish FSA to conduct cross-border operations in Lithuania, which means that the segment will be available in all Baltic countries 2018.

The loan portfolio

Lending to the public increased by 23.4 % to SEK 2,561 million (2,076) during 2017. Currency effects have positively affected growth by 0.7 %. New lending for the segment amounted to SEK 1,810 million (1,477) in 2017.

Developments have been strong in Norway with organic growth of 49.7 % to SEK 748 million (500). [1] The new regulatory guidelines effective from 1 October 2017 have not affected the Norwegian operations to any significant extent, mainly due to a lower average loan amount than other market participants offer. The loan portfolio in Finland increased by 8.0 % to SEK 786 million (728) in 2017. Increased competition from Norwegian banks has an impact in Finland where growth has slowed during the second half of 2017. The loan portfolios in Sweden decreased by SEK 20 million to SEK 457 million (477), mainly due to increased price competition where the bank chose not to participate but instead sees better opportunities to use its capital.

The loan portfolios in the Baltics and Poland have grown strongly in 2017. In Estonia, the portfolio increased by 35.7 % to SEK 314 million (231). The customer balance in Latvia continues to develop according to plan and has increased by SEK 60 million to SEK 61 million (1) during the year. Growth in Poland was 40.9 % and the loan portfolio amounted to SEK 195 million (139) at the end of the year. However, increased competition in the Polish market had a negative effect on volumes in local currency during the fourth quarter.

Result

Operating profit for the segment increased by 12.0 % to SEK 187.4 million (167.3). The strong growth for the loan portfolio combined with low cost increases has a positive impact on earnings for 2017.

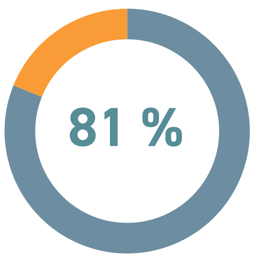
Operating income increased by 12.1 % to SEK 417.2 million (372.2). Growth has been organic and comes mainly from consumer loans in Norway, but rising interest income in the Baltic countries and Poland has also contributed to boosting the segment's operating income in 2017.

Operating expenses increased by 5.9 % to SEK 126.8 million (119.7). The increase is mainly attributable to higher operating expenses in Norway as well as costs attributable to rising new lending volumes in the Baltic countries and Poland. Lower marketing costs have had a positive impact on operating expenses in 2017.

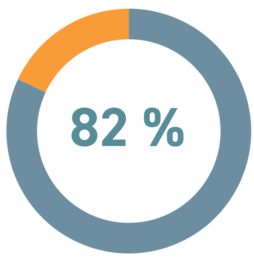
Loan losses have increased by 21.1 % to SEK 103.0 million (85.1). The increase is mainly related to the growth in the loan portfolio and somewhat worse credit quality in Sweden and Finland. In addition, the consumer loans in Poland have higher credit loss levels than the average for the segment, and as this customer balance grows, the segment's credit losses are affected to a greater extent.

For further information about the segment's loan portfolio and results, see Note 3 Segment reporting.

SHARE OF THE GROUP'S LOANS TO THE PUBLIC



SHARE OF THE GROUP'S OPERATING INCOME



[1] In 2016, the Norwegian credit card business was included in the Direct to Consumer segment. The reclassification to the Sales Finance segment was made on 1 January, 2017, and the portfolio amounted at that time to SEK 36 million. Comparative figures for the segments of 2016 have not been recalculated.

SALES FINANCE

JANUARY-DECEMBER 2017

Background

In the Sales Finance segment, TF Bank offers financing solutions to e-commerce and retailers for handling invoice payments and instalment purchases. The sales finance business is carried out through the now wholly owned subsidiary Avarda and on its own. TF Bank acquired the remaining 49 % of Avarda shares from Intrum Justitia on 6 November 2017. From 1 January 2017, credit cards are also included in the segment, which is conducted by the Norwegian subsidiary BB Bank. [1]

Avarda focuses on the Nordic markets, where the ambition is to grow and establish itself. During the year Avarda signed a total of over 20 new agreements in Finland and Sweden, some of which have significant volumes. The largest new partner is Hobby Hall where the implementation of the cooperation, as communicated in June, is proceeding according to plan and Avarda's volumes are expected to increase significantly in 2018.

TF Bank also has its own customer base in the Nordic region and develops services outside the Nordic countries through branches in Estonia and Poland. The development in Poland, where TF Bank offers a solution to local traders, indicates that the financing solution is competitive even outside the Nordic countries. In Estonia, several agreements have been signed with different traders during the year, but volumes have so far been relatively small.

BB Bank's credit card offer continues to take market shares in Norway. Growth in this part of the Sales Finance segment has resulted in a significantly higher balance sheet total, increased revenues and an increase in operating profit in 2017. In 2018, credit cards will be offered in Germany and one or more additional markets.

The loan portfolio

Lending to the public increased by 44.0 % to SEK 595 million (413) in 2017. Currency effects positively affected growth by 1.2 %. New lending for the segment amounted to SEK 1,159 million (915).

The sales finance loan portfolio increased by 14 % to SEK 471 million (413) during the year. Growth comes mainly from operations in Poland, which increased lending volume by 232 % to SEK 85 million at year-end.

The credit card portfolio in Norway amounted to SEK 124 million (0) at the end of 2017. [1] In 2018, a gold card offering will be launched in the Norwegian market.

Result

Operating profit for the segment amounted to SEK 5.6 million (-8.3) in 2017. The improvement in profits is primarily attributable to the Norwegian credit card business and improved result in Avarda.

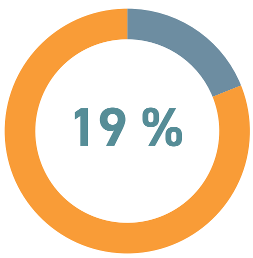
Operating revenues increased by 37.5 % to SEK 94.4 million (68.6). Organic growth in Norway and Poland, as well as higher revenues in Avarda, are the main reasons for the increase during the year. Seasonal variations have a negative impact on the fourth quarter earnings.

Operating expenses increased by 24.0 % to SEK 62.5 million (50.4), primarily related to the credit card business in Norway and sales finance in Poland. BB Bank has invested significant amounts in marketing during the first nine months of 2017.

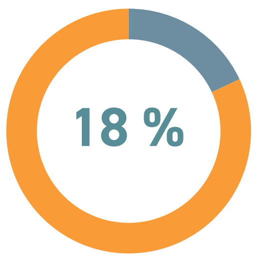
Loan losses decreased by 0.6 % to SEK 26.3 million (26.5). The decline is mainly due to the fact that several markets in the segment have received higher prices for current sales of non-performing loans compared to 2016. The credit loss level for the credit cards in Norway, as well as the growing sales finance business in Poland, have been lower than the average for the segment in 2017.

For further information about the segment's loan portfolio and results, see Note 3 Segment reporting.

SHARE OF THE GROUP'S LOANS TO THE PUBLIC



SHARE OF THE GROUP'S OPERATING INCOME



[1] In 2016, the Norwegian credit card business was included in the Direct to Consumer segment. The reclassification to the Sales Finance segment was made on 1 January, 2017, and the portfolio amounted at that time to SEK 36 million. Comparative figures for the segments of 2016 have not been recalculated.

ACCOUNTING POLICIES AND RISKS

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 accounting policies, calculation methods and presentation used for the Group and Parent company are essentially the same as the 2016 Annual Report. The interim information on pages 4-33 is an integral part of this financial report.

IFRS 9 "Financial Instruments"

The International Accounting Standards Board (IASB) has completed the new standard for financial instruments, IFRS 9. The Standard covers classification and valuation, impairment and general hedge accounting and replaces the existing requirements in these areas as covered by IAS 39. IFRS 9 enters into force for fiscal years commencing 1 January 2018 or later and has been approved by the EU Commission. TF Bank does not intend to recalculate the comparative figures for 2017 in the annual report for 2018 due to IFRS 9.

The write-down requirement in IFRS 9 is based on a model of expected loan losses, as opposed to the current loan loss model in IAS 39. The assets whose impairment need to be tested is divided into three categories, depending on the degree of credit impairment. Category 1 includes assets where there has not been a significant increase in credit risk; category 2 includes assets where there has been a significant increase in credit risk and category 3 comprises defaulted assets. In category 1, the provisions will correspond to expected loan losses over the next twelve months. In categories 2 and 3, the provisions correspond to the expected loan losses for the entire remaining maturity.

The provisions under IFRS 9 are calculated by multiplying the exposure at default with the probability of default and the loss at default. TF Bank's model for calculating provisions according to IFRS 9 is based on the historical probability of default for each market. The model is complemented by the company's assumptions about the future based on the current loan portfolio and adjustments due to the expected macroeconomic scenario.

The quantitative non-recurring effect of the new impairment requirements for TF Bank increases the provision for loan losses of SEK 71 million, corresponding to 2.3 % of the loan book. The reduction in equity amounts to SEK 55 million net after tax as of 1 January 2018. Most of the additional provisions relates to loans in category 1, where no prior provision has been made in accordance with previous accounting rules.

TF Bank has chosen to apply the transitional rules set out in the EU Prudential Regulation as amended by Regulation (EU) 2017/2395 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013. Under the transitional rules, a gradual phasing-in of the effect on capital adequacy related to IFRS 9 is permitted both in terms of the effect as at 1 January 2018 and the effect per the reporting date that exceeds the amount when IFRS 9 is first applied.

IFRS 15 "Revenue from Contract with Customers"

IFRS 15 is a new standard of revenue recognition adopted by the EU and applicable for fiscal years beginning 1 January 2018. The bank has reviewed all revenue flows and related contracts where the income statement is not governed by another standard, which for the bank relates to IAS 39 / IFRS 9 regarding income from financial instruments, and has come to the conclusion that the standard has no impact on the bank's income statement.

Risks and uncertainties

TF Bank faces various types of risks, such as credit risk, market risk, liquidity risk and operational risk. In order to limit and control risk-taking in the business, the Board, which is ultimately responsible for internal controls, has defined policies and instructions for lending and other activities. For a more detailed description of financial risks and the use of financial instruments, and capital adequacy, see notes 2 and 7. Further information can be found in notes 3 and 33 of the 2016 annual report.

OTHER FINANCIAL INFORMATION

Annual General Meeting 2018
The Annual General Meeting 2018 will be held on Wednesday 2 May 2017 at 16.00 (CET) in Stockholm. Shareholders who wish to submit a proposal for consideration at the Annual General Meeting may do so to the Board of Directors by Wednesday 14 March 2018. The request must be sent by e-mail to ir@tfbank.se or by regular mail to TF Bank AB, Attn: Investor Relations, Box 947, SE-501 10 Borås. Notice of the Annual General Meeting will be published no later than Wednesday 4 April 2018.

Proposed dividend
The Board of Directors proposes to the Annual General Meeting a dividend of SEK 2.25 per share for 2017. The total dividend to the shareholders would then be approximately SEK 48.4 million.

The share (TFBANK)
On 14 June 2016 TF Bank listed the NASDAQ Stockholm Mid Cap list with a price per share of SEK 77. The number of outstanding shares amounts to 21.5 million ordinary shares. Since the stock market listing the share has performed well and at 31 December 2017 the closing share price was SEK 88.50, an increase of approximately 15 %. In total, 7.0 million shares were traded on the Nasdaq Stockholm during the period 14 June 2016 to 31 December 2017 with a total value of approximately SEK 619 million. The share's ticker symbol is TFBANK and the ISIN code is SE0007331608

Financial targets
The Board of Directors of TF Bank has adopted the following medium-term targets:

Growth
Over the medium-term, TF Bank aims to achieve annual EPS growth of at least 20 %.

Efficiency
Over the medium-term, TF Bank aims to reach a cost/income ratio of below 35 %.

Capital structure
TF Bank's objective is to maintain a total capital ratio of at least 14.5 %.

Dividend policy
TF Bank's Board of Directors has adopted a dividend policy, which states that the bank aims to distribute around 50 % of the net profit for the year.

The payment of dividends, if any, by the Company and the amounts and timing thereof will depend on a number of factors, including TF Bank's future income, financial condition, capital requirements and the general economic environment. If TF Bank, as a result of its profit and dividend policy, generates a substantial surplus, it is TF Bank's intention to use such surplus either to finance a higher organic growth rate and/or future acquisitions, or to pay out the surplus to its shareholders as dividend.

Significant events, January-December 2017
In January TF Bank started to offer deposits for its customers in Norway.

The bank increased its focus on credit cards in Norway, including more marketing.

At the Annual General Meeting on 3 May 2017 it was resolved that a dividend of SEK 2.20 per share shall be paid to the shareholders.

Two new Board members were elected at the Annual General Meeting: Charlotta Björnberg-Paul and Mari Thjømøe. At the same time Paul Källenius and Thomas Grahn resigned. Lars Wollung resigned from the Board on 1 March 2017, as he was elected as a Board member of Nordea.

The subsidiary Avarda signed an agreement with a large Finnish merchant, Hobby Hall.

In June TF Bank signed an agreement to sell its non-performing loans in Estonia.

The subsidiary BB Finans received approval in August to provide banking services in Norway and in connection with the approval changed its name to

BB Bank ASA.

A decision to initiate cross-border activities in Germany and Austria was registered with the Swedish FSA in July.

In August TF Bank started a branch in Estonia.

TF Bank launched deposits in Germany.

The Board of Directors resolved that the bank will apply for a cross-border license for Lithuania.

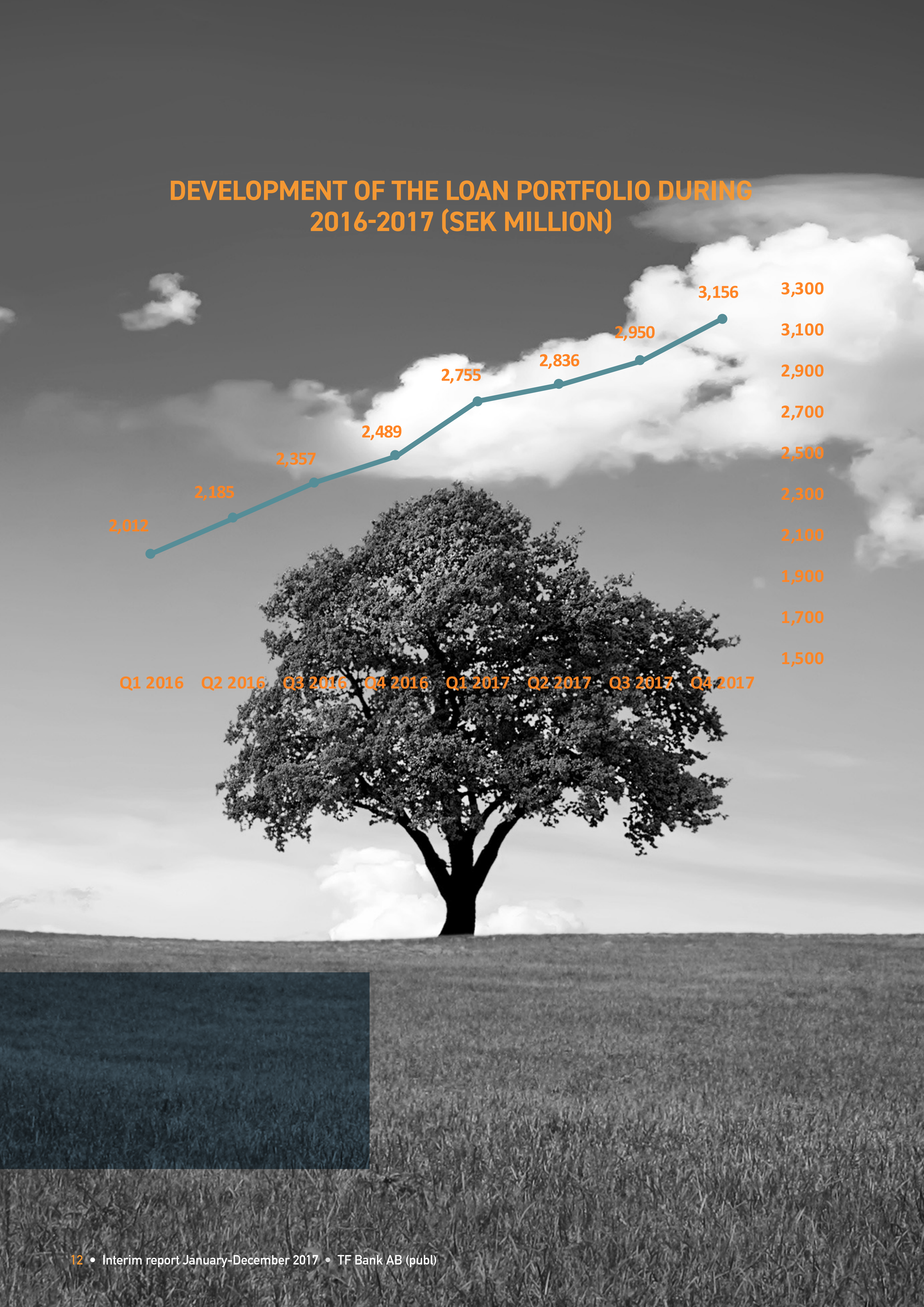
In November, TF Bank acquired Intrum Justitia's 49 percent stake in Avarda AB. The subsidiary is now wholly owned.

Declan Mac Guinness left the post as CEO and Mattias Carlsson was appointed acting CEO. The Board appointed Bertil Larsson as acting Chairman until a permanent CEO has been appointed or until the 2018 Annual General Meeting.

TF Bank appointed Espen Johannesen and Mikael Johansson as new members of the company's Executive Management Team as of 22 December 2017. The changes are being made to strengthen the Group's strategic priorities.

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

DEVELOPMENT OF THE LOAN PORTFOLIO DURING 2016-2017 (SEK MILLION)



INCOME STATEMENT, GROUP

SEK thousand	Note	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
	1, 2, 3, 9				
Operating income					
Interest income		140,018	121,644	533,198	448,870
Interest expense		-17,114	-13,428	-64,557	-49,870
Net interest income		**122,904**	**108,216**	**468,641**	**399,000**
Fee and commission income		13,314	11,876	51,237	49,045
Fee and commission expense		-2,130	-1,991	-8,401	-7,654
Net fee and commission income		**11,184**	**9,885**	**42,836**	**41,391**
Net results from financial transactions		-142	-205	93	408
Total operating income		**133,946**	**117,896**	**511,570**	**440,799**
Operating expenses					
General administrative expenses		-44,401	-41,938	-169,048	-149,786
Depreciation, amortisation and impairment charges of tangible and intangible assets		-1,915	-1,399	-6,890	-4,744
Other operating expenses		-3,169	-3,819	-13,351	-15,601
Total operating expenses		**-49,485**	**-47,156**	**-189,289**	**-170,131**
Profit before loan losses		**84,461**	**70,740**	**322,281**	**270,668**
Net loan losses		-34,337	-28,430	-129,343	-111,569
Items affecting comparability		-	-	-	-19,275
Operating profit		**50,124**	**42,310**	**192,938**	**139,824**
Income tax expense		-11,601	-9,435	-45,102	-30,556
Net profit for the period		**38,523**	**32,875**	**147,836**	**109,268**
Attributable to:					
Shareholders of the Parent company		*39,168*	*34,971*	*151,459*	*117,504*
Non-controlling interests		*-645*	*-2,096*	*-3,623*	*-8,236*
Basic earnings per share (SEK)		*1.82*	*1.63*	*7.04*	*5.47*
Diluted earnings per share (SEK)		*1.82*	*1.63*	*7.04*	*5.47*

STATEMENT OF COMPREHENSIVE INCOME, GROUP

SEK thousand	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net profit for the period	**38,523**	**32,875**	**147,836**	**109,268**
Other comprehensive income:				
Items that may be reclassified subsequently to the income statement				
Gross fair value gains/losses on available for sale financial assets	-5	38	22	228
Tax on fair value gains/losses during the period	-	48	-	-
Gross currency translation differences	-370	31	-1,281	609
Tax on currency translation differences during the period	-662	-386	-1,325	1,576
Other comprehensive income, net of tax	**-1,037**	**-269**	**-2,584**	**2,413**
Total comprehensive income for the period	**37,486**	**32,606**	**145,252**	**111,681**
Attributable to:				
Shareholders of the Parent company	*38,102*	*34,714*	*148,829*	*119,663*
Non-controlling interests	*-616*	*-2,108*	*-3,577*	*-7,982*

BALANCE SHEET, GROUP

SEK thousand	Note	31 Dec 2017	31 Dec 2016
	1, 2, 3, 4, 5, 7, 9		
ASSETS			
Cash and balances with central banks		65,999	30,510
Treasury bills eligible for refinancing		60,096	60,211
Loans to credit institutions		1,062,294	290,152
Loans to the public	6	3,156,289	2,489,283
Shares		75,654	263
Goodwill		12,068	12,673
Intangible assets		29,369	18,414
Tangible assets		1,657	1,610
Other assets		12,194	9,509
Current tax assets		870	11,697
Deferred tax assets		9,864	6,830
Prepaid expenses and accrued income		8,196	10,973
Total assets		**4,494,550**	**2,942,125**
LIABILITIES AND EQUITY			
Liabilities			
Deposits and borrowings from the public		3,754,030	2,284,645
Other liabilities		33,557	17,853
Current tax liabilities		11,229	5,213
Deferred tax liabilities		7,579	14,597
Accrued expenses and prepaid income		49,569	53,490
Subordinated liabilities		97,780	97,040
Total liabilities		**3,953,744**	**2,472,838**
Equity			
Share capital (21,500,000 shares of SEK 5 each)		107,500	107,500
Other contributed capital		1,500	1,934
Reserves		-1,144	1,486
Retained earnings and net profit for the period a		432,950	345,932
Total equity attributable to the shareholders of the Parent company		**540,806**	**456,852**
Non-controlling interests		-	12,435
Total equity		**540,806**	**469,287**
Total liabilities and equity		**4,494,550**	**2,942,125**

CASH FLOW STATEMENT, GROUP

SEK thousand	Jan-Dec 2017	Jan-Dec 2016
Operating activities		
Operating profit	192,938	139,824
Adjustment for items not included in cash flow:		
Depreciation and amortisation	6,890	4,744
Accrued interest income and expense	1,256	-4,097
Other non-cash items	-3,319	4,029
Paid income tax	-29,584	-37,328
	168,181	**107,172**
Increase/decrease in loans to the public	-667,006	-651,705
Increase/decrease in other short-term claims	-76,863	19,325
Increase/decrease in deposits and borrowings from the public	1,469,385	55,083
Increase/decrease in other short-term liabilities	2,039	-10,207
Cash flow from operating activities	**895,736**	**-480,332**
Investing activities		
Investments in tangible assets	-942	-921
Investments in intangible assets	-16,345	-11,062
Investments in subsidiaries	-31,085	-
Cash flow from investing activities	**-48,372**	**-11,983**
Financing activities		
Shareholder's contribution	6,860	14,114
Change in liabilities to credit institutions	-	-516
Dividends paid	-47,300	-9,675
Option premium	-	1,934
Share-based remuneration	-2,208	-
Cash flow from financing activities	**-42,648**	**5,857**
Cash flow for the period	**804,716**	**-486,458**
Cash and cash equivalents at the beginning of period	**380,873**	**867,331**
Currency difference in cash and cash equivalents	2,800	-
Cash and cash equivalents at the end of period	**1,188,389**	**380,873**
Cash flow from operating activities includes interest expenses paid and interest payments received with the following amounts:		
Interest expenses paid	61,831	53,181
Interest payments received	530,441	423,817
Composition cash and cash equivalents		
Cash and balances with central banks	65,999	30,510
Treasury bills eligible for refinancing	60,096	60,211
Loans to credit institutions	1,062,294	290,152
Total cash and cash equivalents	**1,188,389**	**380,873**

STATEMENT OF CHANGES IN EQUITY, GROUP

SEK thousand	Share capital	Other contributed capital	Reserves	Retained earnings and net profit for the period	Non-controlling interests	Total equity
Balance as at 1 Jan 2016	**107,500**	**-**	**-673**	**238,103**	**6,303**	**351,233**
Net profit for the period	-	-	-	117,504	-8,236	109,268
Gross fair value gains/losses on available for sale financial assets	-	-	228	-	-	228
Gross currency translation differences	-	-	355	-	254	609
Tax on currency translation differences during the period	-	-	1,576	-	-	1,576
Total comprehensive income for the period, net of tax	**-**	**-**	**2,159**	**117,504**	**-7,982**	**111,681**
Dividend	-	-	-	-9,675	-	-9,675
Option premium	-	1,934	-	-	-	1,934
Shareholders' contribution	-	-	-	-	14,114	14,114
Balance as at 31 Dec 2016	**107,500**	**1,934**	**1,486**	**345,932**	**12,435**	**469,287**
Balance as at 1 Jan 2017	**107,500**	**1,934**	**1,486**	**345,932**	**12,435**	**469,287**
Net profit for the period	-	-	-	151,459	-3,623	147,836
Gross fair value gains/losses on available for sale financial assets	-	-	22	-	-	22
Gross currency translation differences	-	-	-1,327	-	46	-1,281
Tax on currency translation differences during the period	-	-	-1,325	-	-	-1,325
Total comprehensive income for the period, net of tax	**-**	**-**	**-2,630**	**151,459**	**-3,577**	**145,252**
Shareholders' contribution	-	-	-	-	6,860	6,860
Dividend	-	-	-	-47,300	-	-47,300
Acquisition of minority interest	-	-	-	-14,282	-15,718	-30,000
Transaction costs related to the acquisition of minority interest	-	-	-	-1,085	-	-1,085
Share-based compensation	-	-434	-	-1,774	-	-2,208
Balance as at 31 Dec 2017	**107,500**	**1,500**	**-1,144**	**432,950**	**-**	**540,806**

NOTES

NOTE 1 General information

OWNERSHIP IN TF BANK AB AS AT 31 DECEMBER 2017 (ACCORDING TO THE SHAREHOLDERS' REGISTER):

Shareholder	%
TFB Holding AB	47.03
Erik Selin Fastigheter AB	11.63
Danica Pension Försäkrings AB	8.74
Merizole Holding LTD	7.01
Swedbank Robur fonder	5.03
Proventus Aktiebolag	3.00
Pareto Nordic Return	1.68
Skandia fond småbolag Sverige	1.28
Clearstream Banking S.A.	1.22
KAAX Investment AB	1.04
Övriga aktieägare	12.34
Total	**100.00**

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

Branches
- TF Bank AB, branch Finland (2594352-3)
- TF Bank AB, branch Poland (PL9571076774)
- TF Bank AB, branch Estonia (14304235)

Subsidiaries
- TFB Service OÜ (12676808) 100 %
- TFB Service SIA (40203015782) 100 %
- Avarda AB (556986-5560) 100 %
- Avarda Oy (2619111-6) 100 %
- BB Bank ASA (935590221) 100 %
- Confide AS (948063603) 100 %

NOTE 2 Credit risk

Financial risks
The Group's activities are exposed to a variety of financial risks: market risk (considerable currency and interest rate risk in the cash flow), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial results. TF Bank uses derivative instruments to hedge certain foreign currency exposure and applies hedge accounting for some net investments in its foreign operations.

The Board of Directors establishes written policies and control documents. Compliance with the governing documents as well as the level of the Group's credit risk are measured and reported to the Group's management and Board of Directors on an ongoing basis.

Credit risk is the risk that a counterparty causes the Group a financial loss by not fulfilling its contractual obligations. Credit risk arises primarily through lending to the public but also through cash and cash equivalents and derivatives with a positive value. Credit risk is the most significant risk in the Group and is monitored closely by the relevant functions and by the Board of Directors, who has the ultimate responsibility for managing credit risk. The Board of Directors has issued a credit policy which sets the guidelines for the Group's lending activities. A credit committee monitors the development of the level of credit risk in the loan portfolios. It decides and suggests changes to the Group's lending in line with the set credit policy as well as proposing amendments of the policy to the Board of Directors. The performance is reported at each Board meeting.

Before a loan is issued, a risk assessment is done of the customer's creditworthiness, taking into account the customer's financial position, past history and other factors. Individual risk limits are defined based on internal or external credit assessments in accordance with the limits set by the Board of Directors. The use of credit limits is regularly monitored. The Group cannot grant any loans or credits to legal entities without the approval by the Board of Directors. By only approving counterparties with an investment grade credit rating and by setting limits for the maximum exposure to each counterparty the Board of Directors also limits the credit risk arising from cash management activities.

The Group's credit approval process has high standards regarding ethics, quality and control. Despite credit risk being the largest risk exposure for the Group, the provision for loan losses is small in proportion to the outstanding loan volume (see below and note 6). The reason is that the Group regularly sells non-performing loans to debt collection agencies when the Board of Directors considers the price level to be favourable compared to keeping the non-performing loans on the balance sheet. This is currently the case for most of the markets. As a result the Group continuously realises actual loan losses through the sale of non-performing loans. The remaining portfolio has a limited number of non-performing loans and consequently relatively low level of provisions.

The objective for the Group's process of monitoring overdue payments and unsettled loans and receivables is to minimise loan losses by detecting payment issues early and following up with customers where needed. The monitoring is supported by a separate "pre-collection" system for overdue payments with automatic monitoring and reminders when payments are overdue.

The Group's loans to the public consists primarily of unsecured consumer loans. As a result the Group does not list credit risk exposures in a separate table, as there are limited assets pledged as security, while at the same time the size of the reserves in relation to the credit volume is low. At the balance sheet date, the composition of the credit portfolio for loans to the public is as follows:

Group SEK thousand	31 Dec 2017	31 Dec 2016
Loans, not past due	2,691,382	2,113,837
Loans past due, 1 - 10 days	215,853	194,437
Loans past due, 11 - 69 days	193,588	109,270
Non-performing loans	115,912	129,346
Total	**3,216,735**	**2,546,890**
Provision for expected loan losses	-60,446	-57,607
Total loans to the public	**3,156,289**	**2,489,283**

For a reconciliation of the change in the provision for expected loan losses, see note 6.

CREDIT QUALITY OF FULLY PERFORMING LOANS

Group SEK thousand	31 Dec 2017	31 Dec 2016
Household sector		
Low risk	2,066,557	1,515,744
Medium risk	638,761	542,420
High risk	395,505	359,380
Total household sector	**3,100,823**	**2,417,544**

Note 2 cont.

The credit quality of the fully performing loans are assessed based on a model that is classifies the loans based on low, medium or high risk. This classification is based primarily on the number of reminders sent to each customer, the number of months the customer has had active loans with the Group and the borrower's individual credit status calculated taking into account both internal and external sources. The risk assessment is also made with respect to various other parameters depending on the type of product (segments) and the country, which includes consideration to historical information taken from our own database.

The credit quality of other fully performing financial assets in accordance with Standard & Poor's local short-term rating is shown below:

Group SEK thousand	31 Dec 2017	31 Dec 2016
Cash and balances with central banks		
AA+	60,873	30,510
BBB+	5,127	-
Treasury bills eligible for refinancing		
AAA	60,096	60,211
Loans to credit institutions		
A-1+	299,297	172,312
A-1	745,606	115,372
A-2	17,327	2,468
Unrated	64	-
Other assets		
A-1+	2,464	3,715
A-1	75,404	-
Unrated	9,463	3,960
Total	**1,275,721**	**388,548**

Other assets include derivatives with a positive value and level 1 liquid asset consisting of investment in the DNB Global Treasury Fund.

Impairment of financial assets
The Group assesses on a monthly basis whether there is objective evidence of impairment of a financial asset or group of financial assets. A financial asset or group of assets is impaired, and an impairment loss is recognised, only if there is objective evidence of impairment as a result of one or several events occurring after the initial recognition of the asset ("a loss event") and this event, or events, affect the estimated cash flows of the financial asset or group of financial assets and this effect can be accurately estimated.

An impairment loss on loans and receivables is recognised when there is objective evidence that the Group will not be able to recover overdue amounts in accordance with the original terms and conditions for the receivables. The Group applies a collective impairment approach since the portfolio consists of loans of limited amounts and receivables where an individual assessment is not required. The Group uses a statistical approach in two steps to determine the provisions:

- Loans and receivables where a loss event occurred for a single receivable or for a group of receivables.
- Loans and receivables which are more than 69 days overdue and where the loan has been cancelled (non-performing loans).

When a loss event has occurred, a provision is made by assessing the present value of future cash flows based on the probability that the loan will be terminated using historical data. The expected future cash flow is based on calculations which take into account historical redemption rates and other historical data. Historical data is used to estimate future cash flows in the markets where the Group has decided not to sell the non-performing loans.

Provisions for non-performing loans are calculated as the difference between the carrying amount of the asset and the present value of future cash flows, discounted using the original interest rate of the loan. The expected future cash flow is based on calculations which take into account historical redemption rates, which are applied to each generation of non-performing loans.

All loans and receivables that neither have a loss event nor are more than 69 days overdue are assessed whether they should be collectively impaired. The loans and receivables are reviewed to find loss events that could lead to a financial loss for the Group, e.g. increased unemployment rate. Events preceding this might be, e.g. large notices and financial instability, which could have a negative impact on the solvency of the customers after the event occurred. Management makes quarterly qualitative assessments to assess the change since the last quarter to determine whether to increase or decrease the collective provision. Management assesses each market where the Group has operations.

Loans and receivables that are sold are removed from the collective provision and the difference between the carrying amount of the asset and the present value are recognised as a loss. Non-performing loans are recognised as an actual loss when they have been reported by the debt collection agency as being assigned to long-term monitoring, when it has been established that the customer is deceased or when another loss event has been identified. Amounts received relating to previous actual losses are recognised through profit or loss.

NET LOAN LOSSES

Group SEK thousand	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Change in provision for sold non-performing loans	-27,255	-19,647	-103,967	-85,429
Realised loan losses	-7,709	-4,092	-32,894	-18,572
Recovered from previous write-offs	1,856	1,489	7,741	7,662
Change in provision for other expected loan losses	-1,229	-6,180	-223	-15,230
Net loan losses	**-34,337**	**-28,430**	**-129,343**	**-111,569**

NOTE 3 Operating segments

The CEO has the ultimate responsibility for the decisions being taken by the Group. 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. The Board of Directors evaluates the operating segments' performance based on their operating profits.

DIRECT TO CONSUMER

Income statement, SEK thousand	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net interest income	102,044	94,837	395,027	349,127
Net fee and commission income	5,875	5,373	22,103	22,564
Net results from financial transactions	-188	-154	79	501
Total operating income	**107,731**	**100,056**	**417,209**	**372,192**
General administrative expenses	-27,568	-27,677	-112,028	-101,046
Depreciation, amortisation and impairment charges of tangible and of intangible assets	-1,150	-1,112	-4,442	-3,752
Other operating expenses	-2,655	-3,732	-10,314	-14,943
Total operating expenses	**-31,373**	**-32,521**	**-126,784**	**-119,741**
Profit before loan losses	**76,358**	**67,535**	**290,425**	**252,451**
Net loan losses	-26,755	-22,348	-103,048	-85,103
Operating profit	**49,603**	**45,187**	**187,377**	**167,348**
Attributable to:				
The shareholders of the Parent company	*49,603*	*45,187*	*187,377*	*167,348*
Non-controlling interests	-	-	-	-

Balance sheet, SEK thousand	31 Dec 2017	31 Dec 2016
Loans to the public		
Household sector	2,560,945	2,075,880
Corporate sector	-	-
Total loans to the public	**2,560,945**	**2,075,880**
Household sector		
Net performing loans	2,514,991	2,005,712
Net non-performing loans	45,954	70,168
Total household sector	**2,560,945**	**2,075,880**

Note 3 cont.

SALES FINANCE

Income statement, SEK thousand	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net interest income	20,860	13,379	73,614	49,873
Net fee and commission income	5,309	4,512	20,733	18,827
Net results from financial transactions	46	-51	14	-93
Total operating income	**26,215**	**17,840**	**94,361**	**68,607**
General administrative expenses	-16,833	-14,261	-57,020	-48,740
Depreciation, amortisation and impairment charges of tangible and of intangible assets	-765	-287	-2,448	-992
Other operating expenses	-514	-87	-3,037	-658
Total operating expenses	**-18,112**	**-14,635**	**-62,505**	**-50,390**
Profit before loan losses	**8,103**	**3,205**	**31,856**	**18,217**
Net loan losses	-7,582	-6,082	-26,295	-26,466
Operating profit	**521**	**-2,877**	**5,561**	**-8,249**
Attributable to:				
The shareholders of the Parent company	*1,384*	*-213*	*10,242*	*2,214*
Non-controlling interests	*-863*	*-2,664*	*-4,681*	*-10,463*

Balance sheet, SEK thousand	31 Dec 2017	31 Dec 2016
Loans to the public		
Household sector	595,344	413,403
Corporate sector	-	-
Total loans to the public	**595,344**	**413,403**
Household sector		
Net performing loans	581,555	405,528
Net non-performing loans	13,789	7,875
Total household sector	**595,344**	**413,403**

GROUP

Income statement, SEK thousand	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating income				
Operating income, Direct to Consumer	107,731	100,056	417,209	372,192
Operating income, Sales Finance	26,215	17,840	94,361	68,607
Total operating income for the Group	**133,946**	**117,896**	**511,570**	**440,799**
Operating profit				
Operating profit, Direct to Consumer	49,603	45,187	187,377	167,348
Operating profit, Sales Finance	521	-2,877	5,561	-8,249
Items affecting comparability	-	-	-	-19,275
Total operating profit for the Group	**50,124**	**42,310**	**192,938**	**139,824**

Balance sheet, SEK thousand	31 Dec 2017	31 Dec 2016
Loans to the public		
Loans to the public, Direct to Consumer	2,560,945	2,075,880
Loans to the public, Sales Finance	595,344	413,403
Total loans to the public for the Group	**3,156,289**	**2,489,283**

NOTE 4	Classification of financial assets and liabilities

Group 31 Dec 2017 SEK thousand	Financial instruments at fair value through profit or loss		Available for sale financial assets	Loans and receivables	Derivatives used for hedging	Other financial assets/ liabilities	Total
	Held for trading	*Designated at initial recognition*					
Assets							
Cash and balances with central banks	-	-	-	65,999	-	-	65,999
Treasury bills eligible for refinancing	-	-	60,096	-	-	-	60,096
Loans to credit institutions	-	-	-	1,062,294	-	-	1,062,294
Loans to the public	-	-	-	3,156,289	-	-	3,156,289
Shares	-	-	75,654	-	-	-	75,654
Derivatives	2,321	-	-	-	143	-	2,464
Total assets	**2,321**	**-**	**135,750**	**4,284,582**	**143**	**-**	**4,422,796**
Liabilities							
Deposits and borrowings from the public	-	-	-	-	-	3,754,030	3,754,030
Subordinated liabilities	-	-	-	-	-	97,780	97,780
Derivatives	1,854	-	-	-	-	-	1,854
Total liabilities	**1,854**	**-**	**-**	**-**	**-**	**3,851,810**	**3,853,664**

Group 31 Dec 2016 SEK thousand	Financial instruments at fair value through profit or loss		Available for sale financial assets	Loans and receivables	Derivatives used for hedging	Other financial assets/ liabilities	Total
	Held for trading	*Designated at initial recognition*					
Assets							
Cash and balances with central banks	-	-	-	30,510	-	-	30,510
Treasury bills eligible for refinancing	-	-	60,211	-	-	-	60,211
Loans to credit institutions	-	-	-	290,152	-	-	290,152
Loans to the public	-	-	-	2,489,283	-	-	2,489,283
Shares	-	-	263	-	-	-	263
Derivatives	3,450	-	-	-	265	-	3,715
Total assets	**3,450**	**-**	**60,474**	**2,809,945**	**265**	**-**	**2,874,134**
Liabilities							
Deposits and borrowings from the public	-	-	-	-	-	2,284,645	2,284,645
Subordinated liabilities	-	-	-	-	-	97,040	97,040
Derivatives	-	-	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	**2,381,685**	**2,381,685**

NOTE 5 Financial assets and liabilities measured at fair value

Fair value
Disclosures are required on fair value measurement by level in fair value hierarchy for financial instruments measured at fair value in the balance sheet:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Data other than quoted market prices included in Level 1 that are observable for the assets or liabilities, either directly, i.e. in the form of quoted prices, or indirectly, i.e. derived from quoted prices (Level 2).
- Data for the assets or liabilities which are not based on observable market data (non-observable inputs) (Level 3).

The Group also provides information regarding the fair value of certain assets for information purposes.

Group, 31 Dec 2017 SEK thousand	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills eligible for refinancing	60,096	-	-	60,096
Shares	75,403	251	-	75,654
Derivatives	-	2,464	-	2,464
Total assets	**135,499**	**2,715**	**-**	**138,214**
Liabilities				
Subordinated Tier 2 loans	97,780	-	-	97,780
Derivatives	-	1,854	-	1,854
Total liabilities	**97,780**	**1,854**	**-**	**99,634**

Group, 31 Dec 2016 SEK thousand	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills eligible for refinancing	-	60,211	-	60,211
Shares	-	263	-	263
Derivatives	-	3,715	-	3,715
Total assets	**-**	**64,189**	**-**	**64,189**
Liabilities				
Subordinated Tier 2 loans	97,040	-	-	97,040
Derivatives	-	-	-	-
Total liabilities	**97,040**	**-**	**-**	**97,040**

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.

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Fair value of currency swap contracts is determined using forward exchange rates at the balance sheet date.

For loans to the public the fair value is based on the discounted cash flows using an interest rate based on the market interest rate at the balance sheet date, which was 20.21 % as at 31 December 2017 and 22.02 % as at 31 December 2016.

Group, 31 Dec 2017 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
Assets			
Cash and balances with central banks	65,999	65,999	-
Treasury bills eligible for refinancing	60,096	60,096	-
Loans to credit institutions	1,062,294	1,062,294	-
Loans to the public	3,156,289	3,156,289	-
Shares	75,654	75,654	-
Derivatives	2,464	2,464	-
Total assets	**4,422,796**	**4,422,796**	**-**
Liabilities			
Deposits and borrowings from the public	3,754,030	3,754,030	-
Subordinated liabilities	97,780	97,780	-
Derivatives	1,854	1,854	-
Total liabilities	**3,853,664**	**3,853,664**	**-**

Group, 31 Dec 2016 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
Assets			
Cash and balances with central banks	30,510	30,510	-
Treasury bills eligible for refinancing	60,211	60,211	-
Loans to credit institutions	290,152	290,152	-
Loans to the public	2,489,283	2,489,283	-
Shares	263	263	-
Derivatives	3,715	3,715	-
Total assets	**2,874,134**	**2,874,134**	**-**
Liabilities			
Deposits and borrowings from the public	2,284,645	2,284,645	-
Subordinated liabilities	97,040	97,040	-
Derivatives	-	-	-
Total liabilities	**2,381,685**	**2,381,685**	**-**

NOTE 6 Loans to the public

Group SEK thousand	31 Dec 2017	31 Dec 2016
Loans to the household sector	3,156,289	2,489,283
Loans to the corporate sector	-	-
Total loans to the public	**3,156,289**	**2,489,283**
Loans to the household sector		
Gross loans	3,216,735	2,546,890
Provision for expected loan losses	-60,446	-57,607
Loans, net book value	**3,156,289**	**2,489,283**
Geographic distribution of net loans		
Sweden	625,917	662,767
Finland	910,546	847,067
Norway	899,992	530,315
Estonia	338,031	245,801
Poland	280,738	164,389
Denmark	38,714	35,969
Latvia	62,351	2,975
Total loans, net book value	**3,156,289**	**2,489,283**

CHANGE IN PROVISION FOR ACTUAL AND EXPECTED LOAN LOSSES

Group SEK thousand	31 Dec 2017	31 Dec 2016
Opening balance	-57,607	-40,647
Change in provision for sold non-performing loans	-106,500	-85,429
Reversal in provision for sold non-performing loans	106,500	85,429
Change in provision for other loan losses	-223	-15,230
Other adjustments [1]	-2,616	-1,730
Closing balance	**-60,446**	**-57,607**

[1] Other adjustments consist of currency translation differences.

NOTE 7 Capital adequacy analysis

Background

Information about the Group's capital adequacy includes information in accordance with chapter 6, 3-4 §§, Swedish FSA's regulations (FFFS 2008:25) on annual accounts of credit institutions and securities companies and related information contained in articles 92(3)(d, f) 436(b) and 438 of the Regulation (EU) No 575/2013, chapter 8, 7 §, of the Swedish FSA's regulations and general guidelines on regulatory requirements and capital buffers (FFFS 2014:12) and column A of Annex 6 of the Commission Implementing Regulation (EU) No 1423/2013. Other information required by FFFS 2014:12 and Regulation (EU) No 575/2013 is provided on the company's website www.tfbankgroup.com.

TF Bank is the responsible institution which is under the supervision of the Swedish FSA. As a result, the company is covered by the rules governing credit institutions in Sweden. TF Bank AB listed on the stock exchange in 2016, which means that the stock exchange rules are also applicable.

Own funds and capital requirements

The Group and Parent company's statutory capital requirements is governed by the Swedish Special Supervision of Credit Institutions and Investment Firms Act (2014:968), Regulation (EU) No 575/2013, regulation on capital buffers (2014:966) and the Swedish FSA's regulations and general recommendations on regulatory requirements and capital buffers (FFFS 2014:12).

The purpose of the regulations is to ensure that the Group and Parent company manage their risks and protect its customers. The regulations state that the own funds must cover the capital requirements including the minimum capital requirements according to Pillar 1 and applicable buffer requirements.

The bank reports to the Swedish FSA both on an individual basis for TF Bank AB and on a consolidated basis with TF Bank AB as the Parent company. TF Bank AB as the Parent company became the consolidated situation required to report to the Swedish FSA following the initial public offering 14 June 2016.

Note 7 cont.

THE GROUP'S CAPITAL SITUATION

SEK thousand	31 Dec 2017	31 Dec 2016
Common Equity Tier 1 (CET1) capital after deductions	441,131	371,933
Additional Tier 1 (AT1) capital after deductions	-	-
Tier 2 capital after deductions	97,780	97,040
Own funds	**538,911**	**468,973**
Risk exposure amount	3,336,472	2,573,532
- *of which:* credit risk	2,623,365	1,965,888
- *of which:* credit valuation adjustment	1,999	3,322
- *of which:* market risk	40,917	16,236
- *of which:* operational risk	670,191	588,086
CET1 capital ratio, %	13.22	14.45
Tier 1 capital ratio, %	13.22	14.45
Total capital ratio, %	16.15	18.22
Total CET1 capital requirement incl. of capital buffer requirements	268,586	199,191
- *of which:* capital conservation buffer	83,412	64,338
- *of which:* countercyclical capital buffer	35,033	19,044
CET1 capital available to use as buffer	290,990	256,124

[1] CET1 capital less the minimum requirement of 4.5 % excluding buffer requirements. There is an additional total capital requirement of 3.5 %.

OWN FUNDS

SEK thousand	31 Dec 2017	31 Dec 2016
CET1 capital		
Share capital	107,500	107,500
Other contributed capital	1,500	1,934
Reserves	-1,144	3,420
Retained earnings and annual profits net of any foreseeable expenses and dividends [1]	384,576	296,996
Less:		
- Intangible assets	-41,437	-31,087
- Deferred tax assets that rely on future profitability	-9,864	-6,830
Total CET1 capital	441,131	371,933
Tier 2 capital		
Dated subordinated loan	97,780	97,040
Own funds	**538,911**	**468,973**

[1] Deduction of dividends from own funds have been made in accordance with the Board of Directors' proposal to the Annual General Meeting.

On 9 February 2017 the Swedish FSA approved TF Bank's application to include the interim profit in own funds subject to the auditor's review of the surplus, that the surplus has been calculated in accordance with applicable accounting rules, that the foreseeable costs and dividends have been deducted in accordance with Regulation (EU) No 575/2013 and that the calculation has been made in accordance with Regulation (EU) No 241/2014. The Group's CET1 capital complies with the requirements of Regulation (EU) No 575/2013.

SPECIFICATION RISK EXPOSURE AMOUNTS

SEK thousand	31 Dec 2017	31 Dec 2016
Credit risk under the standardised approach		
Exposures to corporates	391	-
Retail exposures	2,321,723	1,807,836
Exposures secured by mortgage	319	452
Exposures in default	62,183	81,155
Exposures to institutions with a short-term credit assessment	221,077	62,008
Equity exposures	251	-
Other items	17,421	14,437
Total risk-weighted exposure amount credit risk	**2,623,365**	**1,965,888**
Credit valuation adjustment		
Standardised method	1,999	3,322
Total risk exposure amount credit valuation adjustment	**1,999**	**3,322**
Market risk [1]		
Foreign exchange risk	40,917	16,236
Total risk exposure amount market risk	**40,917**	**16,236**
Operational risk		
Standardised approach	670,191	588,086
Total risk exposure amount operational risk	**670,191**	**588,086**
Total risk exposure amount	**3,336,472**	**2,573,532**

[1] The capital requirement for foreign exchange risk, which is calculated in accordance with article 351 of Regulation (EU) 575/2013, has largely arisen at group level due to reported profits in NOK for the subsidiary BB Bank in Norway.

NOTE 8 Assets pledged as security

Group SEK thousand	31 Dec 2017	31 Dec 2016
Group liabilities		
Relating to borrowing from credit institutions		
Loans	30,033	528,733
Liquid assets used as collateral for derivatives with negative market value	30,850	-
Other assets	299	356
Total	**61,182**	**529,089**

The subsidiary BB Bank continuously pledges some of its loans as collateral. The pledge relates to collateral for BB Bank's credit facility of NOK 30 million. As at 31 December 2017 nothing was drawn from the facility.

The agreement regarding the Parent company's credit facility was completed in the third quarter of 2017.

NOTE 9 Transactions with related parties

Consortio Fashion Holding AB (CFH), corporate identity number 556925-2819, has largely the same owners as TF Bank's largest owner TFB Holding AB, corporate identity number 556705-2997. Transactions with other related parties, as shown in the table below, refer to transactions between TF Bank and the companies that are part of the CFH Group. All transactions are priced at market.

Group SEK thousand	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
The following transactions have been made with related companies within the Group:				
General administrative expenses	-36	-145	-310	-422
Total	**-36**	**-145**	**-310**	**-422**
The following transactions have been made with other related parties:				
Interest income (transaction costs)	-15,608	-16,214	-66,480	-66,035
General administrative expenses	-1,254	-1,390	-5,471	-5,670
Total	**-16,862**	**-17,604**	**-71,951**	**-71,705**
Acquisition of assets and liabilities from other related parties:				
Sales Finance	156,418	160,139	660,628	636,879
Total	**156,418**	**160,139**	**660,628**	**636,879**

Group SEK thousand	31 Dec 2017	31 Dec 2016
Assets at the end of the period as a result of transactions with other related parties:		
Other assets	392	663
Total	**392**	**663**
Liabilities at the end of the period as a result of transactions with other related parties:		
Other assets	2,115	-
Total	**2,115**	**-**

PARENT COMPANY

TF Bank AB, corporate identity number 556158-1041, is a limited liability company with registered office in Sweden. The company has a license to provide banking services with operations in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Poland and Germany. Its activities include lending to the public in all markets, except Germany, and taking deposits from the public in Sweden, Finland, Norway and Germany.

The Parent company's operating income for 2017 amounted to SEK 437.6 million (391.6). Net result from financial transactions impacts operating income with SEK 6.6 million (-7.0), which is related to currency effects on shares in foreign subsidiaries and which are not recalculated at current exchange rates.

The company's total operating expenses amounted to SEK 140.2 million (150.9) for the period. The figures for the comparative period include costs related to the IPO of SEK 19.3 million which are included in general administrative expenses. The operating profit amounted to SEK 175.8 million (135.3) during 2017.

Loans to the public increased by 13.7 % to SEK 2,253 million (1,981) during the year. The amount includes loans to the subsidiary Avarda of SEK 33 million (44). Deposits from the public amounted to SEK 3,017 million (2,285) at the end of the year.

Loans to credit institutions increased during the year and amounted to SEK 1,047 million (690). The amount includes loans to the subsidiary BB Bank of SEK 50 million (420).

Shares in group companies increased by SEK 150 million during the year and amounted to SEK 251 million at the end of the year. The increase is explained by acquisition of shares in Avarda (SEK 31 million), shareholders' contribution to Avarda (SEK 37 million) and new issue of shares in BB Bank (SEK 82 million). The capital contribution to BB Bank was done to facilitate the subsidiary's transformation to becoming a bank.

The capital adequacy of the company remains at a stable level with a CET1 capital ratio of 16.4 % as at 31 December 2017 (17.0). The total capital ratio at year-end was 20.4 % (21.2), which is significantly higher than the legally required levels.

INCOME STATEMENT, PARENT COMPANY

SEK thousand	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating income				
Interest income	115,524	109,771	458,380	411,993
Interest expense	-13,376	-12,993	-60,158	-49,209
Net interest income	**102,148**	**96,778**	**398,222**	**362,784**
Fee and commission income	8,859	9,449	36,701	40,245
Fee and commission expense	-949	-1,070	-3,960	-4,527
Net fee and commission income	**7,910**	**8,379**	**32,741**	**35,718**
Net results from financial transactions	3,328	1,229	6,605	-6,950
Total operating income	**113,386**	**106,386**	**437,568**	**391,552**
Operating expenses				
General administrative expenses	-30,746	-29,889	-124,774	-132,789
Depreciation, amortisation and impairment charges of tangible and intangible assets	-1,315	-1,008	-5,030	-3,327
Other operating expenses	-2,730	-3,628	-10,373	-14,771
Total operating expenses	**-34,791**	**-34,525**	**-140,177**	**-150,887**
Profit before loan losses	**78,595**	**71,861**	**297,391**	**240,665**
Net loan losses	-30,612	-27,046	-121,579	-105,371
Operating profit	**47,983**	**44,815**	**175,812**	**135,294**
Appropriations	18,812	-	18,812	-
Income tax expense	-14,889	-10,006	-44,251	-29,251
Net profit for the period	**51,906**	**34,809**	**150,373**	**106,043**

STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY

SEK thousand	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net profit for the period	**51,906**	**34,809**	**150,373**	**106,043**
Other comprehensive income				
Items that may be reclassified subsequently to the income statement				
Currency translation differences during the period, net of tax	-	-	-	-
Other comprehensive income, net of tax	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**51,906**	**34,809**	**150,373**	**106,043**

BALANCE SHEET, PARENT COMPANY

SEK thousand	31 Dec 2017	31 Dec 2016
ASSETS		
Cash and balances with central banks	65,999	30,510
Treasury bills eligible for refinancing	60,096	60,211
Loans to credit institutions	1,046,773	690,360
Loans to the public	2,252,638	1,980,558
Shares	20,295	-
Shares in group companies	250,705	100,862
Intangible assets	19,371	15,137
Tangible assets	1,269	1,100
Other assets	6,099	7,740
Current tax assets	1,584	12,413
Prepaid expenses and accrued income	4,334	8,680
Total assets	**3,729,163**	**2,907,571**
LIABILITIES AND EQUITY		
Liabilities		
Deposits and borrowings from the public	3,017,287	2,284,645
Other liabilities	25,346	14,062
Deferred tax liabilities	96	783
Accrued expenses and prepaid income	40,396	44,844
Subordinated liabilities	97,780	97,040
Total liabilities	**3,180,905**	**2,441,374**
Untaxed reserves	33,809	52,621
Equity		
Share capital (21,500,000 shares of SEK 5 each)	107,500	107,500
Other restricted reserves	15,739	9,313
Other contributed capital	1,500	1,931
Retained earnings	239,337	188,789
Total comprehensive income for the period	150,373	106,043
Total equity	**514,449**	**413,576**
TOTAL LIABILITIES AND EQUITY	**3,729,163**	**2,907,571**

CAPITAL ADEQUACY ANALYSIS, PARENT COMPANY

SEK thousand	31 Dec 2017	31 Dec 2016
Common Equity Tier 1 (CET1) capital after deductions	473,075	397,066
Additional Tier 1 (AT1) capital after deductions	-	-
Tier 2 capital after deductions	97,780	97,040
Own funds	**570,855**	**494,106**
Risk exposure amount	2,792,858	2,329,785
- *of which:* credit risk	2,184,158	1,764,877
- *of which:* credit valuation adjustment	1,876	3,188
- *of which:* market risk	-	-
- *of which:* operational risk	606,824	561,720
CET1 capital ratio, %	16.94	17.04
Tier 1 capital ratio, %	16.94	17.04
Total capital ratio, %	20.44	21.21
Total CET1 capital requirement inclusive of capital buffer requirements	220,356	178,229
- *of which:* capital conservation buffer	69,821	58,245
- *of which:* countercyclical capital buffer	24,856	15,144
CET1 capital available to use as buffer [1]	347,396	292,226

[1] CET1 capital less the minimum requirement of 4.5 % excluding buffer requirements. There is an additional total capital requirement of 3.5 %.

OWN FUNDS

SEK thousand	31 Dec 2017	31 Dec 2016
CET1 capital		
Share capital	107,500	107,500
Other reserves	42,110	50,358
Other contributed capital	1500	1,931
Retained earnings	239,337	188,789
Audited interim profits net of any foreseeable expenses and dividends [1]	101,999	63,626
Less:		
- Intangible assets	-19,371	-15,137
Total CET1 capital	473,075	397,067
Tier 2 capital		
Dated subordinated loan	97,780	97,040
Own funds	**570,855**	**494,107**

[1] Deduction of dividends from own funds have been made in accordance with the Board of Directors' proposal to the Annual General Meeting.

On 9 February 2017 the Swedish FSA approved TF Bank's application to include the interim profit in own funds subject to the auditor's review of the surplus, that the surplus has been calculated in accordance with applicable accounting rules, that the foreseeable costs and dividends have been deducted in accordance with Regulation (EU) No 575/2013 and that the calculation has been made in accordance with Regulation (EU) No 241/2014. The Parent company's CET1 capital complies with the requirements of Regulation (EU) No 575/2013.

SPECIFICATION RISK EXPOSURE AMOUNTS

SEK thousand	31 Dec 2017	31 Dec 2016
Credit risk under the standardised approach		
Exposures to institutions	10,032	84,115
Exposures to corporates	34,084	44,357
Retail exposures	1,636,995	1,410,463
Exposures in default	37,474	55,841
Exposures to institutions with a short-term credit assessment	207,787	57,904
Equity exposures	250,705	100,861
Other items	7,081	11,336
Total risk-weighted exposure amount credit risk	**2,184,158**	**1,764,877**
Credit valuation adjustment		
Standardised method	1,876	3,188
Total risk exposure amount credit valuation adjustment	**1,876**	**3,188**
Operational risk		
Standardised approach	606,824	561,720
Total risk exposure amount operational risk	**606,824**	**561,720**
Total risk exposure amount	**2,792,858**	**2,329,785**

BOARD OF DIRECTORS AND CEO AFFIRMATION

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 face.

Borås, 7 February 2018

Bertil Larsson
Acting Chairman

John Brehmer

Mari Thjømøe

Charlotta Björnberg-Paul

Tone Bjørnov

Mattias Carlsson
Acting President and CEO

DEFINITIONS

TF Bank Group makes use of the alternative key figures: adjusted operating income, adjusted net profit, adjusted earnings per share and adjusted return on equity. Items affecting comparability relate to the IPO. The bank uses these alternative key figures to better understand the underlying earning generation of the bank. The Group defines the key figures as per below. The definitions remain unchanged from previous periods.

ADJUSTED EARNINGS PER SHARE
Net profit for the period excluding non-controlling interests and items affecting comparability divided by average number of outstanding shares.

ADJUSTED OPERATING PROFIT
Operating profit excluding items affecting comparability.

ADJUSTED RETURN ON EQUITY
Net profit for the period excluding non-controlling interests and items affecting comparability as a percentage of average total equity. Rolling 12 month.

CET1 CAPITAL RATIO
CET1 capital as a percentage of total risk exposure amount.

COST/INCOME RATIO
Operating expenses as a percentage of operating income.

CREDIT VOLUME
The paid-out credit (the cash flow) in the period, for Sales Finance the volume is reduced by product returns.

EARNINGS PER SHARE
Net profit for the period excluding non-controlling interests divided by 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 as a percentage of average loan portfolio. Rolling 12 months.

OPERATING INCOME MARGIN
Total operating income as a percentage of average loans to the public. Rolling 12 months.

RETURN ON EQUITY
Net profit for the period excluding non-controlling interests as a percentage of average total equity. Rolling 12 month.

TOTAL CAPITAL RATIO
Own funds as a percentage of the total risk exposure amount.

FINANCIAL CALENDAR AND CONTACTS

FINANCIAL CALENDAR

23 March 2018	Annual report 2017 is published
26 April 2018	Interim report January – March 2018
2 May 2018	Annual General Meeting
13 July 2018	Interim report January – June 2018
25 October 2018	Interim report January – September 2018

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 8 February 2018 at 07:00 CET.

PRESENTATION FOR INVESTORS, ANALYSTS AND MEDIA

A live conference call will be held on 8 February at 08.15 CET, where acting CEO Mattias Carlsson and CFO Mikael Meomuttel will present the report and answer questions. The presentation material is written in English while the conference call will be held in Swedish. To participate call +46 (0)8 5664 2509 or +44 (0)20 3008 9801. For international investors, there is the possibility to ask questions in English during the Q&A session. A recording of the conference call, including the presentation material, will be available later on the bank's website, www.tfbankgroup.com/en/section/investor-relations.

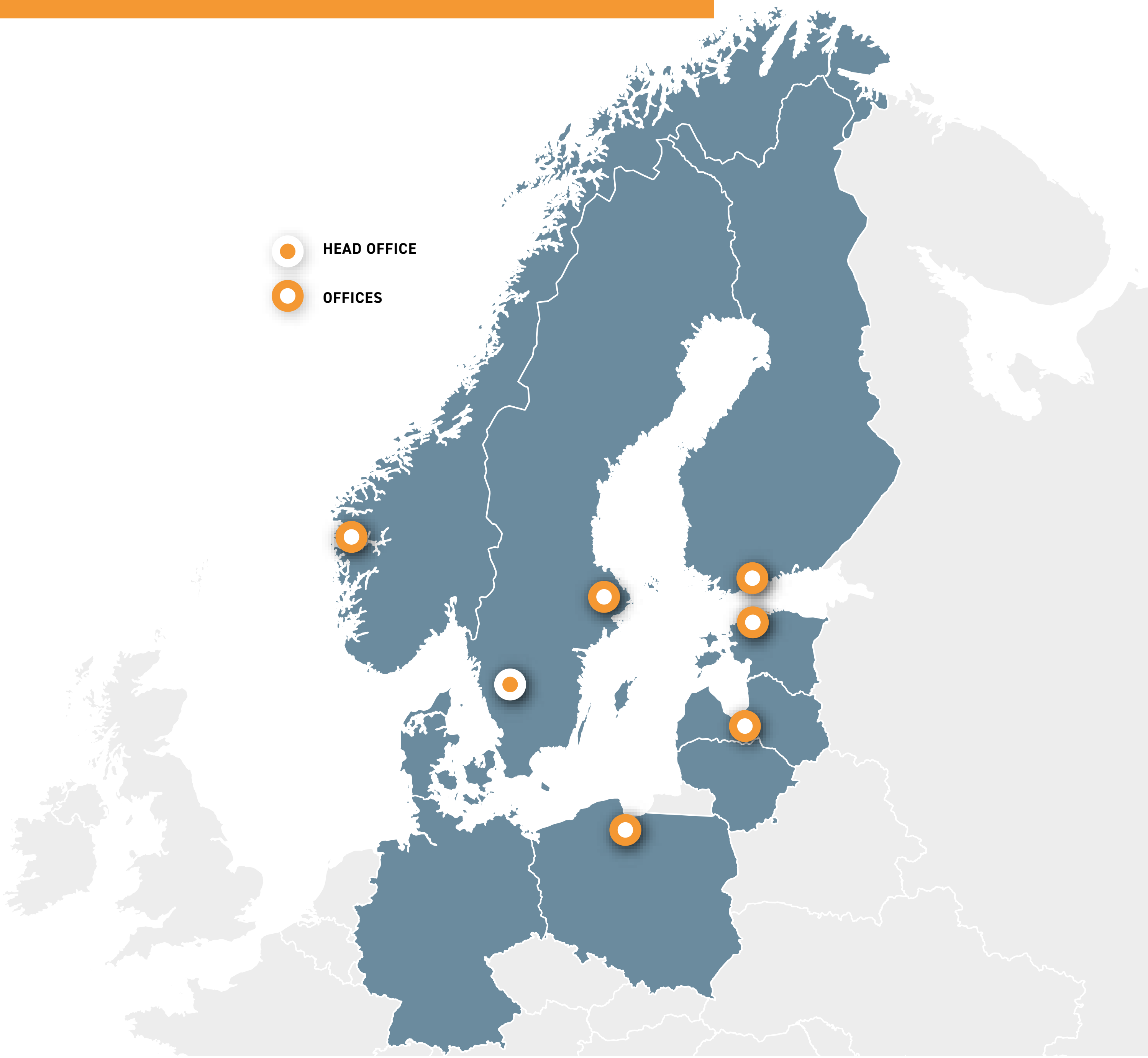
CONTACT

Investor Relations
Mikael Meomuttel
Phone: +46 (0)70 626 9533
ir@tfbank.se

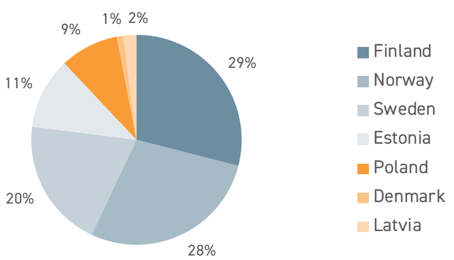
TF Bank AB (publ.)
Box 947, 501 10 Borås

www.tfbankgroup.com

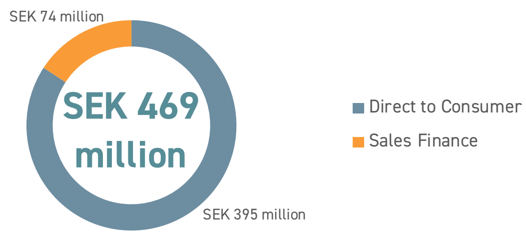
TF BANK'S GEOGRAPHICAL PRESENCE



SHARE OF LOAN PORTFOLIO BY COUNTRY, 31 DECEMBER 2017



NET INTEREST INCOME, JANUARY-DECEMBER 2017



TFBank

TF Bank AB (publ)
Box 947, 501 10 Borås, Sweden
Phone: +46 33-722 35 00
Fax: +46 33-12 47 39
E-mail: ir@tfbank.se

www.tfbankgroup.com