

Press release, 25 March 2021

Notice of Annual General Meeting in TF Bank AB

Shareholders in TF Bank AB ("TF Bank" or the "Company") are hereby invited to attend the annual general meeting on May 4, 2021. Due to the coronavirus and in order to reduce the risk of spreading the virus, the board of directors has decided that the annual general meeting will be held without any physical presence of shareholders, representatives and third parties, and that shareholders shall have the possibility to exercise their voting rights only through advance voting (postal voting). Information on the resolutions passed at the general meeting will be disclosed on May 4, 2021, as soon as the result of the postal voting has been finally confirmed.

Registration, etc.

Shareholders who wish to attend the Annual General Meeting shall be recorded in the share register kept by Euroclear Sweden AB ("Euroclear") on April 26, 2021 (the "Record Date") and no later than May 3, 2021, register by casting their postal vote in accordance with the instructions under the heading Postal voting below so that the postal vote is received by Computershare AB no later than that day.

Nominee registered shares

A shareholder whose shares are nominee registered must, in addition to giving notice of participation in the general meeting by sending in a postal vote, register its shares in its own name so that the shareholder is registered in the share register as of April 26, 2021. Such registration may be temporary (so-called voting rights registration), and a request for such voting rights registration shall be made to the nominee in advance and in accordance with the nominee's routines. Voting rights registrations that have been made by the nominee no later than April 28, 2021, will be taken into account in the presentation of the share register.

Postal voting

The board of directors has decided that the shareholders shall be able to exercise their voting rights only by postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form must be used for the postal vote. The form for postal voting is available at <https://www.tfbankgroup.com/en/annual-general-meeting-2021>. Completed and signed forms for postal voting must be received by Computershare AB no later than May 3, 2021. The form can be sent via e-mail to info@computershare.se or by mail to Computershare AB, "TF Banks AGM", Box 5267, 102 46 Stockholm. The shareholder may not provide special instructions or conditions to the postal vote. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form and at <https://www.tfbankgroup.com/en/annual-general-meeting-2021>. For having the postal voting form sent to you by mail, please contact Computershare AB on telephone +46 77 124 64 00. Shareholders who are natural persons can also submit their postal votes electronically by verifying with BankID via TF Banks website, <https://www.tfbankgroup.com/en/annual-general-meeting-2021>. Such electronic votes must be submitted no later than May 3, 2021.

Proxy, etc.

If participation is to be based on proxy, the necessary documents of authorization, such as a written, time stamped power of attorney and registration certificate shall be attached to the postal voting form.

On the bank's website <https://www.tfbankgroup.com/en/annual-general-meeting-2021>, you will find an available form for notifying power of attorney.

Shareholders' right to receive information

If a shareholder so requests, and if the board of directors determines it can be made without significant harm to the Company, the board of directors and the CEO shall provide information on circumstances that may affect the assessment of an agenda item, circumstances that may affect the assessment of the Company's or its subsidiaries' financial situation and the company's relation to another company within the group. A request for such information shall be made in writing to the Company no later than on April 24, 2021, to TF Bank AB, "AGM", Box 947, 501 10 Borås, or by e-mail directly to ir@tfbank.se. The information provided by the Company by such request will be made available at the Company's website

<https://www.tfbankgroup.com/en/annual-general-meeting-2021> and at the Company's head office, Lilla Brogatan 6 in Borås, no later than April 29, 2021. The information will also be sent to the shareholder who has requested the information and has provided its address.

Personal data

Personal information obtained from the share register kept by Euroclear, cast postal vote and, in occurring cases, proxies, will be used for registration, establishing the voting list for the Annual General Meeting and, in occurring cases, the minutes of the meeting. For information on how your personal data is processed, see: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Proposed agenda

1. Election of chairman for the annual general meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to approve the minutes
5. Determination of whether the meeting has been duly convened
6. a) Presentation of the annual report as well as the consolidated accounts for the financial year 2020
b) Presentation of the auditor's report as well as the auditor's report on the consolidated accounts for the financial year 2020
c) Presentation of the auditor's statement on whether the guidelines for remuneration to senior executives that have applied since the previous Annual General Meeting have been applied
7. Adoption of the income statement and balance sheet as well as of the consolidated income statement and consolidated balance sheet for the financial year 2020
8. Resolution regarding distribution of profits according to the adopted balance sheet and determination of the record date for dividend
9. Discharge of liability for the Board of Directors and the CEO
10. Determination of number of members of the Board of Directors
11. Determination of fees payable to the Board of Directors and the auditor
12. Election of the members of the Board of Directors and determination of Chairman of the Board
13. Election of auditor
14. Resolution to adopt principles for appointment of the Nomination Committee
15. Resolution on amendments to the guidelines for remuneration to senior executives
16. Resolution on approval of the remuneration report
17. Resolution on authorization for the Board of Directors to resolve on new share issues, with or without preferential rights for the shareholders
18. Resolution on the adoption of Share programme 2021
 - a) Approval of Share programme 2021
 - b) Approval of transfer of shares
19. Resolution on authorization for the Board of Directors to resolve on acquisition and transfer of own shares
20. Resolution to amend the articles of association
21. Closing of the meeting

Resolution proposals from the Board of Directors and the Nomination Committee***Item 1; Election of Chairman of the meeting***

The Nomination Committee propose that attorney Henrik Fritz is elected Chairman of the Annual General Meeting.

Item 2; Preparation and approval of the voting list

The voting list proposed to be approved is the voting list prepared by Computershare AB, based on the general meeting's share register and received postal votes, verified by the persons approving the minutes.

Item 4; Election of one or two persons to approve the minutes

The board of directors proposes that two minutes-checkers are appointed, and that Paul Källenius is elected, or, if prevented, the person(s) appointed by the Board of Directors of TF Bank.

Item 8; Resolution regarding distribution of profits according to the adopted balance sheet and determination of the record date for dividend

The Board of Directors proposes that of the 913,443 TSEK at the disposal of the Annual General Meeting, a dividend of 21,500 TSEK to the shareholders shall be made and that the rest, 891,943 TSEK, will be balanced into new accounts. The proposed dividend is 1,00 SEK per share. 6 May 2021 is proposed as record date for receipt of dividend. With this record date it is expected that the dividend will be paid on 11 May 2021.

Item 9; Resolution on discharge of liability of the Board members and the CEO

The auditor recommends discharge of liability.

Item 10; Determination of number of members of the Board of Directors

The Nomination Committee propose that the Board of Directors shall consist of six (6) members appointed by the Annual General Meeting.

Item 11; Determination of fees payable to the Board of Directors and the auditor

The Nomination Committee propose, for the period up to the end of the next Annual General Meeting, compensation on an annual basis according to the following:

- 700,000 (600,000) SEK to the Chairman of the Board of Directors.
- 350,000 (300,000) SEK to each of the other members of the Board of Directors.
- 100,000 (100,000) SEK to the Chairman and 50,000 (50,000) to each of the other members of the audit committee.
- 50,000 (50,000) SEK to the Chairman and 30,000 (30,000) to each of the other members of the remuneration committee.
- 100,000 SEK to the Chairman and 50,000 SEK to each of the other members of the newly established risk- and compliance committee.

Furthermore, it is proposed that the members of the Board of Directors' fee can, after a separate agreement between a board member and TF Bank, if fiscal conditions allow for it and provided that it is cost neutral for TF Bank, be invoiced through a company.

The Nomination Committee propose that the auditor fees be paid against approved invoice.

Item 12; Election of members of the Board of Directors and Chairman of the Board of Directors

The Nomination Committee propose, for the period up to the end of the next Annual General Meeting, re-election of John Brehmer, Bertil Larsson, Charlotta Björnberg-Paul, Sara Mindus and Mari Thjømøe as well as new election of Michael Lindengren. The Nomination Committee further proposes re-election of John Brehmer for Chairman of the Board of Directors for the period up to the end of the next Annual General Meeting. It was noted that Tone Bjørnov had declined re-election.

The proposed composition of the Board of Directors is in line with the rules of the Swedish Corporate Governance Code with regard to the independence requirement. With the exception of John Brehmer, all members of the Board of Directors are independent in relation to the main shareholders. Furthermore, all members of the Board of Directors are independent in relation to the Company and the management.

Item 13; Election of auditor

The Nomination Committee proposes new election of the registered auditing company KPMG AB, with Authorized Public Accountant Dan Beitner as auditor-in-charge, as auditor until for the period up to the end of the next Annual General Meeting.

Item 14; Resolution to adopt principles for appointment of the Nomination Committee

It is proposed that the Company adopt rules for the composition of the Nomination Committee in advance of an Annual General Meeting in accordance with the guidelines proposed below. These shall apply until a resolution regarding changing the procedure for appointment of the Nomination Committee is passed by the general meeting. The Nomination Committee propose:

1. That the Company shall have a Nomination Committee consisting of representatives of each of the three, with regard to the number of votes, largest shareholders or shareholder groups in accordance with item 2 below, who wishes to appoint a representative, along with the Chairman of the Board of Directors. The names of the three shareholder representatives and the names of the shareholders they represent shall be announced no later than six months before the Annual General Meeting. The mandate of the Nomination Committee shall apply until a new Nomination Committee is elected. The Chairman of the Nomination Committee shall be the member representing the largest shareholder with regard to the number of votes, unless the members of the Committee decide otherwise.
2. That the Nomination Committee shall be formed based on the shareholder statistics from Euroclear as per the last banking day in August the year before the Annual General Meeting and on all other reliable ownership information that has been provided to the company at this point of time. In the assessment of the three largest shareholders a group of shareholders shall be regarded as one owner provided that they (i) have been grouped together in the Euroclear system, or (ii) have made public and notified the company in writing that they have agreed in writing to have a long-term unified conduct regarding the management of the company through coordinating the use of their voting rights. If a shareholder who gets the inquiry of participating in the Nomination Committee declines, the inquiry shall pass on to the next shareholder who is in line, based on the information as set out above.
3. That, if prior than two months before the Annual General Meeting, one or more shareholders who have been appointed members of the Nomination Committee cease to belong to the three shareholders controlling the largest number of votes, said members shall make their seats available and the shareholder(s) that currently is among the three largest shareholders shall, after having contact with the Chairman of the Nomination Committee, have the right to appoint its own member of the Nomination Committee.

A shareholder who has become one of the three largest shareholders later than two months before the Annual General Meeting shall, instead of having the right to appoint a member of the Nomination Committee, have the right to appoint a representative that shall be co-opted to the Nomination Committee.

A shareholder who has appointed a member of the Nomination Committee, has the right to dismiss its appointed member and appoint a new member of the Nomination Committee. Changes of the composition of the Nomination Committee shall be made public as soon as such changes have taken place.

4. That the Nomination Committee shall present the following proposals for resolutions at the Annual General Meeting:

- a) Proposal for Chairman of the Annual General Meeting;
- b) Proposal for members of the Board of Directors;
- c) Proposal for Chairman of the Board of Directors;
- d) Proposal for remuneration to the members of the Board of Directors, distinguishing between the Chairman of the Board of Directors and other members of the Board of Directors and remuneration for committee work;
- e) Proposal for auditor; and
- f) Proposal for remuneration to the auditor.

5. That the Nomination Committee shall in connection with its assignment perform its duties in accordance with the Swedish Corporate Governance Code and the company shall, upon request of the Nomination Committee, provide the Nomination Committee with personnel resources such as secretarial services in order to facilitate the Nomination Committee work. If necessary, the company shall also assist the Nomination Committee with reasonable costs for external consultancy services deemed necessary by the Nomination Committee to be able to fulfil its assignment.

Item 15; Resolution on amendments to the guidelines for remuneration to senior executives

Guidelines for remuneration to senior executives

These guidelines comprise the CEO, Deputy CEO, other members of the senior management as well as, where applicable, remuneration to board members for work outside their board duties. The guidelines shall be applied on remuneration which has been agreed upon, and changes made to already agreed remunerations, after the guidelines has been adopted. The guidelines do not compromise remuneration which has been agreed upon by the Annual General Meeting.

Guidelines for promoting the banks business strategy, long-term interests and sustainability

TF Bank was founded 1987 and is an internet-based niche bank offering consumer banking services and e-commerce solutions through a proprietary IT platform with a high degree of automation. Deposit and lending activities are conducted in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany and Austria through branch or cross-border banking. From 2020 the operations are divided into three segments: Consumer Lending, Ecommerce Solutions and Credit Cards.

A successful implementation of the banks business strategy and the safeguarding of the bank's long-term interests, including its sustainability, requires the bank to be able to recruit and retain qualified members of staff. This means that the bank must be able to offer a competitive remuneration package. The guidelines enable the bank to offer a competitive remuneration package to its executive management.

The Board of Directors has for the Annual General Meeting proposed the implementation of a long-term share program in which all members of the senior management and some other employees of the company may participate in. The intended share program will be resolved upon by the Annual General Meeting and is therefore not covered by these guidelines. The program is linked to the share price of the company. The program also requires participants to make a personal investment. Further information about the program can be found on the Company's website.

Variable cash remuneration which are compromised by these guidelines should aim to promote the Company's business strategy and long-term interests, including its sustainability.

The forms of remuneration etc.

The remuneration shall be competitive and may comprise the following components: fixed cash salary, variable cash remuneration, pensions and other benefits. In addition, the Annual General Meeting may decide upon, for example, share- and share price-related remuneration.

Every senior executive shall receive a base salary, i.e. fixed monthly salary. The base salary shall reflect the executive's responsibilities and the nature of the position, individual performance and on set on market-terms.

The fixed cash salary shall account for a sufficiently large part of the employee's total remuneration for it to be possible to set the variable parts to zero.

The fulfillment of criterions for variable cash remuneration must be measurable over a period of one or several years. Furthermore, the current rules for remuneration applicable to banks must be complied with.

Pension benefits, including health insurance, shall be premium determined, insofar as the executive is not covered by a collective bargaining agreement and/or premium based benefit. Pension premiums for defined contribution schemes may amount to a maximum of 25 percent of pension-based income.

Other benefits, such as car benefit, may amount to a maximum of 20 percent of the pension-based income.

Regarding employment conditions that are governed by rules other than Swedish, in so far as pension benefits and other benefits are concerned, appropriate adjustments are made to comply with such mandatory rules or fixed local practices, whereby the general purpose of these guidelines should be met as far as possible.

Termination of employment

In the event of termination of employment by the company, the notice period may not exceed twelve months. Fixed cash salary during the notice period and severance pay may not, in total, exceed an amount corresponding to the fixed cash salary for six to twelve months, and the agreement shall not apply for a longer period. In the event of termination by the executive, the notice period may not exceed six months, and there will be no right to receive severance pay.

Furthermore, compensation for any commitment to restrict competition may be received. Such remuneration shall compensate for any loss of income and shall only be paid if the former executive has no right to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination and shall be paid during the period during which the agreement regarding competition restrictions applies, which shall not exceed six to twelve months after termination of employment.

Agreements on severance pay and restrictions on competition may apply during the period for which compensation may be paid in accordance with the above.

Criteria's for payment variable cash remuneration

The variable cash remuneration shall be linked to pre-determined and measurable criteria's that may be financial or non-financial. The criteria's may also be individualized quantitative or qualitative goals. The criteria's must be designed to promote the banks business strategy and long-term interests, including its sustainability, for example by having a clear link to the business strategy or promoting the long-term development of the executive.

When the measurement period for fulfillment of the criteria for payment of variable remuneration has been completed, the extent to which the criteria's have been met shall be assessed and determined, respectively. The Board of Directors are responsible for such an assessment in respect of variable cash remuneration to senior executives. The fulfillment of financial criteria's must be determined based on the latest financial information published by the company.

Variable remuneration shall only be paid to the senior executive to the extent it is justifiable with regard to the company's financial situation and justified in accordance with the bank's, the business unit concerned and the employee's results. The variable remuneration must also be able to lapse completely.

Salary and terms of employment for the employees

In preparing the Boards proposal for these remuneration guidelines, salaries and terms of employment for the company's employees have been considered in that information about employees' total remuneration, the components of the remuneration and the increase and rate of remuneration over time have been part of the Boards decision when evaluating the reasonableness of the guidelines and the limitations that follow.

The decision-making process to establish, review and implement the guidelines

The Board of Directors shall establish proposals for new guidelines when there is a need for significant changes, at least every fourth year. The proposals shall be submitted for the resolution at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The board shall also follow and evaluate programs for variable remuneration for the executives, the application of guidelines for remuneration senior executives, as well as current remuneration structures and remuneration levels in the company. The Remuneration Committee shall prepare the Board's work as described above. The CEO and other members of the executive management are not present at the Board of Directors' and the Remuneration Committee's preparation of, consideration of and decisions on remuneration-related matters, insofar as they are affected by the issues.

Deviations from the guidelines

The Board of Directors may decide to temporarily deviate from the guidelines, in whole or part, of there are special reasons motivation such action in an individual case and deviation is necessary to meet the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

Changes in the guidelines

Compared with the previous guidelines, the following significant changes have been made: (i) the reference to certain provisions in The Swedish Supervisory Authority's regulations FFFS 2011:1 (regarding deferral of payment of variable remuneration and payment of variable remuneration in the form of shares/share-related instruments) has been excluded since these provisions are no longer applicable to the Company due to the amendments implemented in FFFS 2020:30 and (ii) the description of the decision-making process for establishing, reviewing and implementing the guidelines have been adjusted due to the establishment of a Remuneration Committee.

Item 16; Resolution on approval of the remuneration report

The Board of Directors proposes that the Annual General Meeting resolves to approve the remuneration report on the remunerations according to Chapter 8, Section 53 a of the Swedish Companies Act.

Item 17; Resolution on authorization for the Board of Directors to resolve on new share issues, with or without the preferential rights for the shareholders

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board, on one or more occasions, to decide on new share issues, with or without deviation from shareholders' preferential rights, until the next Annual General Meeting.

The number of shares issued pursuant to the authorization may not exceed an increase of twenty (20) percent of the share capital based on the share capital of the company at the time of the Annual General Meeting 2021.

Payment may, in addition to cash payment, be made by way of contribution or set-off, or otherwise with conditions. If the Board of Directors decides to issue new shares with deviation from the shareholders' preferential rights, the reason for this shall be to provide the company with new owners of strategic importance to the company or in order to implement an acquisition agreement, or alternatively to procure capital for such acquisitions.

Item 18; Resolution on the adoption of Share programme 2021**Item 18 (a); The Board of Director's proposal for a resolution on Share program 2021*****Background***

For TF Bank to be able to successfully implement the bank's business strategy and safeguarding the bank's long-term interests, including its sustainability, it is a prerequisite for the bank to be able to recruit and retain qualified members of staff. Remuneration should encourage high performance and at the same time be compatible with and promote sound and effective risk management and counteract excessive risk-taking. Performance is evaluated from a multi-year perspective on the basis of pre-determined financial and non-financial goals.

Equity-based remuneration is a means to recruit, motivate and retain staff with key competences in TF Bank. Furthermore, employees' shareholding builds and strengthens long-term commitment in the interests of the shareholders.

TF Bank has no outstanding share-related or share price-related incentive programs or share programs.

The evaluation and preparation of the Share program 2021

TF Banks share program 2021 ("Share program 2021") has been prepared by the Board's remuneration committee ("RemCo"). The remuneration committee shall also monitor the participation in the program.

The preparation has focused on the allotment criteria, while also considering the effectiveness, attractiveness and competitiveness of the program. Market and societal trends, shareholders' preferences and regulatory requirements have been taken into account.

Based on this prepataion and discussions with the bank's major shareholders, the Board of Directors proposes that the Annual General Meeting 2021 resolves on a long-term share-program for senior executives and some other employees of TF Bank ("Participants"). The program is planned to be annually recurring.

TF Bank's Share program 2021 allow for risk adjustment and the final outcome may therefore be cancelled partly or entirely in accordance with the banks remuneration policy and applicable regulations. This means, among other things, that the number of Matching Shares (as defined below) that a Participant can retain through TF Bank's Share program 2021 may be reduced or completely canceled in certain cases, for example if the outcome is not defensible with regard to the bank's financial situation.

The proposal has been prepared by the Board and RemCo. The Board's and RemCo's view is that the proposal strikes an appropriate balance between motivating the employees and achieving a long-term, well-balanced and competitive remuneration.

Terms for the Share program 2021

TF Banks Share program 2021 is a program directed to senior executives and some other employees of TF Bank, including the CEO and Deputy CEO. The program is not directed to Board members of the Company. The program covers up to 25 persons. The program period is three years and lasts from 30 November 2021 until 30 November 2024.

Every Participant is allocated an individually determined number of conditional share rights ("Rights"), each of which entitles the holder to one matching share in TF Bank ("Matching Shares"). The allocation of Rights will be distributed among the Participants as follows:

Category	Number of Rights per Participant
Senior Executives (4 persons)	maximum 10,000
Other directors, key persons and specialists (up to 21 persons)	maximum 2,500
Total	62,000



The Rights are conditional on the Participant acquiring the corresponding number of shares in TF Bank ("Acquired Shares") no later than 30 November 2021. The Participant is entitled to receive a Matching Share for each allotted Right that is matched by an Acquired Share. Excess Rights shall lapse without any right for the Participant to receive a Matching Share.

The number of Rights allocated to a Participant will be determined based on an assessment of: The Participant's results, the Participant's result unit's results and the bank's total results. In assessing the employee's results, both financial and non-financial criteria will be considered.

The Matching Shares will be transferred to the Participants when the Share Program 2021 expires on 30 November 2024. For the ownership of the Matching Shares to be transferred to the Participants, certain conditions must be met as of 30 November 2022, 2023 and 2024, respectively. One third of the Matching shares are earned if the conditions are met at each of these times. A Participant who meets the conditions as of 30 November 2022 and 2023, but not 2024, is thus entitled to receive two thirds of the Matching Shares. The conditions that must be met are that the Participant at such time: (i) is employed by the bank; (ii) holds the Acquired Shares; and (ii) that the financial and/or non-financial criteria which the board decides upon allocation of the Rights are fulfilled. The board, or if it so decides, the board's RemCo, has the right to adjust the financial and/or non-financial criteria in accordance with (iii) above annually. Such adjustment shall be made no later than on 30 November during a year to apply for the forthcoming year.

The program comprises an obligation for the bank to deliver approximately 62,000 shares to the Participants.

The number of Matching Shares which each Participant may receive may be subject to recalculation under the terms and conditions of the program as a consequence of issues of bonus shares to shareholders, splits, preferential issues and similar measures.

Allotment

The maximum number of shares that can be transferred under the Share program 2021 is 62,000 shares. The maximum number of shares under the program equals approximately 0.29 per cent of the total number of shares in the bank. The delivery of shares is proposed to be effectuated with existing shares. Allotment of Rights under the program shall be made before 31 May 2021.

Acquired Shares and Matching shares shall be ordinary shares of TF Bank with the right to a dividend. The Rights are not securities that can be sold, pledged or transferred to others.

Miscellaneous

Before the final outcome of TF Bank's Share program 2021 are determined, the Board, or if the Board so decides RemCo, shall examine whether the outcome *inter alia* from a risk perspective is reasonable considering TF Bank's results and financial position, the conditions on the stock market, conditions related to the individual Participant and other circumstances such as changes in accounting principles. If this is not deemed to be the case, the Board has the right, within the limit of the total program, to change the outcome to the number the board deems reasonable. The outcome may be set to zero. Any change shall be communicated in connection with TF Bank's first financial report following the decision.

The Board, or if it so decides, RemCo is authorized to make changes to TF Bank's Share program 2021 from time to time if so deemed advisable by the Board or RemCo and provided that the program following such changes are within the limits of the maximum number of shares in the program, the maximum number of shares of the total number of shares in the bank and the calculated maximum costs.

Taxation

The programs have been designed in such a way that Participants will normally be taxed for the benefit of receiving shares in the income year when the shares are received, i.e., 2024. The taxable value of the benefit will normally be equal to the closing price for the shares on the day when the shares are received. The value of the benefit is taxed as income from employment for the Participant. Thus, social security contributions will in most cases be charged on the benefit amount and be a cost for the employer.

Cost

Under the assumption that TF Bank hedges its undertakings under Share program 2021 by acquiring own shares at an average price of SEK 120 per share and that all Participants fulfil the criteria and receive the full number of Matching Shares, the cost for Share program 2021 (including social security contributions) will amount to MSEK 9.6 over a three-year period. If only half of the Matching Shares are transferred to the Participants, the cost for Share program 2021 (including social security contributions) will amount to MSEK 4.8 over a three-year period.

Under the assumption that TF Bank hedges its undertakings under Share program 2021 by acquiring own shares at an average price of SEK 140 per share and that all Participants fulfil the criteria and receive the full number of Matching Shares, the cost for Share program 2021 (including social security contributions) will amount to MSEK 11.3 over a three-year period. If only half of the Matching Shares are transferred to the Participants, the cost for Share program 2021 (including social security contributions) will amount to MSEK 5.6 over a three-year period.

Hedging and transfer of shares

The Share program 2021 lead to certain financial exposure for the bank, due to market price changes for the banks share. The aim is to hedge this exposure by the acquisition of own shares or by equity swap contracts with third parties. The social security contribution is also hedged.

There are different methods for effectuating the transfer of Matching Shares to the Participants under the programs, such as delivery of own shares and an agreement with a third party under which the third-party transfers shares to the Participants under the programs. The Board considers delivery of own shares as the most cost efficient and flexible method. Therefore, this is the main alternative (item 19 on the agenda for the AGM).

Item 18 (b); The Board of Directors proposal on resolution on the transfer of own shares

The Board of Directors proposes that the Annual General Meeting resolves that a maximum of 62,000 of the Acquired shares in the bank may be sold/transferred as follows.

1. Participants, in the Share program 2021 who are entitled to receive shares, shall have a preferential right to receive the shares, to a number that follows from the terms and conditions of the Share program 2021. Subsidiaries within the TF Bank Group shall furthermore be entitled to acquire the shares for nil consideration, where such subsidiary shall within the scope of the terms and conditions of the program be obliged immediately to transfer the shares to the Participants; and
2. The right to receive shares may be exercised in the period when the Participants are entitled to receive shares under the Share program 2021.

Item 19; Resolution on authorization for the Board of Directors to resolve on acquisition and transfer of own shares

The Board proposes that the Annual General Meeting authorizes the Board of Directors, for the period up until the next Annual General Meeting, to decide on the acquisition and transfer of own shares on or outside Nasdaq Stockholm or in accordance with an offer made to all shareholders. The authorization may be exercised on one or more occasions until the Annual General Meeting 2022.

A maximum of so many shares may be acquired that the company's holdings, including shares that have otherwise been acquired and held, will not exceed five (5) percent of all shares in the company. Transfer in accordance with the authorization may be made of all own shares held by the company at the time of the Board's decision.

The purpose of the proposal is to give the board increased scope for action and the opportunity to continuously adapt the company's capital structure, thereby contributing to increased shareholder value and to capture attractive business opportunities by fully or partially financing corporate acquisitions with own shares and to secure undertakings and social security contributions under the incentive program.

Item 20; Resolution on amendment of the articles of association

The Board of Directors proposes that the Annual General Meeting resolves to amend the articles of association. A new section is proposed in the articles of association allowing the board of directors to collect powers of attorney in accordance with Chapter 7, section 4, second paragraph of the Swedish Companies Act and to resolve that the shareholders shall have the right to vote in advance. A new section is also proposed allowing the Board of Directors to resolve that persons who are not shareholders may participate at the shareholders' meeting. Finally, an amendment of § 11 is also proposed due to a legislative name change. Because of the insertion of two new sections (§ 10 and § 11), renumbering of sections is proposed, whereby the previous §§ 10 – 11 becomes §§ 12 – 13.

Proposed new § 10 Collecting of powers of attorneys and vote by post

The Board of Directors may collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act (2005:551).

The Board of Directors has the right before a shareholders' meeting to decide that shareholders shall be able to exercise their right to vote by post before the shareholders' meeting. If the Board so decides, postal voting may be made by electronic means.

Proposed new § 11 Non-shareholders right to attend a shareholders' meeting

The Board of Directors may resolve that persons not being shareholders of the company shall be entitled, on the conditions stipulated by the Board of Directors, to attend or in any other manner follow the discussions at a shareholders' meeting.

Amendment of current § 11 Record day provision

The shares of the company shall be registered in a record day register pursuant to the Central Securities Depositories and Financial Instrument Accounts Act (1998:1479).

Shares and votes

The share capital of the bank is 107,500,000 SEK consisting of a total of 21,500,000 common shares. Each common share entitles to one (1) vote at the meeting.

Majority rules

Approval of the Board of Directors' proposal according to items 17, 19 and 20 requires that the Annual General Meeting's resolution is supported by shareholders representing at least two thirds of the votes cast and shares represented at the Meeting. Approval of the Board of Director's proposal according to item 18(b) requires that the Annual General Meeting's resolution is supported by shareholders representing at least nine tenths of the votes cast and shares represented at the Meeting.

Documents

Annual accounts, auditor's report and complete proposals and other documents required in accordance with the Swedish Companies act will, no later than April 13, 2021, be made available at the company headquarters, and at the company website www.tfbankgroup.com. Copies of these documents as well as the notice will also be sent, free of charge, to those shareholders which demands it and states their postal address.

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Stockholm in March 2021

TF Bank AB
The Board of Directors

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For further information, please contact:

Mikael Meomuttel, CFO, deputy CEO and Head of Investor Relations +46 (0)70 626 95 33.

The information was provided by the above contact persons for publication on March 25, 2021 at 17:45 CET.

TF Bank in brief

TF Bank was founded 1987 and is an internet-based niche bank offering consumer banking services and e-commerce solutions through a proprietary IT platform with a high degree of automation. Deposit and lending activities are conducted in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany and Austria through branch or cross-border banking. From 2020 the operations are divided into three segments: Consumer Lending, Ecommerce Solutions and Credit Cards.