INTERIM REPORT
January-June 2017

TFBank

THE PERIOD IN BRIEF

FIRST HALF-YEAR, JANUARY-JUNE 2017 COMPARED WITH JANUARY-JUNE 2016

- Total operating income increased by 18.5 % to SEK 247.3 million
- The loan portfolio amounted to SEK 2,836 million on 30 June 2017, an increase of 13.9 % since the end of 2016
- Operating profit increased by 67.8 % to SEK 91.3 million
- Adjusted operating profit increased by 26.3 % to SEK 91.3 million [1]
- Net profit increased by 65.5 % to SEK 70.1 million
- Adjusted net profit increased by 24.5 % to SEK 70.1 million [1]
- The cost/income ratio was 38.0 % (38.5)
- CET1 capital ratio was 13.6 % and the total capital ratio was 17.0 %
- Earnings per share amounted to SEK 3.35 (2.14)
- Adjusted earnings per share amounted to SEK 3.35 (2.79) [1]

SECOND QUARTER, APRIL–JUNE 2017 COMPARED WITH APRIL–JUNE 2016

- Total operating income increased by 18.5 % to SEK 128.0 million
- Operating profit increased by 81.1 % to SEK 47.9 million
- Adjusted operating profit increased by 25.3 % to SEK 47.9 million [1]
- Net profit increased by 87.9 % to SEK 36.8 million
- Adjusted net profit increased by 27.9 % to SEK 36.8 million [1]
- The cost/income ratio was 37.2 % (38.8)
- Earnings per share amounted to SEK 1.76 (1.01)
- Adjusted earnings per share amounted to SEK 1.76 (1.44) [1]

SIGNIFICANT EVENTS, JANUARY-JUNE 2017

- The subsidiary Avarda signed an agreement in June with a large Nordic merchant, Hobby Hall.
- In January TF Bank started to offer deposits for its customers in Norway.
- In June TF Bank signed an agreement to sell its non-performing loans in Estonia.
- It was resolved to finalise the application and transform BB Finans to bank.

> Geographical diversification within both deposits and lending resulting in the company now standing stronger than ever.

TOTAL OPERATING INCOME
JAN-JUN 2017 COMPARED WITH JAN-JUN 2016

SEK 247 MILLION +19 %

LOAN PORTFOLIO
30 JUNE 2017 COMPARED WITH 31 DECEMBER 2016

SEK 2.8 BILLION +14 %

TOTAL CAPITAL RATIO
30 JUNE 2017 COMPARED WITH 31 DECEMBER 2016

17.0 % -1.2 PERCENTAGE POINTS

ADJUSTED EARNINGS PER SHARE [1]
JAN-JUN 2017 COMPARED WITH JAN-JUN 2016

SEK 3.35 +20 %

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

See separate section with definitions, page 35.

CEO'S COMMENTS

We have now left the first half of 2017 behind us and with that, the first year as a listed company. Compared to the same period last year, the first six months resulted in an increase in adjusted operating profit by 26 %. We have continued our expansion with an increased product mix and a geographical diversification within both deposits and lending resulting in the company now standing stronger than ever.

Expansion in both segments
Lending in our largest segment, Direct to Consumer, grew by approximately 11 % in the first half of the year. Growth was achieved in all countries with Norway, Finland and Poland at the forefront. Sales Finance has also experienced strong development during the period. The credit card offer in Norway has been well received by customers and the product has been able to show profitable and stable growth during the second quarter. The Polish Sales Finance business has also had success with its existing partners.

Avarda signed a new agreement
Within the Sales Finance segment, our subsidiary Avarda has signed an agreement with Hobby Hall, a large online store in Finland. Hobby Hall was acquired by the SGN Group on 1 January 2017 and the brand is well-known in Finland. The new owner is investing in building a modern trading platform and a good on-line interaction with its customers. During 2016, Hobby Hall's sales amounted to approximately EUR 75 million.

BB Finance becomes a bank
In December 2016, our Norwegian subsidiary, BB Finans, announced that the company fulfilled the requirements for becoming a bank in Norway. After careful consideration, we have decided to complete the application and convert BB Finans into a bank. This means that BB Finans will be able to fund itself with deposits from the public with the backing of a Norwegian government deposit guarantee of NOK 2 million per customer. The transformation is expected to be approved by the Norwegian Financial Supervisory Authority early in the third quarter of 2017.

Changes in the organization
Our branch manager in Finland, Johannes Rintaniemi, has chosen to move on and to terminate his employment in late autumn. An internal recruitment has given us a strong replacement in Juho Maanpää, who has been with TF Bank for many years and has experience of both TF Bank's operations in Finland and the Finnish market in general.

One year on the stock exchange also means that the ownership group is expanding and we have therefore chosen to enter into a partnership with Laika Consulting, which specialises in strategic IR communications. The purpose is to improve communication with current and potential shareholders.

During the quarter we have also strengthened the board's competence with respect to our core markets when Mari Thjømøe and Charlotta Björnberg-Paul were chosen as new board members. Mari has long experience within finance and broad knowledge about the Norwegian market and Charlotta has extensive experience from the Finnish market.

Extended geographic presence
During the first six months, TF Bank has achieved growth and successful geographical diversification in the loan portfolio and our objective is continued expansion in both existing and new markets. As a next step, we have reported cross-border operations to Germany and Austria. The decision was registered with the Swedish Financial Supervisory Authority in early July. The plan is, as TF Bank has done in Finland, Poland and the Baltic States, to organically build up deposit and lending operations in these countries, starting with Germany.

I am looking forward to an exciting and eventful next six months and wish to warmly welcome all new shareholders to TF Bank.

Declan Mac Guinness
President & 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 conducts banking operations, which include deposits and lending to retail customers in Sweden, Finland, and Norway, lending to retail customers in Poland, and cross-border lending in Denmark, Estonia and Latvia.

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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Income statement					
Operating income	128,047	108,064	247,314	208,668	440,799
Operating profit	47,896	26,441	91,278	54,411	139,824
Net profit for the period	36,815	19,598	70,084	42,341	109,268
Earnings per share, SEK	1.76	1.01	3.35	2.14	5.47
Balance sheet					
Loans to the public	2,835,975	2,185,340	2,835,975	2,185,340	2,489,283
Deposits from the public	3,064,802	2,231,952	3,064,802	2,231,952	2,284,645
Credit volume	693,420	599,781	1,483,343	1,174,260	2,391,729
Key figures					
Operating income margin, %	18.8	21.3	18.8	21.3	20.2
Net loan loss ratio, %	4.6	5.7	4.6	5.7	5.1
Cost/Income ratio, %	37.2	38.8	38.0	38.5	38.6
Return on equity, %	31.1	22.9	31.1	22.9	29.1
CET1 capital ratio, %	13.6	14.3	13.6	14.3	14.5
Total capital ratio, %	17.0	18.5	17.0	18.5	18.2
Employees (FTE)	106	98	106	95	98

ADJUSTED KEY FIGURES, GROUP

SEK thousand	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Operating profit	47,896	26,441	91,278	54,411	139,824
Items affecting comparability [1]	-	11,785	-	17,887	19,275
Adjusted operating profit	47,896	38,226	91,278	72,298	159,099
Adjusted income tax expense	-11,081	-9,436	-21,194	-16,005	-34,797
Adjusted net profit for the period	36,815	28,790	70,084	56,293	124,302
Adjusted net profit attributable to the shareholders of the Parent company	37,853	31,004	72,070	60,019	132,538
Adjusted earnings per share, SEK	1.76	1.44	3.35	2.79	6.16
Adjusted return on equity, %	31.3	30.7	31.3	30.7	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

FIRST HALF-YEAR 2017

Operating profit increased by 67.8 % to SEK 91.3 million (54.4). Items affecting comparability, related to the stock market listing, are included in the comparative period with SEK 17.9 million. Adjusted operating profit increased by 26.3 %. Adjusted earnings per share increased to SEK 3.35 (2.79) and adjusted return on equity was 31.3 % (30.7).

Operating income

Operating income increased by 18.5 % to SEK 247.3 million (208.7) compared with the first half of 2016. Net interest income accounts for more than 90 % of the Group's operating income. The operating income margin decreased to 18.8 % (21.3), 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 22.2 % to SEK 257.8 million (211.0) during the six months. The increase is generated by the strong organic lending growth in all of the Group's markets. Growth has been particularly strong in Norway, both for consumer loans and credit cards. Interest income also increased significantly in Finland, Poland and Estonia compared with the corresponding period in 2016.

Interest expenses

The Group's interest expenses increased by 29.2 % to SEK 31.2 million (24.1). The main reason is that the new deposit products in Sweden and Norway have generated a significant increase in the deposit balance in 2017. The interest expense is also affected by the fact that lending growth is primarily driven by foreign markets, where interest rates are somewhat higher.

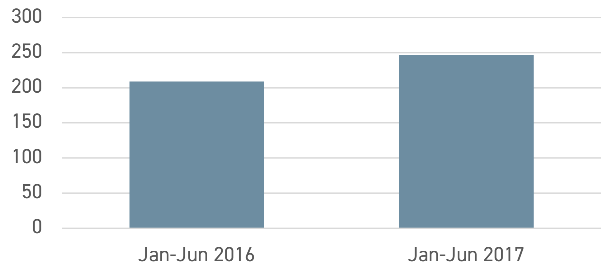
Net fee and commission income

Net fee and commission income amounted to SEK 21.4 million (21.3). Net fee and commission income is mainly made up of insurance-related income and expenses. During the first half of 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.

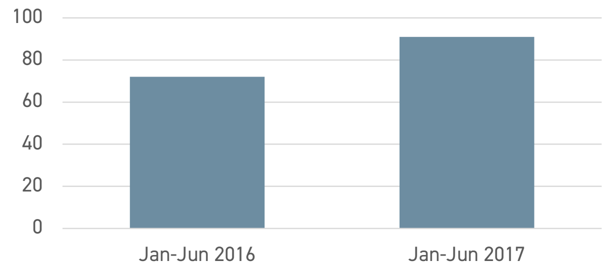
Operating expenses

The Group's operating expenses increased by 16.7 % to SEK 93.9 million (80.4). The increase is mainly attributable to more employees in the Group, IT expenses and expenses related to the growth in new lending. The listing at the Nasdaq Stockholm in June 2016 also affected the bank's costs compared with the first half of 2016. The C/I ratio fell to 38.0 % (38.5).

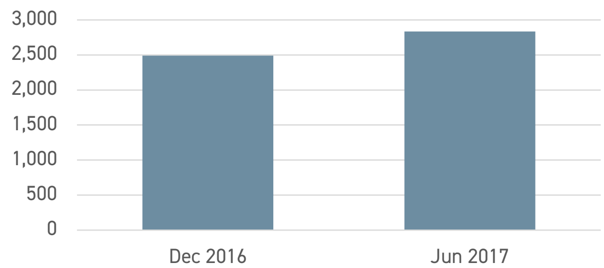
OPERATING INCOME (SEK million)



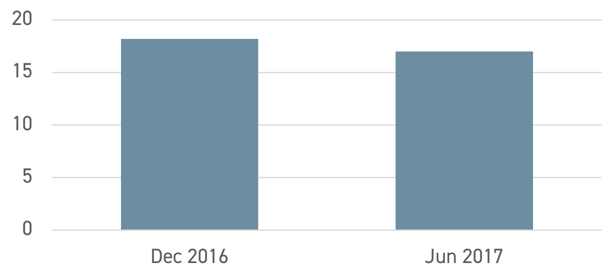
ADJUSTED OPERATING PROFIT (SEK million) [1]



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 11.1 % to SEK 62.1 million (55.9), whereas the net loan loss level decreased to 4.6 % (5.7), mainly as a result of the changed product mix in new lending. The Group also receives a slightly higher price from the ongoing sale of non-performing loans to debt collection agencies in the Swedish and Finnish markets, which affected the net loan loss level positively during the first six months of the year.

Tax expenses
The Group's tax expense amounted to SEK 21.2 million (12.1). The average tax rate increased to 23.2 % (22.2). The tax rate in 2017 will be affected by the fact that interest expenses on the bank's subordinated loan are no longer tax-deductible.

Lending
The loans to the public increased by 13.9 % to SEK 2,836 million (2,489). Currency effects only had a marginal effect on the total loan portfolio during the first half of 2017. The Norwegian loan balance continues to grow strongly as well as a significant increase in the loan portfolios in Finland and Poland during 2017. The Group's new lending amounted to SEK 1,483 million (1,174).

In June, the Group sold an existing portfolio of non-performing loans in Estonia at the same time signed a contract for the ongoing sale of non-performing loans in the Estonian market. The nominal value of the portfolio was approximately SEK 50 million and the sale price equal to the book value.

Deposits
Deposits from the public increased by 34.1 % to SEK 3,065 million (2,285). The increase is mainly attributable to the new deposit operations in Norway and the launch of a fixed interest account on the Swedish market. The new deposit product in Norway resulted in both increased diversification of geographical risk and lower funding costs for the Group.

Investments
The Group's investments amounted to SEK 6.5 million (3.4) during the first half of 2017, which relate to investments in the proprietary ledger system and product development within Sales Finance.

Cash and cash equivalents
The Group's liquidity reserve amounted to SEK 828.7 million (380.9) as at the end of June 2017. The new deposits increased the bank's liquid assets significantly during the first six months of the year. Including undrawn credit facilities of SEK 330 million, the Group's total available liquidity amounts to 38 % (31) of deposits from the public.

Capital adequacy
TF Bank's capital ratios continue to be at levels providing a good margin against the regulatory requirements. The ratios were in par with the previous quarter and the CET1 capital ratio was 13.6 % (14.5), while the total capital ratio was 17.0 % (18.2). The continued growth in lending and higher liquid assets was compensated in part by lower non-performing loans and from the recognition of the interim profit after taking into account foreseeable dividend according to the dividend policy. The Group is still in a good position to meet both increasing regulatory capital requirements and higher capital requirements as a result of the Group's expected future growth.

APRIL-JUNE 2017

Operating profit increased by 81.1 % to SEK 47.9 million (26.4). Costs affecting comparability related to stock market listing was charged to the comparative period with SEK 11.8 million. The adjusted operating profit increased by 25.3 % and was positively affected by growth in the Group's loan book. Adjusted earnings per share increased to SEK 1.76 (1.44).

Operating income

The Group's operating income increased by 18.5 % to SEK 128.0 million (108.1) compared to the second quarter of 2016. Net interest income rose to SEK 117.6 million (97.0) with the increase generated by both segments. Within Sales Finance, the main contributor to the increased income is the Norwegian credit card business. Net fee and commission income was largely unchanged and amounted to SEK 10.8 million (10.7) during the quarter.

Operating expenses

The Group's operating expenses increased by 13.8 % to SEK 47.7 million (41.9), while the C/I ratio improved to 37.2 % (38.8) as a result of operating income rising faster than operating expenses. The average number of employees during the quarter was 106 (98).

Loan losses

During the quarter net loan losses rose by 16.2 % to SEK 32.5 million (28.0). The loan portfolio increased sharply during the first quarter with the growth affecting the loan losses. At the end of the second quarter the net loan loss level reduced to 4.6 %.

Tax expenses

The Group's tax expense amounted to SEK 11.1 million (6.8). The average tax rate fell to 23.1 % (25.9). The difference is primarily due to the fact that the comparative figures were significantly affected by tax effects on changes in the value of unrealised currency derivatives.

DIRECT TO CONSUMER

JANUARY-JUNE 2017

Background

In the Direct to Consumer segment, TF Bank offers consumer loans without collateral to creditworthy individuals. The average loan amount per customer on 30 June 2017 was approximately SEK 30 thousand with an average maturity of approximately 22 months. The most common use of the loan is to meet short-term financing needs, such as vacation, home 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 the Nordic countries and outgrown GDP. Operations in Estonia have been built-up since 2006 and in 2016, the segment expanded further in the Baltics by launching loans in Latvia. TF Bank has been active in the Polish market since 2012 using primarily credit intermediaries to find new customers.

The Direct to Consumer segment is the cornerstone of TF Bank's operations and the total loan portfolio amounted to 81.0 % of the Group's loan portfolio on 30 June, 2017. Operating revenues amounted to 83.1 % of total operating income during the first half of 2017.

The loan portfolio

Lending to the public increased by 10.6 % to SEK 2,296 million (2,076) in the first half of 2017. Currency fluctuations have only had marginal effects on the segment's loan portfolio. New lending for the segment amounted to SEK 883 million (685) during the interim period.

Developments have been strong in Norway where growth during the interim period was 19.0 % and the portfolio reached SEK 595 million (500) in June. Our largest market, Finland, increased its portfolio by 7.7 % to SEK 784 million (728). Poland continues its stable journey focusing on improved credit quality and the portfolio increased by 25.7 % to SEK 174 million (139). The growth curve in Sweden, which started in the fourth quarter of 2016, has slowed and growth remained at 1.4 % for the interim period.

Result

Operating profit for the segment increased by 20.1 % to SEK 90.4 million (75.3). The improved result is primarily due to increased revenues due to the strong growth in the loan portfolio.

The segment's operating income increased by

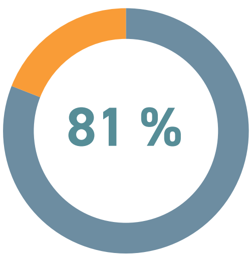
16.4 % to SEK 205.4 million (176.5). Organic growth has been strong in most markets, but especially in Norway. Operating expenses increased by 12.2 % to SEK 64.2 million (57.2). The increase is primarily due to expansion in Norway and Poland, but is also affected by increased personnel costs for key central functions that have been allocated to the segment.

The net loan loss level decreased to 4.5 % (5.5), despite the fact that credit losses increased by 15.6 % to

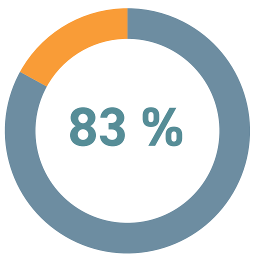
SEK 50.8 million (44.0). The increase in absolute figures is related to portfolio growth.

For further information on 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



SALES FINANCE

JANUARY-JUNE 2017

Background

In the Sales Finance segment, TF Bank offers online payment solutions, invoices and instalment payments for merchants in e-commerce and retail. From 1 January 2017 credit cards are also included in this segment. As at 30 June 2017, the average amount of outstanding loans was just under SEK 3 thousand.

Within Sales Finance, TF Bank operates on its own behalf and through Avarda, a subsidiary operated together with Intrum Justitia, which owns 49 % of the shares. TF Bank manages its own customer base in the Nordic region and develops the service outside the Nordic region with its own staff via cross-border operations or through branch offices.

Avarda has its own staff and focuses its operations in the Nordic markets, where the ambition is to grow and establish itself. Avarda continues with its plans to offer an attractive service to traders and during the period has developed its IT offer and entered into an agreement with Hobby Hall in Finland.

The segment's operations are also conducted through the wholly-owned Norwegian subsidiary BB Finans. Its credit card offering has proved to be both successful and popular with customers. Growth in this section of the Sales Finance segment has already led to an increased balance, increased revenues and an increase in operating profit.

As of 30 June, 2017, the Sales Finance segment accounted for approximately 19.0 % of the total loan portfolio and 16.9 % of total operating income during the interim period.

The loan portfolio

Lending to the public increased by 30.7 % to SEK 540 million (413) during the first half of 2017. Currency fluctuations have not significantly affected growth during the interim period. New lending for the segment amounted to SEK 600 million (489).

Growth for the segment's loan portfolio has been particularly strong in Norway, which increased the balance by SEK 89 million to SEK 119 million. The reclassification of the Norwegian credit card business from Direct to Consumer on 1 January, 2017 affected the portfolio by approximately SEK 36 million and organic growth amounted to SEK 53 million. The Polish lending balance in the segment has increased by SEK 30 million to SEK 55 million during the interim period. In other markets, the changes in the loan portfolio have been relatively small.

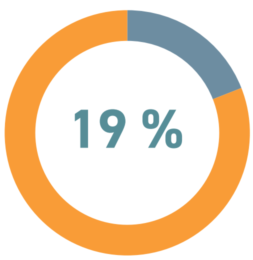
Result

Operating profit for the segment amounted to SEK 0.9 million (-3.0) during the interim period. The improvement in earnings is primarily due to increased revenues from Norwegian credit cards and the loan portfolio in Poland.

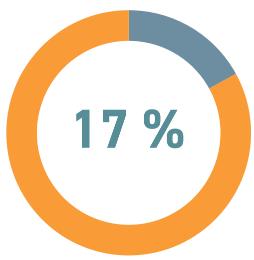
The segment's operating income increased by 30.2 % to SEK 41.9 million (32.2). Organic growth in Norway and Poland, as well as higher revenues in Avarda, are the main reasons for the increase. Operating expenses increased by 28.0 % to SEK 29.7 million (23.2). Increased marketing costs relating to credit cards in Norway as well as higher personnel costs on key central functions, which have been allocated to the segment, affected operating expenses during the period. The segment's credit losses decreased by 5.5 % to SEK 11.3 million (12.0), mainly due to higher prices for the sale of receivables. The net loan loss level decreased to 5.6 % (5.8).

For further information on 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



OTHER

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.

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 finalised the new standard for financial instruments, IFRS 9. The standard covers the classification and measurement, impairment and general hedge accounting and replaces the existing requirements in these areas in IAS 39. IFRS 9 becomes effective for fiscal years beginning 1 January 2018 or later and it has been approved by the EU Commission. Whilst earlier application is permitted, TF Bank does not intend to apply IFRS 9 early. TF Bank does not intend to restate the comparative figures for 2017 in the annual report for 2018 on the basis of IFRS 9.

Impairment requirements in IFRS 9 is based on a model of expected credit losses, unlike the current model for incurred credit losses in IAS 39. The new requirements are expected to increase provisions for credit losses and reduce equity for the first applicable period. The impact on the capital adequacy cannot yet be determined because the Basel Committee is expected to issue new rules for the transition to IFRS 9, which have not yet been finalised.

Significant events, January-June 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 Nordic merchant, Hobby Hall.

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

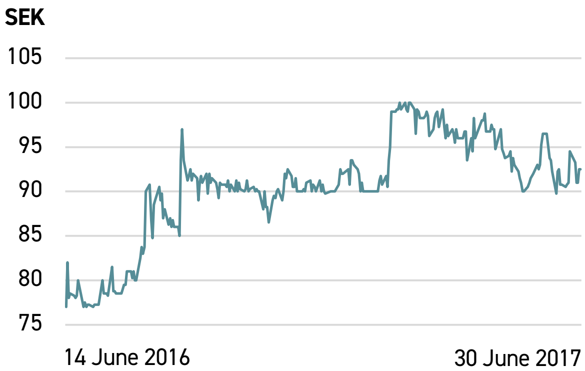
It was resolved to finalise the application and transform BB Finans to bank.

Events after the end of the reporting period

TF Bank sent a notification of the intention to provide cross-border activities in Germany and Austria, which was registered by the Swedish FSA in early July.

The share (TFBANK)

On 14 June 2016 TF Bank listed the NASDAQ Stockholm Mid Cap list with a price per share of SEK 77. During 2016 and the first half of 2017, the share has performed well and at the end of Q2 2017 the closing share price was SEK 92.5, an increase of approximately 20 %. In total, 5.7 million shares were traded on the Nasdaq Stockholm during the period 14 June 2016 to 30 June 2017 with a total value of approximately SEK 499 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

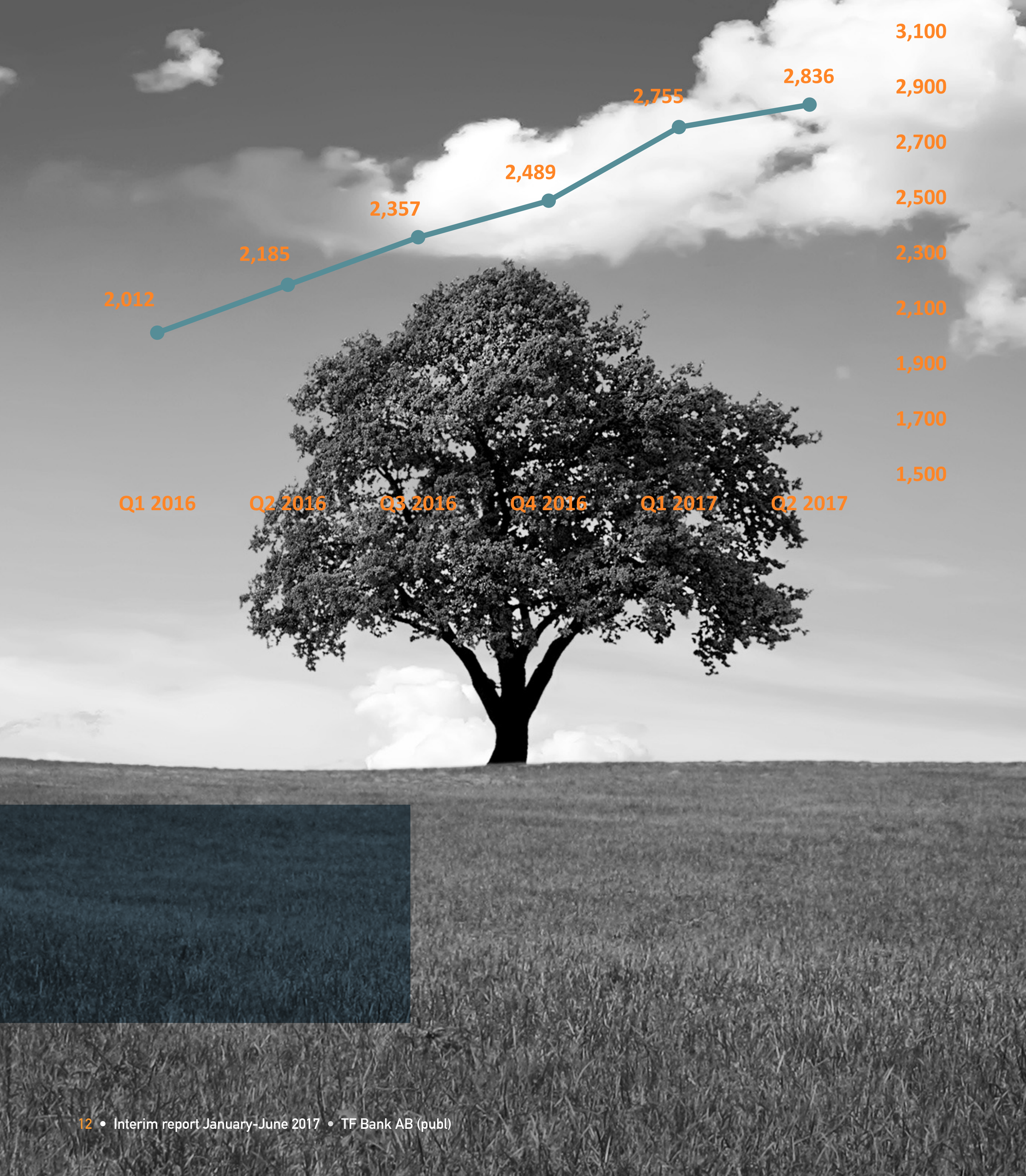
TF Bank's objective is to maintain a total capital ratio of at least 14.5 %.

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.

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



INCOME STATEMENT, GROUP

SEK thousand	Note	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
	1, 2, 3, 9					
Operating income						
Interest income		133,508	108,972	257,774	210,973	448,870
Interest expense		-15,873	-11,988	-31,193	-24,142	-49,870
Net interest income		**117,635**	**96,984**	**226,581**	**186,831**	**399,000**
Fee and commission income		12,849	12,567	25,496	25,059	49,045
Fee and commission expense		-2,087	-1,833	-4,113	-3,804	-7,654
Net fee and commission income		**10,762**	**10,734**	**21,383**	**21,255**	**41,391**
Net results from financial transactions		-350	346	-650	582	408
Total operating income		**128,047**	**108,064**	**247,314**	**208,668**	**440,799**
Operating expenses						
General administrative expenses		-42,587	-36,990	-83,999	-70,416	-149,786
Depreciation, amortisation and impairment charges of tangible and intangible assets		-1,664	-1,068	-3,250	-2,102	-4,744
Other operating expenses		-3,403	-3,818	-6,640	-7,911	-15,601
Total operating expenses		**-47,654**	**-41,876**	**-93,889**	**-80,429**	**-170,131**
Profit before loan losses		**80,393**	**66,188**	**153,425**	**128,239**	**270,668**
Net loan losses		-32,497	-27,962	-62,147	-55,941	-111,569
Items affecting comparability		-	-11,785	-	-17,887	-19,275
Operating profit		**47,896**	**26,441**	**91,278**	**54,411**	**139,824**
Income tax expense		-11,081	-6,843	-21,194	-12,070	-30,556
Net profit for the period		**36,815**	**19,598**	**70,084**	**42,341**	**109,268**
Attributable to:						
Shareholders of the Parent company		*37,853*	*21,812*	*72,070*	*46,067*	*117,504*
Non-controlling interests		*-1,038*	*-2,214*	*-1,986*	*-3,726*	*-8,236*
Basic earnings per share (SEK)		*1.76*	*1.01*	*3.35*	*2.14*	*5.47*
Diluted earnings per share (SEK)		*1.76*	*1.01*	*3.35*	*2.14*	*5.47*

STATEMENT OF COMPREHENSIVE INCOME, GROUP

SEK thousand	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net profit for the period	**36,815**	**19,598**	**70,084**	**42,341**	**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	2	-759	25	180	228
Tax on fair value gains/losses during the period	-	190	-	-45	-
Gross currency translation differences	-1,148	359	-1,018	354	609
Tax on currency translation differences during the period	-611	554	-938	923	1,576
Other comprehensive income, net of tax	**-1,757**	**344**	**-1,931**	**1,412**	**2,413**
Total comprehensive income for the period	**35,058**	**19,942**	**68,153**	**43,753**	**111,681**
Attributable to:					
Shareholders of the Parent company	*36,029*	*22,016*	*70,078*	*47,333*	*119,663*
Non-controlling interests	*-971*	*-2,074*	*-1,925*	*-3,580*	*-7,982*

BALANCE SHEET, GROUP

SEK thousand	Note	30 Jun 2017	31 Dec 2016
	1, 2, 3, 4, 5, 7, 9		
ASSETS			
Cash and balances with central banks		30,977	30,510
Treasury bills eligible for refinancing		60,054	60,211
Loans to credit institutions		717,205	290,152
Loans to the public	6	2,835,975	2,489,283
Shares		20,700	263
Goodwill		12,175	12,673
Intangible assets		22,321	18,414
Tangible assets		1,476	1,610
Other assets		14,824	9,509
Current tax assets		16,058	11,697
Deferred tax assets		8,122	6,830
Prepaid expenses and accrued income		5,584	10,973
Total assets		**3,745,471**	**2,942,125**
LIABILITIES AND EQUITY			
Liabilities			
Deposits and borrowings from the public		3,064,802	2,284,645
Other liabilities		14,690	17,853
Current tax liabilities		6,946	5,213
Deferred tax liabilities		14,887	14,597
Accrued expenses and prepaid income		51,728	53,490
Subordinated liabilities		97,410	97,040
Total liabilities		**3,250,463**	**2,472,838**
Equity			
Share capital (21,500,000 shares of SEK 5 each)		107,500	107,500
Accumulated other comprehensive income		-506	1,486
Other reserves		-58	1,934
Retained earnings		298,632	228,428
Net profit for the period attributable to the shareholders of the Parent company		72,070	117,504
Total equity attributable to the shareholders of the Parent company		**477,638**	**456,852**
Non-controlling interests		17,370	12,435
Total equity		**495,008**	**469,287**
Total liabilities and equity		**3,745,471**	**2,942,125**

CASH FLOW STATEMENT, GROUP

SEK thousand	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Operating activities			
Operating profit	91,278	54,411	139,824
Adjustment for items not included in cash flow:			
Depreciation and amortisation	3,250	2,102	4,744
Accrued interest income and expense	-9,388	-14,202	-4,097
Other non-cash items	-623	2,005	4,029
Paid income tax	-24,760	-21,298	-37,328
	59,757	**23,018**	**107,172**
Increase/decrease in loans to the public	-346,692	-347,762	-651,705
Increase/decrease in other short-term claims	-21,026	26,234	19,325
Increase/decrease in deposits and borrowings from the public	780,157	2,390	55,083
Increase/decrease in other short-term liabilities	4,124	320	-10,207
Cash flow from operating activities	**476,320**	**-295,800**	**-480,332**
Investing activities			
Investments in tangible assets	-310	-169	-921
Investments in intangible assets	-6,215	-3,188	-11,062
Cash flow from investing activities	**-6,525**	**-3,357**	**-11,983**
Financing activities			
Shareholder's contribution	6,860	9,310	14,114
Change in liabilities to credit institutions	-	-506	-516
Dividends paid	-47,300	-9,675	-9,675
Option premium	-	1,502	1,934
Share-based remuneration	-1,992	-	-
Cash flow from financing activities	**-42,432**	**631**	**5,857**
Cash flow for the period	**427,363**	**-298,526**	**-486,458**
Cash and cash equivalents at the beginning of period	**380,873**	**867,331**	**867,331**
Cash and cash equivalents at the end of period	**808,236**	**568,805**	**380,873**
Cash flow from operating activities includes interest expenses paid and interest payments received with the following amounts:			
Interest expenses paid	39,952	38,065	53,181
Interest payments received	253,325	198,310	423,817

STATEMENT OF CHANGES IN EQUITY, GROUP

SEK thousand	Share capital	Other comprehensive income	Other reserves	Retained earnings	Net profit for the period	Non-controlling interests	Total equity
Balance as at 1 Jan 2016	**107,500**	**-673**	**-**	**144,868**	**93,235**	**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**
Transfer from retained earnings	-	-	-	93,235	-93,235	-	-
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**	**1,486**	**1,934**	**228,428**	**117,504**	**12,435**	**469,287**
Balance as at 1 Jan 2017	**107,500**	**1,486**	**1,934**	**228,428**	**117,504**	**12,435**	**469,287**
Net profit for the period	-	-	-	-	72,070	-1,986	70,084
Gross fair value gains/losses on available for sale financial assets	-	25	-	-	-	-	25
Gross currency translation differences	-	-1,066	-	-	-	48	-1,018
Tax on currency translation differences during the period	-	-951	-	-	-	13	-938
Total comprehensive income for the period, net of tax	**-**	**-1,992**	**-**	**-**	**72,070**	**-1,925**	**68,153**
Transfer from retained earnings	-	-	-	117,504	-117,504	-	-
Shareholders' contribution	-	-	-	-	-	6,860	6,860
Dividend	-	-	-	-47,300	-	-	-47,300
Share-based compensation	-	-	-1,992	-	-	-	-1,992
Balance as at 30 Jun 2017	**107,500**	**-506**	**-58**	**298,632**	**72,070**	**17,370**	**495,008**

NOTES

NOTE 1 General information

OWNERSHIP IN TF BANK AB AS AT 30 JUNE 2017 (ACCORDING TO THE SHAREHOLDERS' REGISTER):

Shareholder	%
TFB Holding AB	47.03
Erik Selin Fastigheter AB	9.71
Merizole Holding LTD	7.01
Swedbank Robur fonder	6.00
Danica Pension Försäkrings AB	4.86
SEB Life International	3.90
Proventus Aktiebolag	3.00
Handelsbanken fonder	2.00
Pareto Nordic Return	1.70
Clearstream Banking S.A.	1.36
Other shareholders	13.43
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)

Subsidiaries
- TFB Service OÜ (12676808) 100 %
- TFB Service SIA (40203015782) 100 %
- Avarda AB (556986-5560) 51 %
- Avarda Oy (2619111-6) 51 %
- BB Finans AS (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	30 Jun 2017	31 Dec 2016
Loans, not past due	2,463,437	2,113,837
Loans past due, 1 - 10 days	214,936	194,437
Loans past due, 11 - 69 days	106,596	109,270
Non-performing loans	107,811	129,346
Total	**2,892,780**	**2,546,890**
Provision for expected loan losses	-56,805	-57,607
Total loans to the public	**2,835,975**	**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	30 Jun 2017	31 Dec 2016
Household sector		
Low risk	1,775,141	1,515,744
Medium risk	645,491	542,420
High risk	364,337	359,380
Total household sector	**2,784,969**	**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	30 Jun 2017	31 Dec 2016
Cash and balances with central banks		
AA+	30,977	30,510
Treasury bills eligible for refinancing		
AAA	60,054	60,211
Loans to credit institutions		
A-1+	236,637	172,312
A-1	470,821	115,372
A-2	9,739	2,468
Unrated	8	-
Other assets		
A-1+	6,681	3,715
A-1	20,447	-
Unrated	14,774	3,960
Total	**850,138**	**388,548**

Other assets within A-1+ relate to derivatives with a positive value.

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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Change in provision for sold non-performing loans	-36,928	-21,040	-54,494	-44,713	-85,429
Realised loan losses	-6,585	-5,183	-12,732	-9,004	-18,572
Recovered from previous write-offs	1,629	2,727	3,051	4,131	7,662
Change in provision for other expected loan losses	9,387	-4,466	2,028	-6,355	-15,230
Net loan losses	**-32,497**	**-27,962**	**-62,147**	**-55,941**	**-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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net interest income	100,146	85,107	194,974	164,336	349,127
Net fee and commission income	5,135	5,796	10,973	11,505	22,564
Net results from financial transactions	-299	454	-543	632	501
Total operating income	**104,982**	**91,357**	**205,404**	**176,473**	**372,192**
General administrative expenses	-28,140	-24,875	-56,522	-48,183	-101,046
Depreciation, amortisation and impairment charges of tangible and of intangible assets	-1,056	-839	-2,172	-1,648	-3,752
Other operating expenses	-2,688	-3,478	-5,461	-7,369	-14,943
Total operating expenses	**-31,884**	**-29,192**	**-64,155**	**-57,200**	**-119,741**
Profit before loan losses	**73,098**	**62,165**	**141,249**	**119,273**	**252,451**
Net loan losses	-27,076	-21,240	-50,850	-43,986	-85,103
Operating profit	**46,022**	**40,925**	**90,399**	**75,287**	**167,348**
Attributable to:					
The shareholders of the Parent company	*46,022*	*40,925*	*90,399*	*75,287*	*167,348*
Non-controlling interests	-	-	-	-	-

Balance sheet, SEK thousand	30 Jun 2017	31 Dec 2016
Loans to the public		
Household sector	2,295,798	2,075,880
Corporate sector	-	-
Total loans to the public	**2,295,798**	**2,075,880**
Household sector		
Net performing loans	2,247,401	2,005,712
Net non-performing loans	48,397	70,168
Total household sector	**2,295,798**	**2,075,880**

Note 3 cont.

SALES FINANCE

Income statement, SEK thousand	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net interest income	17,489	11,877	31,607	22,495	49,873
Net fee and commission income	5,627	4,938	10,410	9,750	18,827
Net results from financial transactions	-51	-108	-107	-49	-93
Total operating income	**23,065**	**16,707**	**41,910**	**32,196**	**68,607**
General administrative expenses	-14,447	-12,115	-27,477	-22,233	-48,740
Depreciation, amortisation and impairment charges of tangible and of intangible assets	-608	-229	-1,078	-454	-992
Other operating expenses	-715	-340	-1,179	-542	-658
Total operating expenses	**-15,770**	**-12,684**	**-29,734**	**-23,229**	**-50,390**
Profit before loan losses	**7,295**	**4,023**	**12,176**	**8,967**	**18,217**
Net loan losses	-5,421	-6,723	-11,297	-11,956	-26,466
Operating profit	**1,874**	**-2,700**	**879**	**-2,989**	**-8,249**
Attributable to:					
The shareholders of the Parent company	*3,212*	*104*	*3,428*	*1,753*	*2,214*
Non-controlling interests	*-1,338*	*-2,804*	*-2,549*	*-4,742*	*-10,463*

Balance sheet, SEK thousand	30 Jun 2017	31 Dec 2016
Loans to the public		
Household sector	540,177	413,403
Corporate sector	-	-
Total loans to the public	**540,177**	**413,403**
Household sector		
Net performing loans	526,890	405,528
Net non-performing loans	13,287	7,875
Total household sector	**540,177**	**413,403**

GROUP

Income statement, SEK thousand	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Operating income					
Operating income, Direct to Consumer	104,982	91,357	205,404	176,473	372,192
Operating income, Sales Finance	23,065	16,707	41,910	32,196	68,607
Total operating income for the Group	**128,047**	**108,064**	**247,314**	**208,669**	**440,799**
Operating profit					
Operating profit, Direct to Consumer	46,022	40,925	90,399	75,287	167,348
Operating profit, Sales Finance	1,874	-2,700	879	-2,989	-8,249
Items affecting comparability	-	-11,785	-	-17,887	-19,275
Total operating profit for the Group	**47,896**	**26,440**	**91,278**	**54,411**	**139,824**

Balance sheet, SEK thousand	30 Jun 2017	31 Dec 2016
Loans to the public		
Loans to the public, Direct to Consumer	2,295,798	2,075,880
Loans to the public, Sales Finance	540,177	413,403
Total loans to the public for the Group	**2,835,975**	**2,489,283**

NOTE 4 Classification of financial assets and liabilities

Group 30 Jun 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	-	-	-	30,977	-	-	30,977
Treasury bills eligible for refinancing	-	-	60,054	-	-	-	60,054
Loans to credit institutions	-	-	-	717,205	-	-	717,205
Loans to the public	-	-	-	2,835,975	-	-	2,835,975
Shares	-	-	20,700	-	-	-	20,700
Derivatives	6,103	-	-	-	578	-	6,681
Total assets	**6,103**	**-**	**80,754**	**3,584,157**	**578**	**-**	**3,671,592**
Liabilities							
Deposits and borrowings from the public	-	-	-	-	-	3,064,802	3,064,802
Subordinated liabilities	-	-	-	-	-	97,410	97,410
Derivatives	-	-	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	**3,162,212**	**3,162,212**

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, 30 Jun 2017 SEK thousand	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills eligible for refinancing	-	60,054	-	60,054
Shares	20,447	253	-	20,700
Derivatives	-	6,681	-	6,681
Total assets	**20,447**	**66,988**	**-**	**87,435**
Liabilities				
Subordinated Tier 2 loans	97,410	-	-	97,410
Derivatives	-	-	-	-
Total liabilities	**97,410**	**-**	**-**	**97,410**

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 21.19 % as at 30 June 2017 and 22.02 % as at 31 December 2016.

Group, 30 Jun 2017 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
Assets			
Cash and balances with central banks	30,977	30,977	-
Treasury bills eligible for refinancing	60,054	60,054	-
Loans to credit institutions	717,205	717,205	-
Loans to the public	2,835,975	2,835,975	-
Shares	20,700	20,700	-
Derivatives	6,681	6,681	-
Total assets	**3,671,592**	**3,671,592**	**-**
Liabilities			
Deposits and borrowings from the public	3,064,802	3,064,802	-
Subordinated liabilities	97,410	97,410	-
Derivatives	-	-	-
Total liabilities	**3,162,212**	**3,162,212**	**-**

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	30 Jun 2017	31 Dec 2016
Loans to the household sector	2,835,975	2,489,283
Loans to the corporate sector	-	-
Total loans to the public	**2,835,975**	**2,489,283**
Loans to the household sector		
Gross loans	2,892,780	2,546,890
Provision for expected loan losses	-56,805	-57,607
Loans, net book value	**2,835,975**	**2,489,283**
Geographic distribution of net loans		
Sweden	662,054	662,767
Finland	911,922	847,067
Norway	714,332	530,315
Estonia	260,156	245,801
Poland	229,650	164,389
Denmark	38,126	35,969
Latvia	19,735	2,975
Total loans, net book value	**2,835,975**	**2,489,283**

CHANGE IN PROVISION FOR ACTUAL AND EXPECTED LOAN LOSSES

Group SEK thousand	30 Jun 2017	31 Dec 2016
Opening balance	-57,607	-40,647
Change in provision for sold non-performing loans	-54,495	-85,429
Reversal in provision for sold non-performing loans	54,495	85,429
Change in provision for other loan losses	2,028	-15,230
Other adjustments [1]	-1,226	-1,730
Closing balance	**-56,805**	**-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	30 Jun 2017	31 Dec 2016
Common Equity Tier 1 (CET1) capital after deductions	398,985	371,933
Additional Tier 1 (AT1) capital after deductions	-	-
Tier 2 capital after deductions	97,410	97,040
Own funds	**496,395**	**468,973**
Risk exposure amount	2,927,535	2,573,532
- *of which:* credit risk	2,310,082	1,965,888
- *of which:* credit valuation adjustment	4,486	3,322
- *of which:* market risk	24,881	16,236
- *of which:* operational risk	588,086	588,086
CET1 capital ratio, %	13.63	14.45
Tier 1 capital ratio, %	13.63	14.45
Total capital ratio, %	16.96	18.22
Total CET1 capital requirement incl. of capital buffer requirements	231,870	199,191
- *of which:* capital conservation buffer	73,195	64,338
- *of which:* countercyclical capital buffer	26,936	19,044
CET1 capital available to use as buffer	267,246	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 % and as at 30 June 2017 CET1 capital buffer requirement of 3.42 %, of which a capital conservation buffer of 2.50 % and a countercyclical buffer of 0.92 %.

OWN FUNDS

SEK thousand	30 Jun 2017	31 Dec 2016
CET1 capital		
Share capital	107,500	107,500
Accumulated other comprehensive income	-506	1,486
Other reserves	-58	1,934
Retained earnings	298,632	228,428
Audited annual profits net of any fore-seeable expenses and dividends [1]	36,035	70,502
Minority interests	17,370	12,435
Less:		
- Intangible assets	-34,496	-31,087
- Deferred tax assets that rely on future profitability	-8,122	-6,830
- Minority interests not qualified for inclusion in own funds	-17,370	-12,435
Total CET1 capital	398,985	371,933
Tier 2 capital		
Dated subordinated loan	97,410	97,040
Own funds	**496,395**	**468,973**

[1] Deduction of dividends from own funds related to the interim profit, have been made in accordance with the dividend policy.

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	30 Jun 2017	31 Dec 2016
Credit risk under the standardised approach		
Exposures to corporates	2,478	-
Retail exposures	2,080,952	1,807,836
Exposures secured by mortgage	395	452
Exposures in default	63,146	81,155
Exposures to institutions with a short-term credit assessment	151,131	62,008
Other items	11,980	14,437
Total risk-weighted exposure amount credit risk	**2,310,082**	**1,965,888**
Credit valuation adjustment		
Standardised method	4,486	3,322
Total risk exposure amount credit valuation adjustment	**4,486**	**3,322**
Market risk [1]		
Foreign exchange risk	24,881	16,236
Total risk exposure amount market risk	**24,881**	**16,236**
Operational risk		
Standardised approach	588,086	588,086
Total risk exposure amount operational risk	**588,086**	**588,086**
Total risk exposure amount	**2,927,535**	**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 Finans in Norway.

NOTE 8 Assets pledged as security

Group SEK thousand	30 Jun 2017	31 Dec 2016
Group liabilities		
Relating to borrowing from credit institutions		
Loans	499,227	528,733
Other assets	378	356
Total	**499,605**	**529,089**

The Group continuously pledge part of its Swedish and Norwegians loans to the public as security. The assets are pledged as security for the Group's credit facilities of SEK 330 million. Nothing was drawn from the credit facilities as at 30 June 2017.

The agreement regarding the Parent company's credit facility of SEK 300 million has been extended and expires 31 March 2018.

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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
The following transactions have been made with related companies within the Group:					
General administrative expenses	-134	-90	-254	-180	-422
Total	**-134**	**-90**	**-254**	**-180**	**-422**
The following transactions have been made with other related parties:					
Interest income (transaction costs)	-17,773	-16,860	-35,339	-33,807	-66,035
General administrative expenses	-1,450	-1,474	-2,824	-2,861	-5,670
Total	**-19,223**	**-18,334**	**-38,163**	**-36,668**	**-71,705**
Acquisition of assets and liabilities from other related parties:					
Sales Finance	170,932	153,086	358,795	326,010	636,879
Total	**170,932**	**153,086**	**358,795**	**326,010**	**636,879**

Group SEK thousand	30 Jun 2017	31 Dec 2016
Assets at the end of the period as a result of transactions with other related parties:		
Other assets	1,063	663
Total	**1,063**	**663**
Liabilities at the end of the period as a result of transactions with other related parties:		
Other assets	-	-
Total	**-**	**-**

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, and Poland. Its activities include lending to the public in all markets and taking deposits from the public in Sweden, Finland and Norway.

The Parent company's operating income for the first half-year of 2017 amounted to SEK 218.0 million (187.3). Net result from financial transactions impacts operating income with SEK 3.7 million (-4.0), 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 72.0 million (82.2) for the period. The figures for the comparative period include costs related to the IPO of SEK 17.9 million which are included in general administrative expenses. The operating profit amounted to SEK 86.7 million (50.5) for the first half of 2017.

Loans to the public increased by 7.8 % to SEK 2,136 million (1,981) during the first half-year. The amount includes loans to the subsidiary Avarda of SEK 44 million (44). Deposits from the public amounted to SEK 3,065 million (2,285) at the end of the period.

Loans to credit institutions increased during the interim period and amounted to SEK 1.238 million (690). The amount includes loans to the subsidiary BB Finans of SEK 544 million (420).

Shares in group companies increased by SEK 63 million during the first half of the year and amounted to SEK 164 million at the end of the period. The increase is explained by shareholders' contribution to Avarda (SEK 7 million) and new issue of shares in BB Finans (SEK 56 million). The capital contribution to BB Finans was done to facilitate the subsidiary's planned transformation to becoming a bank.

The capital adequacy of the company remains at a stable level with a CET1 capital ratio of 16.1 % as at 30 June 2017 (17.0). The total capital ratio at year-end was 19.8 % (21.2), which is significantly higher than the legally required levels.

INCOME STATEMENT, PARENT COMPANY

SEK thousand	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Operating income					
Interest income	117,306	100,782	228,570	196,657	411,993
Interest expense	-15,832	-11,899	-31,082	-24,021	-49,209
Net interest income	**101,474**	**88,883**	**197,488**	**172,636**	**362,784**
Fee and commission income	9,577	10,492	18,902	21,051	40,245
Fee and commission expense	-985	-1,071	-2,041	-2,389	-4,527
Net fee and commission income	**8,592**	**9,421**	**16,861**	**18,662**	**35,718**
Net results from financial transactions	2,518	-2,592	3,671	-4,011	-6,950
Total operating income	**112,584**	**95,712**	**218,020**	**187,287**	**391,552**
Operating expenses					
General administrative expenses	-32,347	-40,878	-64,119	-73,413	-132,789
Depreciation, amortisation and impairment charges of tangible and intangible assets	-1,246	-722	-2,435	-1,445	-3,327
Other operating expenses	-2,692	-3,418	-5,446	-7,337	-14,771
Total operating expenses	**-36,285**	**-45,018**	**-72,000**	**-82,195**	**-150,887**
Profit before loan losses	**76,299**	**50,694**	**146,020**	**105,092**	**240,665**
Net loan losses	-30,468	-27,055	-59,284	-54,564	-105,371
Operating profit	**45,831**	**23,639**	**86,736**	**50,528**	**135,294**
Income tax expense	-10,400	-5,984	-19,763	-11,076	-29,251
Net profit for the period	**35,431**	**17,655**	**66,973**	**39,452**	**106,043**

STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY

SEK thousand	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net profit for the period	**35,431**	**17,655**	**66,973**	**39,452**	**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	**35,431**	**17,655**	**66,973**	**39,452**	**106,043**

BALANCE SHEET, PARENT COMPANY

SEK thousand	30 Jun 2017	31 Dec 2016
ASSETS		
Cash and balances with central banks	30,977	30,510
Treasury bills eligible for refinancing	60,054	60,211
Loans to credit institutions	1,238,438	690,360
Loans to the public	2,135,705	1,980,558
Shares	20,447	-
Shares in group companies	164,068	100,862
Intangible assets	16,112	15,137
Tangible assets	966	1,100
Other assets	9,343	7,740
Current tax assets	16,748	12,413
Deferred tax assets	-	-
Prepaid expenses and accrued income	3,221	8,680
Total assets	**3,696,079**	**2,907,571**
LIABILITIES AND EQUITY		
Liabilities		
Deposits and borrowings from the public	3,064,802	2,284,645
Other liabilities	7,728	14,062
Deferred tax liabilities	1,335	783
Accrued expenses and prepaid income	40,915	44,844
Subordinated liabilities	97,410	97,040
Total liabilities	**3,212,190**	**2,441,374**
Untaxed reserves	52,621	52,621
Equity		
Share capital (21,500,000 shares of SEK 5 each)	107,500	107,500
Other reserves	11,411	9,313
Share premium reserve	-55	1,931
Retained earnings	245,439	188,789
Total comprehensive income for the period	66,973	106,043
Total equity	**431,268**	**413,576**
TOTAL LIABILITIES AND EQUITY	**3,696,079**	**2,907,571**

CAPITAL ADEQUACY ANALYSIS, PARENT COMPANY

SEK thousand	30 Jun 2017	31 Dec 2016
Common Equity Tier 1 (CET1) capital after deductions	420,165	397,066
Additional Tier 1 (AT1) capital after deductions	-	-
Tier 2 capital after deductions	97,410	97,040
Own funds	**517,575**	**494,106**
Risk exposure amount	2,613,160	2,329,785
- *of which:* credit risk	2,047,135	1,764,877
- *of which:* credit valuation adjustment	4,305	3,188
- *of which:* market risk	-	-
- *of which:* operational risk	561,720	561,720
CET1 capital ratio, %	16.08	17.04
Tier 1 capital ratio, %	16.08	17.04
Total capital ratio, %	19.81	21.21
Total CET1 capital requirement inclusive of capital buffer requirements	205,133	178,229
- *of which:* capital conservation buffer	65,329	58,245
- *of which:* countercyclical capital buffer	22,212	15,144
CET1 capital available to use as buffer [1]	302,573	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 % and as at 30 June 2017 CET1 capital requirement of 3.35 %, of which a capital conservation buffer of 2.50 % and a countercyclical buffer of 0.85 %.

OWN FUNDS

SEK thousand	30 Jun 2017	31 Dec 2016
CET1 capital		
Share capital	107,500	107,500
Other reserves	52,456	50,358
Share premium reserve	-55	1,931
Retained earnings	245,439	188,789
Audited interim profits net of any foreseeable expenses and dividends [1]	30,937	63,626
Less:		
- Intangible assets	-16,112	-15,137
Total CET1 capital	420,165	397,067
Tier 2 capital		
Dated subordinated loan	97,410	97,040
Own funds	**517,575**	**494,107**

[1] Deduction of dividends from own funds related to the interim profit, have been made in accordance with the dividend policy.

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	30 Jun 2017	31 Dec 2016
Credit risk under the standardised approach		
Exposures to institutions	108,716	84,115
Exposures to corporates	44,613	44,357
Retail exposures	1,543,763	1,410,463
Exposures in default	33,855	55,841
Exposures to institutions with a short-term credit assessment	146,462	57,904
Equity exposures	164,068	100,861
Other items	5,658	11,336
Total risk-weighted exposure amount credit risk	**2,047,135**	**1,764,877**
Credit valuation adjustment		
Standardised method	4,305	3,188
Total risk exposure amount credit valuation adjustment	**4,305**	**3,188**
Operational risk		
Standardised approach	561,720	561,720
Total risk exposure amount operational risk	**561,720**	**561,720**
Total risk exposure amount	**2,613,160**	**2,329,785**

BOARD OF DIRECTORS AND CEO AFFIRMATION

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, 17 July 2017

Mattias Carlsson
Chairman

John Brehmer

Bertil Larsson

Charlotta Björnberg-Paul

Mari Thjømøe

Tone Bjørnov

Declan Mac Guinness
President & CEO

REPORT OF REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the condensed interim financial information (interim report) of TF Bank AB (publ) as at 30 June 2017 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit institutions and Securities Companies, regarding the Group, and with the Swedish Annual Accounts Act for Credit institutions and Securities Companies, regarding the Parent Company.

Stockholm, 17 July 2017
PricewaterhouseCoopers AB

Martin By
Authorised Public Accountant

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

26 October 2017	Interim report January - September 2017
8 February 2018	Year-end report January - December 2017

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 18 July 2017 at 07:00 CEST.

PRESENTATION FOR INVESTORS, ANALYSTS AND MEDIA

A live conference call will be held 18 July at 08:15 CEST where CEO Declan Mac Guinness and CFO Mikael Meomuttel will present the report and answer questions. The conference call will be held in English and to participate dial +46 8 5664 2698 or +44 20 3008 9806. A recording of the conference call, including presentation material, will be made available on our website after the event, www.tfbankgroup.com/en/section/investor-relations.

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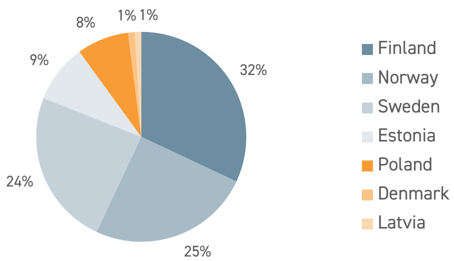
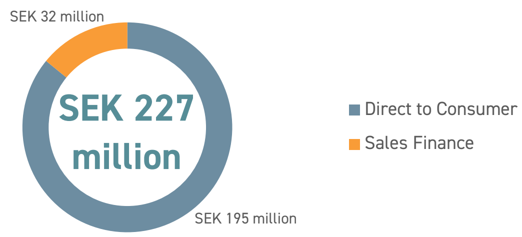
TF BANK'S GEOGRAPHICAL PRESENCE

SHARE OF LOAN PORTFOLIO BY COUNTRY, 30 JUNE 2017



NET INTEREST INCOME, JANUARY-JUNE 2017



TFBank

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