



INTERIM REPORT
January-March 2024

T TFBank

PERIOD IN BRIEF

JANUARY – MARCH 2024

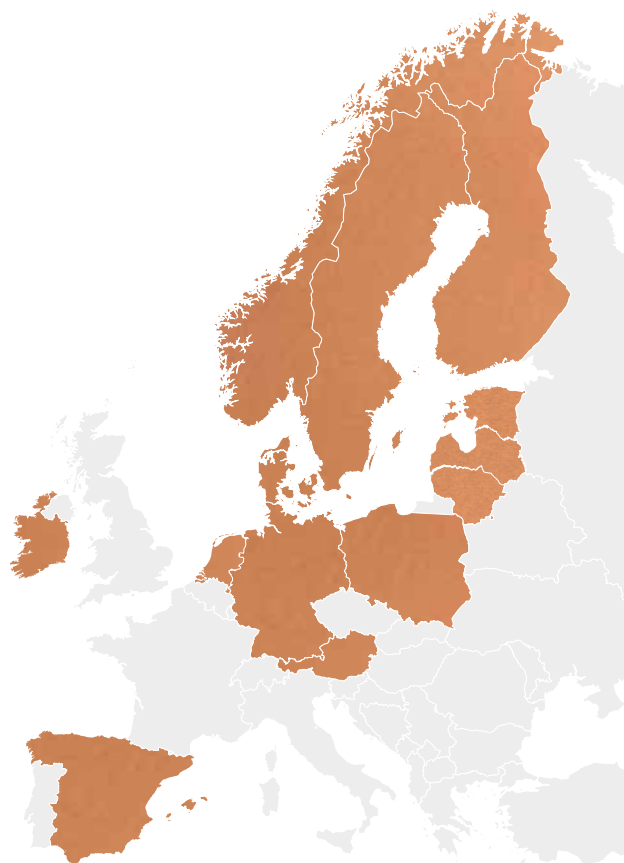
COMPARED TO JANUARY - MARCH 2023 (unless otherwise stated)

- The loan portfolio amounted to SEK 18,799 million, compared to March 2023 the increase in local currencies was 21 %
- Operating profit increased by 25 % to SEK 147.9 million
- Earnings per share increased by 23 % to SEK 5.04
- Cost/income ratio improved to 40.0 % (41.7)
- Return on equity amounted to 22.1 % (22.3)
- Total capital ratio amounted to 15.8 % (15.9) and has been stable since the start of the year

SIGNIFICANT EVENTS

JANUARY - MARCH 2024

- The credit card business had an organic loan book growth of 72 % and economies of scale in the business model contributed to the operating profit increasing significantly.
- Strong performance in the Ecommerce Solutions segment has resulted in an increase in operating profit of 113 %, mainly related to rising operating income in the Nordic region.



Early indications of stabilised or even slightly improved credit quality mean that we are planning for higher organic growth in the second quarter.

LOAN PORTFOLIO ¹

31 MARCH 2024 COMPARED TO 31 MARCH 2023

SEK **18.8** BILLION **+21 %**

OPERATING PROFIT

JAN-MAR 2024 COMPARED TO JAN-MAR 2023

SEK **148** MILLION **+25 %**

TOTAL CAPITAL RATIO

31 MARCH 2024 COMPARED TO 31 DECEMBER 2023

15.8 % **-0.1** PERCENTAGE POINTS

RETURN ON EQUITY

JAN-MAR 2024 COMPARED TO JAN-MAR 2023

22.1 % **-0.2** PERCENTAGE POINTS

¹ Development of the loan portfolio in local currencies

See separate section with definitions and reconciliation tables, page 40-41.

THIS IS TF BANK

BACKGROUND

TF Bank was founded 1987 and is a digital bank offering consumer banking services and e-commerce solutions through a proprietary IT platform with a high degree of automation. Deposit and/or lending activities are conducted in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland and the Netherlands through subsidiary, branch or cross-border banking with the support of the Swedish banking license. The operations are divided into three segments: Consumer Lending, Credit Cards and Ecommerce Solutions. TF Bank is listed at Nasdaq Stockholm.

In the Consumer Lending segment, TF Bank offers unsecured consumer loans to creditworthy individuals. The product offering can differ between the various markets and is adjusted according to the specific conditions in each country. In the Credit Cards segment TF Bank offers credit cards to creditworthy individuals in Germany, Norway and Austria. In the Ecommerce Solutions segment, TF Bank offers digital payment solutions primarily within e-commerce to creditworthy individuals.

THE GROUP'S KEY FIGURES

SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Δ	Jan-Dec 2023
Income statement				
Operating income	561,020	444,128	26%	1,998,121
Operating expenses	-224,665	-185,387	21%	-831,671
Net loan losses	-188,426	-140,426	34%	-656,851
Operating profit	147,929	118,315	25%	509,599
Profit for the period	115,812	92,770	25%	396,700
Earnings per share, SEK	5.04	4.10	23%	17.53
Balance sheet				
Loans to the public	18,798,936	15,286,271	23%	17,870,633
Deposits from the public	20,834,961	16,061,220	30%	20,652,997
New lending	5,575,308	4,930,997	13%	22,046,078
Key figures				
Operating income margin, %	12.2	11.9		12.3
Net loan loss ratio, %	4.1	3.8		4.0
Cost/Income ratio, %	40.0	41.7		41.6
Return on equity, %	22.1	22.3		21.9
Return on loans to the public, %	2.4	2.4		2.3
CET1 capital ratio, % ¹	12.1	12.3		12.0
Tier 1 capital ratio, % ¹	13.6	13.9		13.6
Total capital ratio, % ¹	15.8	16.7		15.9
Employees (FTE)	399	353	13%	380

EXCHANGE RATES

SEK	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
EUR Income statement (average)	11.28	11.20	11.48
EUR Balance sheet (end of reporting period)	11.53	11.28	11.10
NOK Income statement (average)	0.99	1.02	1.01
NOK Balance sheet (end of reporting period)	0.99	1.00	0.99
PLN Income statement (average)	2.60	2.38	2.53
PLN Balance sheet (end of reporting period)	2.67	2.41	2.56

¹ Comparative figures for the first quarter 2023 refers to the parent company TF Bank AB since the consolidated situation occurred in the fourth quarter of 2023. See separate section with definitions and reconciliation tables, page 40-41.

CEO'S COMMENTS

TF Bank's loan portfolio has increased by 21 % in local currencies over the past year. The credit card business in Germany drives the Bank's organic growth, and the German loan portfolio exceeded SEK 5 billion at the end of the first quarter of the year. The Group's operating profit increased by 25% compared to the corresponding quarter in 2023.

Since its IPO in 2016, TF Bank's product range and geographical coverage have changed – always with a clear focus on balanced and profitable growth. TF Bank is today a European card and payment platform present in 13 European countries, with the business concept of offering financing solutions to private individuals at precisely the times when they need it.

Growth in the Credit Cards segment continues and in local currencies, the loan portfolio increased by 72 % over the past year. Credit Cards has driven TF Bank's profitable growth in recent years and its share of the Bank's total loan book amounted to 35 % at the end of the first quarter 2024, compared to 1 % at the IPO in 2016. TF Bank currently has an attractive position as a European credit card actor with a clear focus on growing the pan-European credit card business, especially in Germany. The market in which the company operates is large and TF Bank has a unique position as a complement to the larger banks by being one of the few players that can offer credit cards with a short lead time and no fees for the customer.

In Ecommerce Solutions, organic growth has amounted to 4 % over the past year. However, the loan portfolio has decreased by 7 % since the start of the year due to a normal seasonal pattern in consumption and the end of the segment's new lending in the Baltics. Ecommerce Solutions has shown good profitable growth in recent years and during the first quarter of the year, the segment's profitability reached a new level. Operations in the Nordic region are conducted under the Avarda brand, which is a leading player in white-label payment and checkout solutions in the Nordic region. Ecommerce Solutions Nordic operations amounted to 12 % of the Bank's loan book in the first quarter of 2024, compared to 18 % at the IPO in 2016.

Later in the year, the Bank's strong Nordic offering will have another unique selling point through an expansion into Germany. Once the digital payment solutions have been established in Germany, the next step in the large German market will be to create synergies between Avarda's payment solutions and the credit card business.

The loan portfolio for Consumer Lending has increased by 5 % in the past year. Prior to the start of the transformation journey, Consumer Lending accounted for primary growth and TF Bank was primarily a Nordic consumer lending Bank at the time of the IPO. At the end of the first quarter, the Nordic segment accounted for 34 % of the Bank's total loan book, compared with 65 % at the time of the IPO. Over the past year, the focus has been to strengthen margins and ensure fair and sustainable lending. The restrictive attitude is reflected in the Bank's relatively modest organic growth in the first quarter of the year.

TF Bank's capital ratios have been stable during the quarter and the margin to regulatory requirements is reassuring. As we communicated in connection with the year-end report, we are working on various solutions to mitigate the future effects of a higher reserve ratio on non-performing receivables in the capital adequacy in accordance with the so-called backstop regulations. The Bank's liquidity reserve has decreased slightly since the start of the year, but remains at higher levels than normal. Most of the reserve has been invested in treasury bills with short maturities and an interest rate that is in line with our deposit rates.

The development in recent quarters has shown the strength of working with many smaller loans in several geographic markets, without striving to become large or dominant in a particular market or product. Now when the economic winter hopefully is coming to an end, we can conclude that we have been able to maintain a stable balance sheet even in times of increased global turmoil. Early indications of stabilised or even slightly improved credit quality mean that we are planning for higher organic growth in the second quarter.



*Joakim Jansson
President and CEO*

RESULTS AND FINANCIAL POSITION

GROUP

JANUARY - MARCH 2024

COMPARED TO JANUARY - MARCH 2023

Operating profit

Operating profit increased by 25 % to SEK 147.9 million (118.3). Higher operating income from the growing loan portfolio has contributed to the increasing operating profit. Earnings per share increased by 23 % to SEK 5.04 (4.10). Return on equity amounted to 22.1 % (22.3).

Operating income

The operating income has increased by 26 % to SEK 561.0 million (444.1). The increase is related to the growing loan portfolio and geographically it was primarily Germany that had higher operating income. The operating income comprises 93 % of net interest income and 7 % of net fee and commission income in the interim period. The operating income margin has improved to 12.2 % (11.9).

Interest income

Interest income increased by 47 % to SEK 723.0 million (491.7) and is partly explained by increasing financing costs that have been transferred to the Bank's lending customers.

Interest expense

The interest expenses increased by 124 % to SEK 202.1 million (90.1). Rising financing costs are explained by the fact that new deposits have been received at a higher deposit rate than the interest rate on the existing deposit portfolio. Growing deposit balances during the last year have also contributed to an increase in interest expenses.

Net fee and commission income

Net fee and commission income decreased by 2 % to SEK 41.3 million (42.0). The decrease is mainly attributable to higher transaction-related costs in the Credit Cards segment associated with significantly increased transaction volumes. During the quarter, 42 % of TF Bank's fee and commission income derived from charges and 58 % from insurance premiums and other commission income.

Operating expenses

The operating expenses increased by 21 % to SEK 224.7 million (185.4). The increase is mainly explained by higher sales-related expenses and more employees due to the increase in new lending. The C/I ratio improved to 40.0 % (41.7) as a result of economies of scale in the Credit Cards segment.

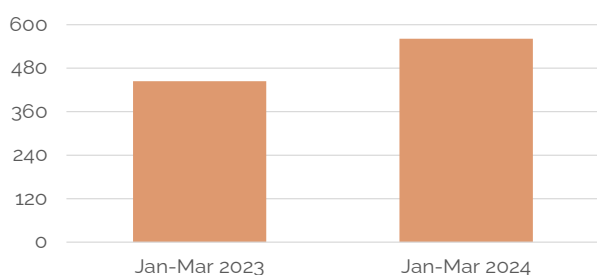
Loan losses

The loan losses increased by 34 % to SEK 188.4 million (140.4). The growing loan portfolio in the Credit Cards segment and higher loan losses in the Ecommerce Solutions segment contributed to an increase in the net loan losses. The loan loss ratio amounted to 4.1 % (3.8).

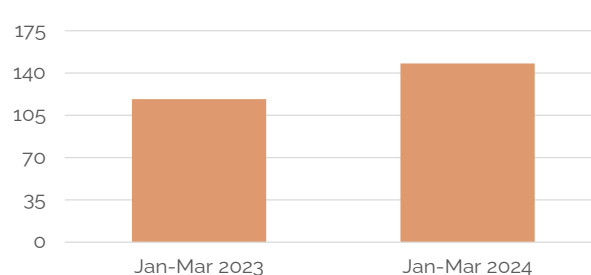
Tax expense

The tax expenses increased to SEK 32.1 million (25.5). The increase in the tax expenses is related to a higher operating profit.

OPERATING INCOME (SEK million)



OPERATING PROFIT (SEK million)



RESULTS AND FINANCIAL POSITION

GROUP

JANUARY - MARCH 2024

COMPARED TO 31 DECEMBER 2023 (unless otherwise stated)

Loans to the public

The loan portfolio amounted to SEK 18,799 million (15,286), an increase in local currencies of 21 % compared to March 2023. Positive currency effects impacted the loan portfolio growth by another 2 %. New lending increased by 13 % to SEK 5,575 million (4,931) compared to 2023. The increase is affected by record volumes in the Credit Cards segments.

TF Bank's loan portfolio is well-diversified with relatively small exposures in several different geographic markets. At the end of the quarter, the exposure towards the three largest countries was Germany at 29 %, Norway at 24 % and Finland at 19 %. The main driver of the past year's loan book growth has been the German credit card business.

Deposits from the public

Deposits from the public amounted to SEK 20,835 million (16,061), an increase in local currencies of 27 % compared to March 2023. Positive currency effects have affected the deposit balance by another 3 %. At the end of the quarter, deposits were geographically distributed between Germany at 89 % and in other countries 11 %. During the end of 2023, the Bank launched deposit products in Spain, Ireland and the Netherlands.

The increased deposit balance over the past year is attributable to Germany and relates to savings accounts with both fixed and variable interest rate. At the end of the quarter, accounts with a fixed term comprised of 49 % (40) of TF Bank's total deposits.

Cash and cash equivalents

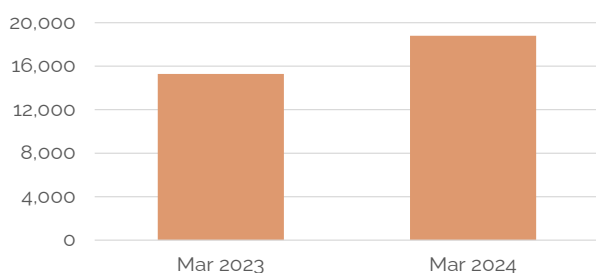
Cash and cash equivalents decreased to SEK 4,909 million (5,744) during the quarter. The decrease is mainly attributable to increased lending to the public. At the end of the quarter, the available liquidity reserve amounted to 23 % (25)¹ of deposits from the public.

Capital adequacy

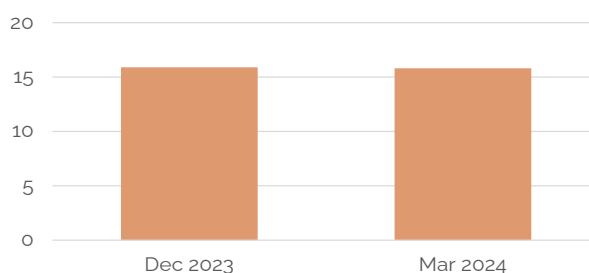
The capital ratios have been stable since year-end and at the end of the quarter the CET1 capital ratio was 12.1 % (12.0), the Tier 1 capital ratio was 13.6 % (13.6) and the total capital ratio was 15.8 % (15.9).

TF Bank's regulatory CET1 capital requirement amounted to 8.7 % by the end of the quarter, the Tier 1 capital requirement to 10.4 % and the total capital requirement to 12.6 %.

LOANS TO THE PUBLIC (SEK million)



TOTAL CAPITAL RATIO (%)



¹ Excluding restricted cash and cash equivalents that are not available the next day.

CONSUMER LENDING

JANUARY - MARCH 2024

COMPARED TO JANUARY - MARCH 2023 (unless otherwise stated)

In the Consumer Lending segment, TF Bank offers unsecured consumer loans to creditworthy individuals. The product offering differs between the various markets and is adjusted according to the specific conditions in each country. At the end of the first quarter, the average loan amount per customer was approximately SEK 72 thousand.

The Nordic loan portfolio comprises 68 % of the segment. The Nordic markets for consumer loans are characterised by credit information that is easy to access, a high share of credit intermediaries, and a well-functioning system for collection of unpaid debts.

The loan portfolio outside of the Nordics accounts for 32 % of the segment, the majority is in the Baltics. The Baltic countries have fast-growing credit markets with several established Nordic companies operating locally. The Bank has chosen to pause new lending in Spain and Sweden since the second half of 2023.

The loan portfolio

The loan portfolio amounted to SEK 9,398 million (8,867), an increase in local currencies of 5 % compared to March 2023. Positive currency effects have had an impact on the loan portfolio's growth of another 1 %. New lending has decreased by 29 % to SEK 1,152 million (1,616) compared to the first quarter 2023, which is an effect of a deliberate strategy to allocate more capital to other segments.

The Nordic loan portfolio amounted to SEK 6,366 million (6,259) an increase in local currencies of 1 % compared to March 2023. The loan portfolio in Norway has increased by 2 % to NOK 3,396 million (3,315) over the past year. Growth in Norway is characterised by

stable margins and good credit quality. The loan portfolio in Finland is largely unchanged at EUR 201 million (202). The Swedish loan portfolio has decreased by 15 % to SEK 516 million (610) and the loan portfolio in Denmark has increased by 144 % and amounted to DKK 122 million (50) at the end of the quarter.

The loan portfolio in the Baltics has increased by 13 % to EUR 245 million (217) over the past year. The growth has mainly been generated in Lithuania. The Polish loan portfolio decreased to PLN 25 million (34). The loan portfolio in Spain amounted to EUR 12 million (7) at the end of the first quarter.

Results

The operating profit has decreased by 5 % to SEK 79.2 million (83.0). The decrease is a result of increased financing costs and consequently slightly lower net interest income.

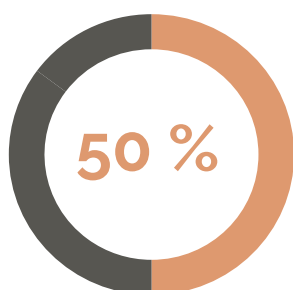
The operating income decreased by 1 % to SEK 215.1 million (218.1) which is mainly related to a slightly lower net interest income in the Nordic. The operating income margin has decreased to 9.3 % (9.9), which is mainly explained by the deposit interest rate on new deposits is higher compared to the interest rate on the existing deposit portfolio.

The operating expenses is largely unchanged at SEK 67.0 million (67.2), however the Cost/Income ratio increased marginally to 31.1 % (30.8) during the first quarter.

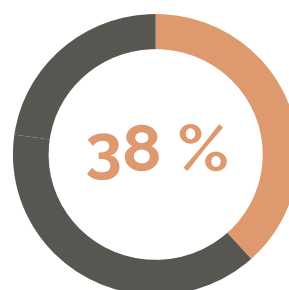
The loan losses increased by 1 % to SEK 68.9 million (68.0), however, the loan loss ratio has stabilised and decreased to 3.0 % (3.1). Early indications show that credit quality has improved somewhat.

For further information about the loan portfolio and results of this segment, see Note 3 Operating segments.

SHARE OF THE BANK'S LOANS TO THE PUBLIC



SHARE OF THE BANK'S OPERATING INCOME



CREDIT CARDS

JANUARY - MARCH 2024

COMPARED TO JANUARY - MARCH 2023 (unless otherwise stated)

In the Credit Cards segment, TF Bank offers credit cards to creditworthy individuals in Germany, Norway and Austria. The credit card offering has been available in the Bank since 2015 in the Norwegian market, with Germany being launched in 2018 and Austria in 2022. The credit card is compatible with both Google Pay and Apple Pay in all markets, with the launch in Norway and Austria in the first quarter of 2024. A self-developed mobile app is used as the primary channel for customer communication.

At the end of the first quarter, the number of active German credit cards amounted to approximately 228,000, which is the fastest growing market in the segment. At the end of the first quarter, the number of active Norwegian credit cards was approximately 27,000 and the number of active credit cards in Austria was approximately 12,000.

The loan portfolio

The loan portfolio amounted to SEK 6,615 million (3,781), compared to March 2023. Positive currency effects impacted the loan portfolio growth by another 3 %. The new lending has increased by 63 % to SEK 3,199 million (1,961). The increase is mainly related to the operations in Germany.

The loan portfolio in Germany has increased by 71 % to EUR 477 million (279) over the past year. The growth is mainly generated by an increased number of issued credit cards as well as a modified credit strategy.

The loan portfolio in Norway has increased by 66 % to NOK 799 million (483) over the past year. The volumes have increased significantly due to a changed credit strategy which has resulted in a significant increase in the utilisation rate on the credit cards. The loan portfolio in Austria has increased by 103 % to EUR 28 million (14) over the past year.

Results

The operating profit has increased by 86 % to SEK 45.5 million (24.4). Higher income from the growing loan portfolio and economies of scale in the business model contributed to the considerable improvement in the profit.

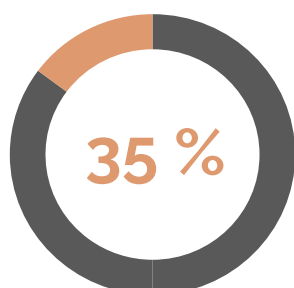
The operating income increased by 62 % to SEK 218.4 million (135.1). The increase is mainly related to the high growth in Germany. The operating income margin decreased to 14.1 % (15.3), mainly due to new deposits have been received at a higher deposit interest rate than the interest rate on the existing deposit portfolio. Furthermore, a larger proportion of issued cards have been made through intermediaries, which also has a negative impact on margins.

The operating expenses increased by 40 % to SEK 82.0 million (58.7) and the expenses have been affected by factors such as a higher frequency in the number of newly issued cards. The C/I ratio still improved to 37.5 % (43.5) due to economies of scale in the business model and a reduced focus on direct marketing.

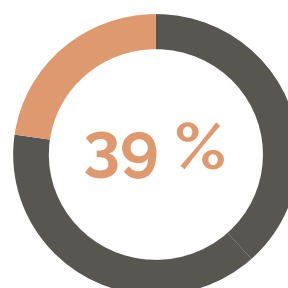
The loan losses increased by 75 % to SEK 90.9 million (51.9). The increase was primarily affected by provisions for expected credit losses related to the growing loan portfolio in Germany. However, the loan loss ratio was unchanged at 5.9 % (5.9).

For further information about the loan portfolio and results of this segment, see Note 3 Operating segments.

SHARE OF THE BANK'S LOANS TO THE PUBLIC



SHARE OF THE BANK'S OPERATING INCOME



ECOMMERCE SOLUTIONS

JANUARY - MARCH 2024

COMPARED TO JANUARY - MARCH 2023 (unless otherwise stated)

In the Ecommerce Solutions segment, TF Bank offers digital payment solutions primarily within e-commerce to creditworthy individuals. The digital payment solutions are available in the Nordic region by the subsidiary Avarda AB and in the Baltics as well as Poland by TF Bank AB. During autumn 2023 new lending in Poland has ceased. New lending in the Baltic countries has ended as of the end of January 2024. The Nordic loan portfolio comprises 83 % of the segment and the remaining markets comprises 17 % combined.

Avarda is a leading player in the Nordic markets. During the past year, the company's position has been further strengthened and the business continues to win market share. Through an attractive white-label payment and checkout solution, the customer offering focuses on supporting merchants in their growth and ambition to build their brands.

The loan portfolio

The loan portfolio amounted to SEK 2,785 million (2,638) an increase in local currencies of 4 % compared to March 2023. Positive currency effects impacted the loan portfolio growth by another 2 %. New lending decreased by 10 % to SEK 1,224 million (1,354). The decrease is mainly related to new lending in the Baltics has ended as of the end of January 2024.

The loan portfolio in the Nordics increased by 19 % in local currencies compared to March 2023 and amounted to SEK 2,340 million (1,953). In Finland, the portfolio increased by 13 % to EUR 100 million (89) over the past year. The increase is explained by a continued growth for e-commerce and an inflow

of several new partners. The Swedish loan portfolio increased by 25 % to SEK 856 million (687) following strong sales development during the past year. In Norway the loan portfolio increased by 18 % to NOK 299 million (253). In Denmark, the loan portfolio decreased to DKK 5 million (9).

The loan portfolio in the Baltics decreased by 39 % to EUR 20 million (32) over the past year. The decrease is mainly explained by new lending has ceased at the end of January 2024. In Poland, the loan portfolio has decreased by 39 % to PLN 83 million (135).

Results

The operating profit increased by 113 % to SEK 23,1 million (10,9). The increase is mainly related to rising operating income in the Nordic region as a result of increased financing costs being passed on to customers to a greater extent.

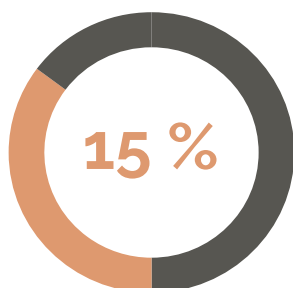
The operating income increased by 40 % to SEK 127,6 million (90,9). High growth in the loan portfolio and a significant increase in transaction volumes in the Nordic region have resulted in both higher interest income and rising commission income. The operating income margin improved to 17,6 % (13,6), mainly due to higher financing costs that have been passed on to customers.

The operating expenses increased by 27 % to SEK 75,7 million (59,5). This is explained by increased sales-related costs and more employees. The Cost/Income ratio improved though to 59,4 % (65,4).

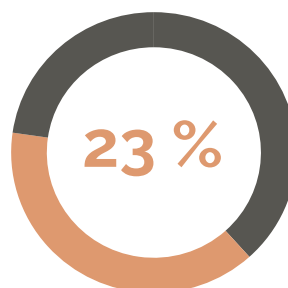
The loan losses increased by 39 % to SEK 28,7 million (20,6) which mainly is related to Finland and Sweden. The credit loss ratio increased to 4,0 % (3,1).

For further information about the loan portfolio and results of this segment, see Note 3 Operating segments.

SHARE OF THE BANK'S LOANS TO THE PUBLIC



SHARE OF THE BANK'S OPERATING INCOME



OTHER INFORMATION

Annual General Meeting 2024

The 2024 Annual General Meeting will be held on Thursday, 2 May, 2024.

Proposed dividend

The Board of Directors proposes to the Annual General Meeting that no dividend will be paid for 2023.

The share

TF Bank was listed at Nasdaq Stockholm in the Mid Cap segment on 14 June 2016. The share trades under the ticker name TFBANK and the ISIN code is SE0007331608. During the first quarter of 2024, the share price closed at SEK 167.20, a decrease of 2 % during the quarter. In total, 0.4 million TF Bank shares worth approximately SEK 75 million were traded on Nasdaq Stockholm during the first quarter of 2024.

Institutions following TF Bank

ABG Sundal Collier, Carnegie, Nordea and DNB are following the company. All institutions had issued a buy recommendation for the TF Bank share at the end of the first quarter.

Financial targets

The 17 October 2021 the Board of TF Bank has adopted the following financial targets:

Growth

TF Bank's aim is to achieve a loan portfolio of SEK 20 billion by first half of 2025.

Profitability

TF Bank's aim is to achieve a return on equity well above 20 %.

Capital structure

TF Bank's aim is that all capital ratios should exceed the regulatory requirement (including pillar 2 and buffer requirements) by at least 2.5 percentage points.

Dividend policy

TF Bank's dividend policy is to distribute surplus capital in relation to capital targets and the Bank's capital planning.

Significant events, January - March 2024

New lending in the Baltics in the Ecommerce Solutions segment has ended as of the end of January.

The credit card business had an organic loan book growth of 72 % over the past year and economies of scale in the business model have contributed to a significant improvement in operating profit.

Strong performance in the Ecommerce Solutions segment has resulted in an increase in operating profit of 113 %, mainly related to rising operating income in the Nordic region.

Presentation for investors, analysts, and media

A live conference call will be held on Tuesday 16 April 2024 at 08:15 CET, where CEO Joakim Jansson and CFO Mikael Meomuttel will present the interim report. It will be possible to ask questions after the presentation. The presentation material is written in English while the conference call will be held in Swedish.

To participate and ask questions call +46 (0)8 4468 2488 and enter the meeting code 812 8235 1588. For international investors, there is a possibility to ask questions in English during the Q&A session. A recording of the conference call and the presentation material will be available on the Bank's website, www.tfbankgroup.com.

OTHER INFORMATION

Risks and uncertainties

Different types of risks arise in the Group's business operations. The risks can be actualised in different ways within the business. The following main risk categories have been identified:

- Credit risks (including those attributable to the credit portfolio, credit-related concentration risks and counterparty risks)
- Market risks (interest rate, and currency exchange risks)
- Liquidity risks
- Operational risks (including process risks, IT and systemic risks and external risks)
- Other business risks (including business risks, cyclical risks and reputational risks)

The Bank estimates credit risks, liquidity risks and operational risks as the most significant risks. In order to limit and control risk-taking in the business, the Board, which is ultimately responsible for internal controls, has established policies and instructions for lending and other activities.

The banking operations are subject to extensive regulations concerning capital adequacy and liquidity requirements, which are primarily governed by the regulatory package that comprises Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR), which jointly implement the Basel agreement within the European Union (collectively known as the "Basel regulatory framework"). The Basel regulatory framework includes certain capital requirements that are intended to be adjustable over time and that are dependent on such factors as the presence of cyclical and structural systemic risks. The Bank must fulfil the specified capital and liquidity requirements and have capital and access to liquidity at all times. TF Bank monitors changes related to capital and liquidity requirements and takes these into consideration regarding the financial targets.

More information regarding the Bank's credit risks and capital adequacy can be found in Notes 2 and 9 and on page 42 in the interim report. For a more detailed description of financial risks and the use of financial instruments, as well as capital adequacy, see Notes 3 and 31 of the Annual report 2023.

Geopolitical and macroeconomic uncertainty

TF Bank is affected by changes in the world around us that are linked to geopolitics and macroeconomics. The geopolitical situation remains uncertain following Russia's invasion of Ukraine, while the macroeconomic situation remains affected by the high inflation and higher interest rates in recent years. It cannot be ruled out that TF Bank's operations, new lending or credit losses may be adversely affected by geopolitical and macroeconomic events in the future.

Environment

TF Bank works actively to conduct a responsible business where the intention is to have as limited negative impact on the environment and people as possible. Environmental resources are used responsibly and carefully throughout the Bank's operations. TF Bank conducts operations in an environmentally sustainable manner by, for example, improving efficiency and investing in sustainable products and services. The business model is as digital and automated as possible, making the Bank accessible while limiting the environmental impact.

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 Bank's accounting principles, valuation methods, and presentation remain substantially unchanged compared to the annual report 2023. The interim information on pages 3-42 is an integral part of this financial report.

LOAN PORTFOLIO PERFORMANCE IN 2022-2024 (SEK MILLION)



FINANCIAL INFORMATION

INCOME STATEMENT - CONSOLIDATED

SEK thousand	Note	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
	3			
Operating income				
Interest income		723,005	491,700	2,368,918
Interest expense		-202,052	-90,121	-547,605
Net interest income		520,953	401,579	1,821,313
Fee and commission income		79,792	60,925	280,246
Fee and commission expense		-38,505	-18,929	-103,335
Net fee and commission income		41,287	41,996	176,911
Net results from financial transactions		-1,220	553	-103
Total operating income		561,020	444,128	1,998,121
Operating expenses				
General administrative expenses		-196,274	-149,285	-706,846
Depreciation and amortisation of tangible and intangible assets		-16,577	-13,274	-60,466
Other operating expenses		-11,814	-22,828	-64,359
Total operating expenses		-224,665	-185,387	-831,671
Profit before loan losses		336,355	258,741	1,166,450
Net loan losses	4	-188,426	-140,426	-656,851
Operating profit		147,929	118,315	509,599
Income tax for the period		-32,117	-25,545	-112,899
Profit for the period		115,812	92,770	396,700
<i>Attributable to:</i>				
<i>Shareholders of the Parent Company</i>		108,359	88,149	376,853
<i>Additional Tier 1 capital holders</i>		7,453	4,621	19,847
<i>Basic earnings per share (SEK)</i>		5.04	4.10	17.53
<i>Diluted earnings per share (SEK)</i>		5.04	4.10	17.53

STATEMENT OF OTHER COMPREHENSIVE INCOME - CONSOLIDATED

SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Profit for the period	115,812	92,770	396,700
Other comprehensive income			
Items that may subsequently be reclassified to the income statement			
Gross exchange rate differences	-301	-38	-1,358
Tax on exchange rate differences in the period	-	14	260
Other comprehensive income for the period	-301	-24	-1,098
Total comprehensive income for the period	115,511	92,746	395,602
<i>Attributable to:</i>			
<i>Shareholders of the Parent Company</i>	108,058	88,125	375,755
<i>Additional Tier 1 capital holders</i>	7,453	4,621	19,847

BALANCE SHEET - CONSOLIDATED

SEK thousand	Note	31 Mar 2024	31 Dec 2023
	2,5,6		
ASSETS			
Cash and balances with central banks		18,518	18,916
Treasury bills eligible for refinancing		3,174,280	3,635,697
Loans to credit institutions		1,716,345	2,089,504
Loans to the public	3.7	18,798,936	17,870,633
Shares		144	144
Goodwill		12,753	12,753
Intangible assets		94,652	93,088
Tangible assets		62,414	60,015
Other assets		123,892	52,105
Aktuell skattefordran		4	1,818
Deferred tax assets		7,875	54,277
Prepaid expenses and accrued income		60,697	57,808
TOTAL ASSETS		24,070,510	23,946,758
LIABILITIES AND EQUITY			
Liabilities			
Deposits and borrowings from the public	8	20,834,961	20,652,997
Other liabilities		251,249	421,487
Current tax liabilities		31,582	97,325
Accrued expenses and prepaid income		319,328	255,968
Deferred tax liabilities		9,527	-
Provisions		7,588	11,158
Subordinated liabilities	11	347,213	346,909
Total liabilities		21,801,448	21,785,844
Equity			
Restricted equity			
Share capital		107,500	107,500
Total restricted equity		107,500	107,500
Non-restricted equity			
Foreign currency reserve		1,671	1,972
Retained earnings including the profit for the period		1,909,891	1,801,442
Total non-restricted equity		1,911,562	1,803,414
Total equity attributable to the shareholders of the Parent Company		2,019,062	1,910,914
Tier 1 capital instrument		250,000	250,000
Total equity attributable to the owners of the Parent Company		2,269,062	2,160,914
TOTAL LIABILITIES AND EQUITY		24,070,510	23,946,758

STATEMENT OF CHANGES IN EQUITY - CONSOLIDATED

SEK thousand	Restricted equity	Non-restricted equity			Total equity
	Share capital ¹	Foreign currency reserve	Retained earnings including the year's results	Tier 1 capital instrument ²	
Equity as at 1 Jan 2023	107,500	3,070	1,428,030	200,000	1,738,600
<i>Adjustments due previous year</i>	-	-	-921	-	-921
Profit for the year	-	-	396,700	-	396,700
Other comprehensive income for the year	-	-1,098	-	-	-1,098
<i>Total comprehensive income for the year</i>	-	-1,098	396,700	-	395,602
<i>Transactions with owners of the Parent company</i>					
<i>Contributions from and value transfers to owners of the Parent company</i>					
Redemption of Tier 1 capital	-	-	-	-100,000	-100,000
Issue of Tier 1 capital	-	-	-	150,000	150,000
Transaction costs, issue of Tier 1 capital	-	-	-3,138	-	-3,138
Tax effect, transaction costs issue of Tier 1 capital	-	-	618	-	618
Interest Tier 1 capital	-	-	-19,847	-	-19,847
<i>Total contributions from and value transfers to owners of the Parent company</i>	-	-	-22,367	50,000	27,633
Equity as at 31 Dec 2023	107,500	1,972	1,801,442	250,000	2,160,914
Equity as at 1 Jan 2024	107,500	1,972	1,801,442	250,000	2,160,914
Profit for the period	-	-	115,812	-	115,812
Other comprehensive income for the period	-	-301	-	-	-301
<i>Total comprehensive income for the period</i>	-	-301	115,812	-	115,511
<i>Transactions with owners of the Parent company</i>					
<i>Contributions from and value transfers to owners of the Parent company</i>					
Interest Tier 1 capital	-	-	-7,453	-	-7,453
Other	-	-	90	-	90
<i>Total contributions from and value transfers to owners of the Parent company</i>	-	-	-7,363	-	-7,363
Equity as at 31 Mar 2024	107,500	1,671	1,909,891	250,000	2,269,062

¹ Share capital comprises of 21 500 000 shares of SEK 5 each.

² Perpetual bonds, SEK 100 million with interest terms STIBOR +6.25% and first possible redemption 1 December 2026 and 150 SEK million with interest terms STIBOR +8.75% and first possible redemption 6 September 2028.

CASH FLOW STATEMENT - CONSOLIDATED

SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Operating activities			
Operating profit	147,929	118,315	509,599
<i>Adjustment for items not included in cash flow</i>			
Depreciation and amortisation of tangible and intangible assets	16,577	13,274	60,466
Accrued interest income and expense	22,375	17,454	90,153
Other non-cash items	396	479	315
Paid income tax	-96,046	-56,306	-53,933
	91,231	93,216	606,600
Increase/decrease in loans to the public	-928,303	-631,898	-3,216,260
Increase/decrease in other short-term receivables	-144,385	-84,807	-45,036
Increase/decrease in deposits and borrowings from the public	181,964	-46,910	4,544,867
Increase/decrease in other short-term liabilities	-127,682	114,996	311,144
Cash flow from operating activities	-927,175	-555,403	2,201,315
Investing activities			
Investments in tangible assets	-7,120	-43,251	-54,113
Investments in intangible assets	-15,733	-11,092	-37,399
Paid interest on lease debt	-304	-349	-1,347
Amortisation of lease debt	-3,676	-3,600	-14,938
Cash flow from investing activities	-26,833	-58,292	-107,797
Financing activities			
Issue of Tier 1 capital	-	150,000	150,000
Issue of Tier 2 capital	-	-	-100,000
Redemption of Tier 1 capital	-	-	150,000
Interest on Tier 1 capital	-7,453	-4,621	-19,847
Transaction costs, issue of Tier 1 capital	-	-	-3,138
Tax effect, transaction costs issue of Tier 1 capital	-	-	618
Cash flow from financing activities	-7,453	145,379	177,633
Cash flow for the period	-961,461	-468,316	2,271,151
Cash and cash equivalents at the beginning of period	5,744,117	3,528,368	3,528,368
Exchange rate difference in cash and cash equivalents	126,487	-2,205	-55,402
Cash and cash equivalents at the end of period	4,909,143	3,057,847	5,744,117
<i>Cash flow from operating activities includes interest expenses paid and interest payments received</i>			
Interest expenses paid	179,467	73,027	460,225
Interest payments received	669,632	453,018	2,214,814
Components of cash and cash equivalents			
Cash and balances with central banks	18,518	61,370	18,916
Treasury bills eligible for refinancing	3,174,280	1,789,398	3,635,697
Loans to credit institutions	1,716,345	1,207,079	2,089,504
Total cash and cash equivalents	4,909,143	3,057,847	5,744,117

NOTES

NOTE 1 General information

TF Bank AB, org.nr. 556158-1041, is a bank limited company with its registered office in Borås, Sweden, which has a license to conduct banking operations. The Bank conducts deposit and/or lending activities to private individuals in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland and the Netherlands by subsidiary, branch or cross-border banking with the support of the Swedish banking license.

COMPANY STRUCTURE

Company	Reg.nr
Parent Company	
TF Bank AB	556158-1041
Branches	
TF Bank AB, branch Finland	2594352-3
TF Bank AB, branch Poland	PL9571076774
TF Bank AB, branch Estonia	14304235
TF Bank AB, branch Norway	923 194 592
TF Bank AB, branch Latvia	50203334311
Subsidiaries	
Avarda AB	559310-4697
Avarda AB, branch Finland	3362665-9
Avarda AS	931 481 169
TFB Service UAB	304785170
TFB Service GmbH	HRB 208869 B
TFBN Services S.L.	B10781789

OWNERSHIP OF TF BANK AB AS AT 31 MARCH 2024

Shareholder	%
TFB Holding AB	30.31
Tiberon AB	15.07
Erik Selin Fastigheter AB	12.60
Proventus Aktiebolag	5.42
Nordnet Pensionsförsäkring AB	4.87
Jack Weil	4.29
Goldman Sachs International	2.49
Carnegie Micro Cap	1.80
Carnegie Småbolagsfond	1.36
Livförsäkringsbolaget Skandia	1.17
Other shareholders	20.62
Total	100.00

Source: Euroclear

All subsidiaries are 100% owned.

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

NOTE 2 Credit risk

Financial risks

TF Bank's activities are exposed to a variety of financial risks: credit risk, market risk (extensive currency risk and interest rate risk) and liquidity risk, but also operational risk and other operating risks such as business risks, economic risks, and reputational risks. TF Bank has designed an operating structure to ensure good risk management. The overall risk policy constitutes the Board of Directors and the management's fundamental policy documents regarding risk management which aims to minimise any potential adverse effects on the Bank's financial results. The Board establishes written policies with regards to both the overall risk management and for the specific areas.

Credit risk is the risk that a counterparty causes the Bank a financial loss by not fulfilling its contractual obligations. The area includes credit risks attributable to the loan portfolio, credit-related concentration risks and counterparty risks. Credit risk arises primarily through lending to the public and is the most significant risk in the Bank. Credit risks may even arise through placement of liquidity and derivative instruments. Credit risk is monitored closely by the relevant functions and by the Board of Directors, which has the ultimate responsibility for managing credit risk. The Board of Directors has issued a credit policy which establishes the framework for the Bank's lending activities. The Bank monitors the development of the level of credit risk in the loan portfolios on a continuous basis. It decides on, and implements, changes to the Bank's lending within the framework of the established credit policy and also proposes amendments to the policy to the Board of Directors. A report on performance is provided to the Board on a regular basis.

The Bank's credit approval process maintains high standards regarding ethics, quality and control. The proportion of past due receivables in stage 3 is affected by the fact that past due receivables are continuously sold on the markets where the price level is such that the Board deems it favorable for the Bank's development and risk profile. From year 2023, the price level has not been deemed favorable in some of the larger markets and the proportion of past due receivables in stage 3 has increased. The Bank's loans to the public consist primarily of unsecured consumer loans. As a result, TF Bank does not list credit risk exposures in a separate table as there are limited assets pledged as security.

Credit risk may even arise through placement of liquidity and derivative instruments with a positive value. By setting limits for the maximum exposure to each counterparty, the credit risk of liquidity placement becomes limited. According to the Bank's financial policy, the maximum amount of Tier 1 capital that may be placed with the Bank's permitted counterparties is 15 %, with the exception of some larger institutions for which the permitted amount is 85 % of Tier 1 capital. Treasury bills, government bonds and balances with central banks, as well as exposure to subsidiaries, are exempted from both limits.

NOTE 3 Operating segments

The CEO has ultimate responsibility for the decisions taken by the Bank. 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. Management evaluates the operating segments' performance based on operating profit.

CONSUMER LENDING

Income statement, SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net interest income	199,470	201,732	814,906
Net fee and commission income	16,212	16,081	65,118
Net results from financial transactions	-622	310	-58
Total operating income	215,060	218,123	879,966
General administrative expenses	-61,815	-60,187	-255,200
Depreciation and amortisation of tangible and intangible assets	-3,180	-3,280	-13,979
Other operating expenses	-1,964	-3,706	-8,823
Total operating expenses	-66,959	-67,173	-278,002
Profit before loan losses	148,101	150,950	601,964
Net loan losses	-68,861	-67,955	-273,311
Operating profit	79,240	82,995	328,653

Balance sheet, SEK thousand	31 Mar 2024	31 Mar 2023	31 Dec 2023
Loans to the public			
Household sector	9,309,786	8,776,663	8,969,464
Corporate sector ¹	88,283	90,567	82,301
Total loans to the public	9,398,069	8,867,230	9,051,765
Household sector			
Stage 1, net	8,356,750	8,178,379	8,121,574
Stage 2, net	354,947	253,649	310,998
Stage 3, net ²	598,089	344,635	536,892
Total household sector	9,309,786	8,776,663	8,969,464

Key figures ³	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Operating income margin, %	9.3	9.9	9.9
Net loan loss ratio, %	3.0	3.1	3.1
Cost/Income ratio, %	31.1	30.8	31.6
Return on loans to the public, %	2.6	2.9	2.8
New lending, SEK thousand	1,151,688	1,616,139	5,340,246

¹ Lending to the corporate sector consists of loans in stage 1 to counterparties regarding the sale of past due receivables.

² The Bank regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Bank's performance and risk profile.

³ See separate section with definitions and reconciliation tables, page 40-41.

Note 3 cont.

CREDIT CARDS

Income statement, SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net interest income	225,127	135,516	713,302
Net fee and commission income	-6,335	-603	-10,928
Net results from financial transactions	-391	150	-27
Total operating income	218,401	135,063	702,347
General administrative expenses	-69,160	-38,297	-209,366
Depreciation and amortisation of tangible and intangible assets	-4,617	-2,477	-13,842
Other operating expenses	-8,199	-17,969	-54,329
Total operating expenses	-81,976	-58,743	-277,537
Profit before loan losses	136,425	76,320	424,810
Net loan losses	-90,878	-51,874	-287,447
Operating profit	45,547	24,446	137,363

Balance sheet, SEK thousand	31 Mar 2024	31 Mar 2023	31 Dec 2023
Loans to the public			
Household sector	6,615,378	3,780,567	5,807,810
Total loans to the public	6,615,378	3,780,567	5,807,810
Household sector			
Stage 1, net	6,081,610	3,643,572	5,386,226
Stage 2, net	172,559	99,737	150,985
Stage 3, net ¹	361,209	37,258	270,599
Total household sector	6,615,378	3,780,567	5,807,810

Key figures ²	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Operating income margin, %	14.1	15.3	15.5
Net loan loss ratio, %	5.9	5.9	6.3
Cost/Income ratio, %	37.5	43.5	39.5
Return on loans to the public, %	2.2	2.1	2.2
New lending, SEK thousand	3,199,354	1,961,253	10,303,935
Number of active credit cards	267,926	161,067	240,241

¹ The Bank regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Bank's performance and risk profile.

² See separate section with definitions and reconciliation tables, page 40-41.

Note 3 cont.

ECOMMERCE SOLUTIONS

Income statement, SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net interest income	96,356	64,331	293,105
Net fee and commission income	31,410	26,518	122,721
Net results from financial transactions	-207	93	-18
Total operating income	127,559	90,942	415,808
General administrative expenses	-65,299	-50,801	-226,342
Depreciation and amortisation of tangible and intangible assets	-8,780	-7,517	-32,645
Other operating expenses	-1,651	-1,153	-1,207
Total operating expenses	-75,730	-59,471	-260,194
Profit before loan losses	51,829	31,471	155,614
Net loan losses	-28,687	-20,597	-96,093
Operating profit	23,142	10,874	59,521

Balance sheet, SEK thousand	31 Mar 2024	31 Mar 2023	31 Dec 2023
Loans to the public			
Household sector	2,769,435	2,606,573	2,988,895
Corporate sector ¹	16,054	31,901	22,163
Total loans to the public	2,785,489	2,638,474	3,011,058
Household sector			
Stage 1, net	2,482,069	2,411,933	2,735,381
Stage 2, net	144,814	115,139	134,101
Stage 3, net ²	142,552	79,501	119,413
Total household sector	2,769,435	2,606,573	2,988,895

Key figures ³	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Operating income margin, %	17.6	13.6	14.5
Net loan loss ratio, %	4.0	3.1	3.4
Cost/Income ratio, %	59.4	65.4	62.6
Return on loans to the public, %	2.4	1.2	1.5
New lending, SEK thousand	1,224,266	1,353,605	6,401,897
Transaction volume, SEK thousand	2,858,147	2,861,062	13,559,511

¹ Lending to the corporate sector consists of loans in stage 1 to a foreign partner within the segment.

² The Bank regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Bank's performance and risk profile.

³ See separate section with definitions and reconciliation tables, page 40-41.

Note 3 cont.

RECONCILIATION AGAINST FINANCIAL INFORMATION

Income statement, SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Operating income			
Consumer Lending	215,060	218,123	879,966
Credit Cards	218,401	135,063	702,347
Ecommerce Solutions	127,559	90,942	415,808
Total operating income	561,020	444,128	1,998,121
Operating profit			
Consumer Lending	79,240	82,995	328,653
Credit Cards	45,547	24,446	137,363
Ecommerce Solutions	23,142	10,874	59,521
Other ¹	-	-	-15,938
Total operating profit	147,929	118,315	509,599

Balance sheet, SEK thousand	31 Mar 2024	31 Mar 2023	31 Dec 2022
Loans to the public			
Consumer Lending	9,398,069	8,867,230	9,051,765
Credit Cards	6,615,378	3,780,567	5,807,810
Ecommerce Solutions	2,785,489	2,638,474	3,011,058
Total loans to the public	18,798,936	15,286,271	17,870,633

NOTE 4 Net loan losses

SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Change in provision for sold past due receivables	-37,912	-73,223	-148,960
Realised loan losses	-9,859	-12,767	-56,031
Recovered from previous realised loan losses	88	197	337
Change in provision for expected loan losses, stage 1-3	-140,743	-54,633	-452,197
Net loan losses	-188,426	-140,426	-656,851

Loan losses are attributable to Loans to the public and classified as amortised cost.

¹ Restructuring costs for adaptations of the current organisation.

NOTE 5 Classification of financial assets and liabilities

31 Mar 2024 SEK thousand	Financial instru- ments at fair value through profit or loss	Fair value through other com- prehensive income	Amortised cost	Derivatives used for hedge accounting	Non- financial assets and liabilities	Total
	Compulsory					
Assets						
Cash and balances with central banks	-	-	18,518	-	-	18,518
Treasury bills eligible for refinancing	-	-	3,174,280	-	-	3,174,280
Loans to credit institutions	-	-	1,716,345	-	-	1,716,345
Loans to the public	-	-	18,798,936	-	-	18,798,936
Shares	144	-	-	-	-	144
Derivatives	71,528	-	-	-	-	71,528
Other assets	-	-	-	-	290,759	290,759
Total assets	71,672	-	23,708,079	-	290,759	24,070,510
Liabilities						
Deposits and borrowings from the public	-	-	20,834,961	-	-	20,834,961
Subordinated liabilities	-	-	347,213	-	-	347,213
Derivatives	24,807	-	-	473	-	25,280
Other liabilities	-	-	-	-	593,994	593,994
Total liabilities	24,807	-	21,182,174	473	593,994	21,801,448

31 Dec 2023 SEK thousand	Financial instru- ments at fair value through profit or loss	Fair value through other com- prehensive income	Amortised cost	Derivatives used for hedge accounting	Non- financial assets and liabilities	Total
	Compulsory					
Assets						
Cash and balances with central banks	-	-	18,916	-	-	18,916
Treasury bills eligible for refinancing	-	-	3,635,697	-	-	3,635,697
Loans to credit institutions	-	-	2,089,504	-	-	2,089,504
Loans to the public	-	-	17,870,633	-	-	17,870,633
Shares	144	-	-	-	-	144
Derivatives	1,197	-	-	1,258	-	2,455
Other assets	-	-	-	-	329,409	329,409
Total assets	1,341	-	23,614,750	1,258	329,409	23,946,758
Liabilities						
Deposits and borrowings from the public	-	-	20,652,997	-	-	20,652,997
Subordinated liabilities	-	-	346,909	-	-	346,909
Derivatives	227,708	-	-	-	-	227,708
Other liabilities	-	-	-	-	558,230	558,230
Total liabilities	227,708	-	20,999,906	-	558,230	21,785,844

NOTE 6 Financial assets and liabilities measured at fair value
Fair value

For financial instruments measured at fair value in the balance sheet, disclosures are required on fair value measurement by level according to the fair value hierarchy below:

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

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

31 Mar 2024 SEK thousand	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with central banks	-	-	18,518	18,518
Treasury bills eligible for refinancing	3,168,045	-	-	3,168,045
Loans to credit institutions	-	-	1,716,345	1,716,345
Loans to the public	-	-	20,380,909	20,380,909
Shares	-	144	-	144
Derivatives	-	71,528	-	71,528
Total assets	3,168,045	71,672	22,115,772	25,355,489
Liabilities				
Deposits and borrowings from the public	-	-	20,834,961	20,834,961
Subordinated liabilities	-	347,213	-	347,213
Derivatives	-	25,280	-	25,280
Total liabilities	-	372,493	20,834,961	21,207,454

31 Dec 2023 SEK thousand	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with central banks	-	-	18,916	18,916
Treasury bills eligible for refinancing	3,629,343	-	-	3,629,343
Loans to credit institutions	-	-	2,089,504	2,089,504
Loans to the public	-	-	19,630,373	19,630,373
Shares	-	144	-	144
Derivatives	-	2,455	-	2,455
Total assets	3,629,343	2,599	21,738,793	25,370,735
Liabilities				
Deposits and borrowings from the public	-	-	20,652,997	20,652,997
Subordinated liabilities	-	346,909	-	346,909
Derivatives	-	227,708	-	227,708
Total liabilities	-	574,617	20,652,997	21,227,614

Note 6 cont.

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.

Specific valuation techniques used to measure financial instruments include:

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

For loans to the public the fair value is based on discounted cash flows using an interest rate based on the market rate at the balance sheet date, which was 16.00 % as at 31 March 2024 and 16.20 % as at 31 December 2023.

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

For lending to the public, the market value has been calculated as the difference between the market capitalisation of TF Bank shares on the balance sheet date and the shareholders' equity adjusted for other surplus and deficit values of assets and liabilities in the balance sheet.

31 Mar 2024 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
Assets			
Cash and balances with central banks	18,518	18,518	-
Treasury bills eligible for refinancing	3,174,280	3,168,045	-6,235
Loans to credit institutions	1,716,345	1,716,345	-
Loans to the public	18,798,936	20,380,909	1,581,973
Shares	144	144	-
Derivatives	71,528	71,528	-
Total assets	23,779,751	25,355,489	1,575,738
Liabilities			
Deposits from the public	20,834,961	20,834,961	-
Subordinated liabilities	347,213	347,213	-
Derivatives	25,280	25,280	-
Total liabilities	21,207,454	21,207,454	-

31 Dec 2023 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
Assets			
Cash and balances with central banks	18,916	18,916	-
Treasury bills eligible for refinancing	3,635,697	3,629,343	-6,354
Loans to credit institutions	2,089,504	2,089,504	-
Loans to the public	17,870,633	19,630,373	1,759,740
Shares	144	144	-
Derivatives	2,455	2,455	-
Total assets	23,617,349	25,370,735	1,753,386
Liabilities			
Deposits from the public	20,652,997	20,652,997	-
Subordinated liabilities	346,909	346,909	-
Derivatives	227,708	227,708	-
Total liabilities	21,227,614	21,227,614	-

NOTE 7 Loans to the public

SEK thousand	31 Mar 2024	31 Dec 2023
Loans to the household sector	18,694,599	17,766,169
Loans to the corporate sector ¹	104,337	104,464
Total loans to the public	18,798,936	17,870,633
Loans to the household sector, gross		
Stage 1, gross	17,200,418	16,505,116
Stage 2, gross	803,735	711,193
Stage 3, gross ²	1,919,731	1,604,567
Total loans to the household sector, gross	19,923,884	18,820,876
Provisions for expected loan losses, household sector		
Stage 1	-279,989	-261,935
Stage 2	-131,416	-115,109
Stage 3 ²	-817,880	-677,663
Total provisions for expected loan losses, household sector	-1,229,285	-1,054,707
Loans to the household sector, net		
Stage 1, net	16,920,429	16,243,181
Stage 2, net	672,319	596,084
Stage 3, net ²	1,101,851	926,904
Total loans to the household sector, net	18,694,599	17,766,169
<i>Geographic distribution of net loans</i>		
Germany	5,502,020	4,784,548
Norway	4,426,772	4,245,890
Finland	3,485,139	3,478,514
Sweden	1,385,810	1,485,643
Estonia	1,057,986	1,066,304
Latvia	1,030,186	988,664
Lithuania	957,935	885,922
Austria	329,700	291,619
Poland	286,790	314,539
Denmark	195,953	176,249
Spain	140,645	152,741
Total loans to the public	18,798,936	17,870,633

CHANGE IN PROVISION FOR NET LOAN LOSSES

SEK thousand	31 Mar 2024	31 Dec 2023
Opening balance	-1,054,707	-607,619
Change in provision for sold loans	-37,912	-148,960
Reversal of provision for sold loans	37,912	148,960
Change in provision for expected loan losses in stage 1	-9,766	-71,555
Change in provision for expected loan losses in stage 2	-12,161	-39,201
Change in provision for expected loan losses in stage 3	-118,816	-351,825
Exchange rate differences	-33,834	15,493
Closing balance	-1,229,284	-1,054,707

¹ Lending to the corporate sector consists of loans in stage 1 to counterparties regarding sale of past due receivables and a loan in stage 1 to a foreign partner within the segment Ecommerce Solutions.

² The Bank regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Bank's performance and risk profile.

NOTE 8 Deposits and borrowings from the public

SEK thousand	31 Mar 2024	31 Dec 2023
Germany	18,609,291	19,275,721
Netherlands	801,897	162,800
Ireland	425,666	103,291
Norway	348,233	559,370
Finland	327,571	326,736
Sweden	171,972	195,191
Spain	150,331	29,888
Total deposits and borrowings from the public	20,834,961	20,652,997

Deposits from the public only occur in the household sector and 98 % (98) is covered by a deposit guarantee scheme. Deposits in Finland are payable on demand. Other countries' deposits are payable on demand and on maturity. Deposits with maturity amounts to 49 % (40) of total deposits from the public.

CHANGES IN DEPOSITS AND BORROWINGS FROM THE PUBLIC

SEK thousand	31 Mar 2024	31 Dec 2023
Opening balance	20,652,997	16,108,130
Change	-573,525	4,642,515
Exchange rate differences	755,489	-97,648
Closing balance	20,834,961	20,652,997

NOTE 9 Capital adequacy**Background**

Information about the Bank's capital adequacy in this document includes information in accordance with Chapter 6, Sections 3-4 of the Swedish Financial Supervisory Authority's (Swedish FSA) regulations and general guidelines (FFFS 2008:25) on annual accounts of credit institutions and investment firms and related information contained in article 433b of Regulation (EU) No 575/2013 and Chapter 8, Section 1 of the Swedish FSA's regulations and general guidelines on regulatory requirements and capital buffers (FFFS 2014:12). TF Bank AB is the responsible institution and is under the supervision of the Swedish FSA. As a result, the Bank is subject to the rules governing credit institutions in Sweden. TF Bank AB is a listed company and as such the stock exchange rules are also applicable. TF Bank is classified as a small and non-complex institute in accordance to article 4.1.145 of Regulation (EU) No 575/2013. The Bank's statutory capital requirements are governed by the Swedish Special Supervision of Credit Institutions and Investment Firms Act (2014:968), Regulation (EU) No 575/2013, the Act on Capital Buffers (2014:966) and the Swedish FSA's regulations and general recommendations on regulatory requirements and capital buffers (FFFS 2014:12) and the Swedish FSA's memorandum (FI dnr 20-20990) on the new capital requirements for Swedish banks.

Own funds

TF Bank's own funds consists of equity attributable to the shareholders and issued bonds. Shareholders' equity after regulatory adjustments constitutes common equity Tier 1 capital. Issued bonds constitute additional Tier 1 capital or Tier 2 capital. The bonds are subordinated to the Bank's other creditors and bonds that constitute additional Tier 1 capital can under certain conditions be converted into share capital. On March 7, 2024, the Swedish FSA approved TF Bank AB's application to include the interim profit in own funds.

Risk exposure amount

TF Bank's risk exposure amount mainly consists of credit risk and operational risk. The risk exposure amount for credit risk is calculated according to the standardised method and the Bank's exposures are weighted based on various percentages specified in Regulation (EU) No. 575/2013. The risk exposure amount for operational risk is calculated using the alternative standardised method according to Regulation (EU) No. 575/2013.

Capital requirements

The regulatory capital requirement in pillar 1 means that total own funds must amount to at least 8 % of the risk-weighted exposure amount for credit risk, credit valuation adjustment risk, market risk and operational risk. After that, additional capital requirements are added for the risks that are not covered via pillar 1, which is, for example, concentration risk, currency risk and interest rate risk. The capital requirements for these risks are covered via pillar 2. In addition to this, additional capital is allocated for a capital conservation buffer of 2.5 % of the risk-weighted exposure amount as well as an institution-specific countercyclical capital buffer that is weighted based on geographical exposures. As of 31 March 2024, TF Bank's countercyclical buffer requirement of 1.1 % is related to 2.5 % for exposures in Norway and Denmark, 2.0 % for exposures in Sweden, 1.5 % for exposures in Estonia, 1.0 % for exposures in Lithuania and 0.75 % for exposures in Germany.

Internally assessed capital requirement

At least annually, TF Bank carries out a process to assess whether the Bank's capital and liquidity forecast during the coming three-year period is sufficient to manage the risks to which the Bank is, or may become, exposed. The process is carried out in accordance with Article 73 of the EU directive EU/2013/36 and is called internal capital and liquidity assessment process (ICAAP).

Note 9 cont.

THE GROUP'S CAPITAL SITUATION ¹

SEK thousand	31 Mar 2024	31 Dec 2023
Common Equity Tier 1 capital (CET1)	1,915,710	1,817,029
Additional Tier 1 capital (AT1)	250,000	250,000
Tier 2 capital	347,213	346,909
Own funds	2,512,923	2,413,938
Risk exposure amount	15,896,707	15,143,851
- of which: credit risk	14,946,536	14,207,588
- of which: credit valuation adjustment risk	26,014	12,106
- of which: market risk	-	-
- of which: operational risk	924,157	924,157
Capital ratios		
CET1 capital ratio, %	12.1	12.0
Tier 1 capital ratio, %	13.6	13.6
Total capital ratio, %	15.8	15.9

THE GROUP'S REGULATORY CAPITAL REQUIREMENTS

SEK thousand	31 Mar 2024		31 Dec 2023	
	Amount	Percent ³	Amount	Percent ³
Capital requirement under pillar 1				
CET1 capital	715,352	4.5	681,473	4.5
Tier 1 capital	953,802	6.0	908,631	6.0
Total capital	1,271,737	8.0	1,211,508	8.0
Capital requirement under pillar 2				
CET1 capital	85,940	0.5	91,531	0.6
Tier 1 capital	114,587	0.7	122,042	0.8
Total capital	152,783	1.0	162,722	1.1
- of which, concentration risk	150,022	0.9	135,850	0.9
- of which, currency risk	2,431	0.0	1,664	0.0
- of which, interest rate risk	330	0.0	25,208	0.2
Total capital requirement under pillar 1 and pillar 2				
CET1 capital	801,292	5.0	773,004	5.1
Tier 1 capital	1,068,390	6.7	1,030,673	6.8
Total capital	1,424,520	9.0	1,374,230	9.1
Institution-specific buffer requirement				
Total buffer requirement	577,051	3.6	555,779	3.7
- of which, capital conservation buffer	397,418	2.5	378,596	2.5
- of which, countercyclical buffer	179,633	1.1	177,183	1.2
Total capital requirement including buffer requirement				
CET1 capital	1,378,343	8.7	1,328,784	8.8
Tier 1 capital	1,645,440	10.4	1,586,452	10.5
Total capital	2,001,570	12.6	1,930,009	12.7

¹ In accordance with (EU) 2021/637 TF Bank AB discloses the information about capital adequacy and other information as per the template "EU KM1" on page 42.

² Capital requirements expressed as a percentage of the risk exposure amount.

Note 9 cont.

GROUP'S OWN FUNDS

SEK thousand	31 Mar 2024	31 Dec 2023
CET1 capital		
Share capital	107,500	107,500
Other reserves	1,671	1,972
Retained earnings including net profit for the period reviewed by the auditor	1,909,891	1,801,442
Adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends ¹	-2,855	-
- Intangible assets ²	-22,544	-35,882
- Goodwill	-12,753	-12,753
- Deferred tax assets that rely on future profitability	-	-4,969
- Insufficient coverage for non-performing exposures ³	-65,200	-40,281
Total CET1 capital	1,915,710	1,817,029
Additional Tier 1 capital		
Perpetual subordinated loan	250,000	250,000
Tier 2 capital		
Fixed term subordinated loans	347,213	346,909
Own funds	2,512,923	2,413,938

THE GROUP'S SPECIFICATION OF RISK EXPOSURE AMOUNT AND CAPITAL REQUIREMENT

SEK thousand	31 Mar 2024		31 Dec 2023	
	Risk exposure amount	Capital requirement 8 %	Risk exposure amount	Capital requirement 8 %
Credit risk under the standardised approach				
Corporate exposures	89,906	7,192	79,920	6,394
Household exposures	13,161,446	1,052,916	12,597,979	1,007,838
Exposures secured by real estate collateral	15,616	1,249	15,891	1,271
Exposures in default	1,101,387	88,111	926,385	74,111
Exposures to institutions	402,572	32,206	415,622	33,250
Equity exposures	144	12	144	12
Other items	175,465	14,037	171,647	13,732
Total	14,946,536	1,195,723	14,207,588	1,136,607
Credit valuation adjustment				
Standardised method	26,014	2,081	12,106	968
Total	26,014	2,081	12,106	968
Market risk				
Foreign exchange rate risk	-	-	-	-
Total	-	-	-	-
Operational risk				
Alternative Standardised Approach	924,157	73,933	924,157	73,933
Total	924,157	73,933	924,157	73,933
Total risk exposure amount and total capital requirement	15,896,707	1,271,737	15,143,851	1,211,508

¹ Deduction of dividends have been made in accordance with the Board of Directors' proposal to the Annual General Meeting and the dividend policy for interim results.

² Deduction according to Commission Delegated Regulation (EU) 2020/2176.

³ Deduction according to Regulation (EU) No 2019/630.

NOTE 10 Liquidity coverage**Background**

Information about the Bank's liquidity coverage in this document includes information in accordance with Chapter 5, Section 9 of the Swedish FSA's regulations and general guidelines (FFFS 2010:7) on publication of information on liquidity risk. Information on regulatory liquidity requirements in this document refers to information set out in Part Six of Regulation (EU) No 575/2013.

Liquidity reserve

In accordance with FFFS 2010:7, a responsible institution is required to keep a separate reserve of high-quality liquid assets that can be used to secure short-term solvency in the event of the loss or deterioration of access to normally available funding sources. TF Bank's available liquidity reserve consists of treasury bills, government bonds, cash at central banks and loans to credit institutions. Only amounts that are available the following day are counted in the available liquidity reserve.

Sources of financing

TF Bank's main source of financing is deposits from the public. Deposits are only from the household sector and 98 % (98) is covered by a government deposit guarantee scheme. The other sources of financing are subordinated debt, additional Tier 1 capital instruments and equity attributable to the shareholders.

THE GROUP'S LIQUIDITY POSITION

SEK thousand	31 Mar 2024	31 Dec 2023
Liquidity reserve¹		
Treasury bills eligible for refinancing - EU-commission ²	1,089,704	1,322,471
Treasury bills eligible for refinancing - Sweden ²	746,732	1,129,677
Treasury bills and government securities eligible for refinancing - Norway ²	534,905	246,800
Treasury bills eligible for refinancing - Finland ²	516,175	495,926
Treasury bills eligible for refinancing - Germany ²	286,764	-
Treasury bills eligible for refinancing - Netherlands ²	-	440,823
Total liquidity reserve	3,174,280	3,635,697
Other available liquidity reserve		
Cash and balances with central banks ³	6,293	5,968
Loans to credit institutions ³	1,542,842	1,562,740
Total other available liquidity reserve	1,549,135	1,568,708
Total available liquidity reserve	4,723,415	5,204,405
Sources of financing		
Deposits from the public	20,834,961	20,652,997
Subordinated liabilities	347,213	346,909
Tier 1 capital instrument	250,000	250,000
Equity attributable to shareholders	2,019,062	1,910,914
Total sources of financing	23,451,236	23,160,820
Key figures		
Available liquidity reserve / Deposits from the public	23	25
Liquidity coverage ratio, %	408	354
Net Stable Funding ratio, %	121	128

REGULATORY LIQUIDITY REQUIREMENTS

	31 Mar 2024	31 Dec 2023
Key figures		
Liquidity coverage ratio, %	100	100
Net Stable Funding ratio, %	100	100

¹ According to definition in FFFS 2010:7.

² Remaining term to maturity for treasury bills is up to 6 month. Maturity date for Norwegian Government bonds of NOK 250 million is 19 February 2026.

³ Excluding restricted cash and cash equivalents that are not available the next day.

NOTE 11 Subordinated liabilities

SEK thousand	31 Mar 2024	31 Dec 2023
Fixed-term subordinated liabilities	347,213	346,909
Total	347,213	346,909

Subordinated loans are subordinated to other liabilities. The table below shows the terms for each bond and the prospectus are available on the Bank's website, www.tfbankgroup.com.

Issuing date	Nominal amount (SEK thousand)	Interest rate terms	Maturity date
27 September 2019	100,000	STIBOR 3 months +4.65%	27 September 2029
14 December 2020	100,000	STIBOR 3 months +5.50%	14 December 2030
28 February 2023	150,000	STIBOR 3 months +6.50%	28 February 2033

NOTE 12 Pledged assets, contingent liabilities and commitments

SEK thousand	31 Mar 2024	31 Dec 2023
Pledged assets		
Restricted bank deposits ¹	12,225	12,948
Total	12,225	12,948

SEK thousand	31 Mar 2024	31 Dec 2023
Commitments		
Unutilised credit limits	7,271,011	5,983,885
Total	7,271,011	5,983,885

According to the Board's assessment, TF Bank has no contingent liabilities.

¹ Restricted bank deposits refers to minimum reserve requirements at central banks in Estonia, Finland, Latvia and Poland.

NOTE 13 Transactions with related parties

Transactions between Group companies refer to invoicing of services provided by subsidiaries. Transactions with other related parties in the table below refer to transactions between TF Bank and companies that largely have the same owner as TF Bank's largest owner TFB Holding AB, corporate identity number 556705-2997. All transactions are priced according to the market.

SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
<i>The following transactions have been made between companies within the Group:</i>			
General administrative expenses	-5,243	-1,742	-7,671
Total	-5,243	-1,742	-7,671
<i>The following transactions have been made with other related parties:</i>			
Interest income (transaction costs)	-8,977	-10,242	-41,739
Fee and commission income	500	733	2,907
General administrative expenses	-380	-370	-1,688
Total	-8,857	-9,879	-40,520
<i>Acquisition of assets and liabilities from other related parties:</i>			
Ecommerce Solutions	106,157	115,708	496,554
Total	106,157	115,708	496,554

SEK thousand	31 Mar 2024	31 Dec 2023
<i>Assets and liabilities at the end of the period as a result of transactions with other related parties:</i>		
Other assets	557	412
Other liabilities	5,135	178

PARENT COMPANY

Generally

TF Bank AB, org.nr. 556158-1041, is a banking company registered in Borås, Sweden. The company is licensed to conduct banking operations. Deposit and/or lending activities are conducted in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland and the Netherlands through branch or cross-border banking with the support of the Swedish banking license.

JANUARY - MARCH 2024

COMPARED TO JANUARY - MARCH 2023 (unless otherwise stated)

Operating profit

Operating profit increased by 10 % to SEK 129.9 million (117.6). The result has been affected by operations in Ecommerce Solutions in the Nordic region are conducted through subsidiaries since the fourth quarter of 2023.

Operating income

The operating income has increased by 2 % to SEK 452.9 million (444.5). The increase is related to the growing loan portfolio in Germany but has also been negatively affected by the fact that the operations within Ecommerce Solutions in the Nordic region are conducted through subsidiaries.

Operating expenses

The operating expenses decreased by 14 % to SEK 160.1 million (186.5). The decrease is mainly explained by operations in Ecommerce Solutions in the Nordic region are conducted through subsidiaries.

Loan losses

The loan losses increased by 16 % to SEK 162.9 million (140.4). The growing loan portfolio in the Credit Cards segment contributed to an increase in the loan losses.

Tax expense

The tax expenses increased to SEK 28.6 million (25.5). The increase in the tax expenses is related to a higher operating profit.

JANUARY - MARCH 2024

COMPARED TO 31 DECEMBER 2023 (unless otherwise stated)

Loans to the public

Loans to the public increased by 7 % to SEK 16,472 million (15,424) in the first quarter of 2024. The increase is impacted by record volumes in the Credit Cards segment.

Deposits from the public

Deposits from the public increased to SEK 20,835 million (20,653) during the first quarter 2024. At the end of the quarter, deposits were geographically distributed between Germany at 89 % and in other countries 11 %.

Loans to credit institutions

Loans to credit institutions amounted to SEK 2,390 million (2,994) at the end of the first quarter 2024. The majority of the lending consists of accounts payable on demand at various Nordic banks. The amount includes lending to the subsidiary Avarda AB of SEK 1,063 million (1,324).

Shares in subsidiaries

Shares in subsidiaries amounted to SEK 1,615 million (1,615) at the end of the quarter.

Capital adequacy

The capital ratios have been relatively stable since year-end and at the end of the quarter the Parent Company's total capital ratio was 15.9 % (16.2), the Tier 1 capital ratio was 13.7 % (13.9) and the Common Equity Tier 1 capital ratio was 12.1 % (12.2).

INCOME STATEMENT - PARENT COMPANY

SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Operating income			
Interest income	645,839	491,700	2,293,271
Interest expense	-203,053	-89,775	-547,971
Net interest income	442,786	401,925	1,745,300
Fee and commission income	48,824	60,924	246,847
Fee and commission expense	-37,710	-18,929	-103,335
Net fee and commission income	11,114	41,995	143,512
Net results from financial transactions	-1,030	552	-902
Total operating income	452,870	444,472	1,887,910
Operating expenses			
General administrative expenses	-144,270	-154,059	-661,489
Depreciation and amortisation of tangible and intangible assets	-5,508	-9,577	-37,668
Other operating expenses	-10,300	-22,828	-63,862
Total operating expenses	-160,078	-186,464	-763,019
Profit before loan losses	292,792	258,008	1,124,891
Net loan losses	-162,878	-140,426	-631,231
Operating profit	129,914	117,582	493,660
Income tax for the period	-28,645	-25,522	-109,159
Profit for the period	101,269	92,060	384,501

STATEMENT OF OTHER COMPREHENSIVE INCOME - PARENT COMPANY

SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Profit for the period	101,269	92,060	384,501
Other comprehensive income			
Items that may subsequently be reclassified to the income statement			
Gross exchange rate differences	-732	-65	-1,173
Tax on exchange rate differences in the period	-	14	260
Other comprehensive income for the period	-732	-51	-913
Total comprehensive income for the period	100,537	92,009	383,588

BALANCE SHEET - PARENT COMPANY

SEK thousand	31 Mar 2024	31 Dec 2023
ASSETS		
Cash and balances with central banks	18,518	18,916
Treasury bills eligible for refinancing	3,075,131	3,536,570
Loans to credit institutions	2,389,846	2,994,041
Loans to the public	16,472,046	15,424,259
Shares	144	144
Shares in subsidiaries	1,614,558	1,614,558
Goodwill	7,333	7,652
Intangible assets	39,283	39,216
Tangible assets	6,244	6,514
Other assets	105,212	13,644
Deferred tax assets	129	55,285
Prepaid expenses and accrued income	56,513	53,286
TOTAL ASSETS	23,784,957	23,764,085
LIABILITIES AND EQUITY		
Liabilities		
Deposits and borrowings from the public	20,834,960	20,652,996
Other liabilities	46,638	295,421
Current tax liabilities	24,195	94,075
Deferred tax liabilities	10,053	-
Accrued expenses and prepaid income	275,138	217,527
Provisions	7,588	11,158
Subordinated liabilities	347,213	346,909
Total liabilities	21,545,785	21,618,086
Equity		
Restricted equity		
Share capital	107,500	107,500
Statutory reserve	1,000	1,000
Development costs fund	39,283	39,215
Total restricted equity	147,783	147,715
Non-restricted equity		
Tier 1 capital instrument	250,000	250,000
Foreign currency reserve	-2,010	-1,278
Retained earnings	1,742,130	1,365,061
Profit for the period	101,269	384,501
Total non-restricted equity	2,091,389	1,998,284
Total equity	2,239,172	2,145,999
TOTAL LIABILITIES AND EQUITY	23,784,957	23,764,085

NOTE 14 Capital adequacy
THE PARENT COMPANY'S CAPITAL SITUATION

SEK thousand	31 Mar 2024	31 Dec 2023
Common Equity Tier 1 capital (CET1)	1,899,697	1,829,184
Additional Tier 1 capital (AT1)	250,000	250,000
Tier 2 capital	347,213	346,909
Own funds	2,496,910	2,426,093
Risk exposure amount	15,717,394	14,942,035
- of which: credit risk	14,811,301	14,050,361
- of which: credit valuation adjustment risk	28,927	14,508
- of which: market risk	-	-
- of which: operational risk	877,166	877,166
Capital ratios		
CET1 capital ratio, %	12.1	12.2
Tier 1 capital ratio, %	13.7	13.9
Total capital ratio, %	15.9	16.2

THE PARENT COMPANY'S REGULATORY CAPITAL REQUIREMENTS

SEK thousand	31 Mar 2024		31 Dec 2023	
	Amount	Percent ¹	Amount	Percent ¹
Capital requirement under pillar 1				
CET1 capital	707,283	4.5	672,392	4.5
Tier 1 capital	943,044	6.0	896,522	6.0
Total capital	1,257,392	8.0	1,195,363	8.0
Capital requirement under pillar 2				
CET1 capital	87,253	0.6	84,641	0.6
Tier 1 capital	116,338	0.7	112,855	0.8
Total capital	155,117	1.0	150,473	1.0
- of which, concentration risk	145,629	0.9	128,880	0.9
- of which, currency risk	2,157	0.0	1,261	0.0
- of which, interest rate risk	7,331	0.0	20,332	0.1
Total capital requirement under pillar 1 and pillar 2				
CET1 capital	794,536	5.1	757,033	5.1
Tier 1 capital	1,059,381	6.7	1,009,377	6.8
Total capital	1,412,509	9.0	1,345,836	9.0
Institution-specific buffer requirement				
Total buffer requirement	587,831	3.7	564,809	3.8
- of which, capital conservation buffer	392,935	2.5	373,551	2.5
- of which, countercyclical buffer	194,896	1.2	191,258	1.3
Total capital requirement including buffer requirement				
CET1 capital	1,382,367	8.8	1,321,842	8.8
Tier 1 capital	1,647,212	10.5	1,574,186	10.5
Total capital	2,000,339	12.7	1,910,645	12.8

¹ Capital requirements expressed as a percentage of the risk exposure amount.

Note 14 cont.

THE PARENT COMPANY'S OWN FUNDS

SEK thousand	31 Mar 2024	31 Dec 2023
CET1 capital		
Share capital	107,500	107,500
Other reserves	38,273	38,938
Retained earnings including net profit for the period reviewed by the auditor	1,843,399	1,749,561
Adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends ¹	-2,855	-
- Intangible assets ²	-14,256	-18,965
- Goodwill	-7,333	-7,652
- Insufficient coverage for non-performing exposures ³	-65,031	-40,198
Total CET1 capital	1,899,697	1,829,184
Additional Tier 1 capital		
Perpetual subordinated loan	250,000	250,000
Tier 2 capital		
Fixed term subordinated loans	347,213	346,909
Own funds	2,496,910	2,426,093

THE PARENT COMPANY'S SPECIFICATION OF RISK EXPOSURE AMOUNT AND CAPITAL REQUIREMENT

SEK thousand	31 Mar 2024		31 Dec 2023	
	Risk exposure amount	Capital requirement 8 %	Risk exposure amount	Capital requirement 8 %
Credit risk under the standardised approach				
Corporate exposures	89,906	7,192	79,920	6,394
Household exposures	11,495,165	919,613	10,822,202	865,776
Exposures secured by real estate collateral	15,616	1,249	15,891	1,271
Exposures in default	996,206	79,696	847,714	67,817
Exposures to institutions	505,817	40,465	598,944	47,916
Equity exposures	1,614,702	129,176	1,614,702	129,176
Other items	93,889	7,511	70,988	5,679
Total	14,811,301	1,184,904	14,050,361	1,124,029
Credit valuation adjustment				
Standardised method	28,927	2,314	14,508	1,161
Total	28,927	2,314	14,508	1,161
Market risk				
Foreign exchange rate risk	-	-	-	-
Total	-	-	-	-
Operational risk				
Alternative Standardised Approach	877,166	70,173	877,166	70,173
Total	877,166	70,173	877,166	70,173
Total risk exposure amount and total capital requirement	15,717,394	1,257,392	14,942,035	1,195,363

¹ Deduction of dividends have been made in accordance with the Board of Directors' proposal to the Annual General Meeting and the dividend policy for interim results.

² Deduction according to Commission Delegated Regulation (EU) 2020/2176.

³ Deduction according to Regulation (EU) No 2019/630.

THE PARENT COMPANY'S LIQUIDITY POSITION

SEK thousand	31 Mar 2024	31 Dec 2023
Liquidity reserve¹		
Treasury bills eligible for refinancing - EU-commission ²	1,089,704	1,322,471
Treasury bills eligible for refinancing - Sweden ²	647,583	1,030,550
Treasury bills and government securities eligible for refinancing - Norway ²	534,905	246,800
Treasury bills eligible for refinancing - Finland ²	516,175	495,926
Treasury bills eligible for refinancing - Germany ²	286,764	-
Treasury bills eligible for refinancing - Netherlands ²	-	440,823
Total liquidity reserve	3,075,131	3,536,570
Other available liquidity reserve		
Cash and balances with central banks ³	6,293	5,968
Loans to credit institutions ³	1,152,100	1,142,989
Total other available liquidity reserve	1,158,393	1,148,957
Total available liquidity reserve	4,233,524	4,685,527
Sources of financing		
Deposits from the public	20,834,960	20,652,996
Subordinated liabilities	347,213	346,909
Tier 1 capital instrument	250,000	250,000
Equity attributable to shareholders	1,989,172	1,895,999
Total sources of financing	23,421,345	23,145,904
Key figures		
Available liquidity reserve / Deposits from the public	20	23
Liquidity coverage ratio, %	241	231
Net Stable Funding ratio, %	123	129

REGULATORY LIQUIDITY REQUIREMENTS

	31 Mar 2024	31 Dec 2023
Key figures		
Liquidity coverage ratio, %	100	100
Net Stable Funding ratio, %	100	100

¹ According to definition in FFFS 2010:7.

² Remaining term to maturity for treasury bills is up to 6 month. Maturity date for Norwegian Government bonds of NOK 250 million is 19 February 2026.

³ Excluding restricted cash and cash equivalents that are not available the next day.

ASSURANCE BY THE BOARD OF DIRECTORS AND THE CEO

The interim report has not been reviewed by the company's auditor.

The Board of Directors and the CEO certify that the interim report gives a true and fair overview of the development of the operations, financial position and result of the parent company and the Group and describes the material risks and uncertainties that the parent company and the Group faces.

Borås, 15 April 2024

John Brehmer
Chairman

Niklas Johansson

Michael Lindengren

Sara Mindus

Fredrik Oweson

Arti Zeighami

Joakim Jansson
President and CEO

DEFINITIONS

TF Bank uses Alternative Performance Measures that are not defined in the applicable financial reporting framework (IFRS). The Alternative Performance Measures are used to increase understanding of the Bank's financial performance among readers of the financial statements. Alternative Performance Measures may be calculated in different ways and do not need to be comparable with similar key ratios used by other companies. TF Bank definitions of the Alternative Performance Measures are shown below.

CET1 CAPITAL RATIO

CET1 capital as a percentage of total risk exposure amount.

COST/INCOME (C/I) RATIO

Operating expenses divided by operating income.

EARNINGS PER SHARE

Net profit for the period attributable to the shareholders of the Parent company divided by the 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 for the period divided by average loans to the public.

NEW LENDING

New loans (the cash flow) in the period, the amounts have been reduced by returns.

NUMBER OF ACTIVE CREDIT CARDS

All issued cards at the last day of the period with balance above 0 or transaction in last twelve months prior to reporting date.

OPERATING INCOME MARGIN

Total operating income for the period divided by average loans to the public.

RETURN ON EQUITY

Net profit for the period attributable to the shareholders of the Parent company as a percentage of equity attributable to the shareholders of the Parent company.

RETURN ON LOANS TO THE PUBLIC

Net profit for the period attributable to the shareholders of the Parent company divided by average loans to the public. For the segments, net profit is calculated using a standard deduction for interest on Tier 1 capital instruments and a standard tax rate.

TIER 1 CAPITAL RATIO

Tier 1 capital, i.e. CET1 capital and Additional Tier 1 capital, as a percentage of total risk exposure amount.

TOTAL CAPITAL RATIO

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

TRANSACTION VOLUME

The sum of all purchases that go through TF Bank's payment solutions.

FINANCIAL CALENDAR

2 May 2024	Annual General Meeting 2024
12 July 2024	Interim report January-June 2024
15 October 2024	Interim report January-September 2024

This is information which TF Bank is required to disclose under the EU Market Abuse Regulation. The information was provided for publication 16 April 2024 at 07:00 CET.

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RECONCILIATION TABLES

KEY FIGURES ¹

SEK thousand	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Income statement			
<i>Earnings per share, SEK</i>	5.04	4.10	17.53
Net profit for the period attributable to the shareholder's of the Parent Company	108,359	88,149	376,853
Average number of outstanding shares, thousands	21,500	21,500	21,500
Key figures ²			
<i>Operating income margin, %</i>	12.2	11.9	12.3
Total operating income, annualised	2,244,080	1,776,512	1,998,121
Average loans to the public	18,334,785	14,970,322	16,262,503
<i>Net loan loss ratio, %</i>	4.1	3.8	4.0
Net loan losses, annualised	753,704	561,704	656,851
Average loans to the public	18,334,785	14,970,322	16,262,503
<i>Cost/Income ratio, %</i>	40.0	41.7	41.6
Total operating expenses	224,665	185,387	831,671
Total operating income	561,020	444,128	1,998,121
<i>Return on equity, %</i>	22.1	22.3	21.9
Net profit for the period attributable to the shareholder's of the Parent Company, annualised	433,436	352,596	376,853
Average equity attributable to the shareholder's of the Parent Company	1,964,988	1,582,617	1,724,757
<i>Return on loans to the public, %</i>	2.4	2.4	2.3
Net profit for the period attributable to the shareholder's of the Parent Company, annualised	433,436	352,596	376,853
Average loans to the public	18,334,785	14,970,322	16,262,503

¹ The annualised figure has been calculated by multiplying the quarterly figure by four. The average has been calculated as opening balance plus closing balance, divided by two.

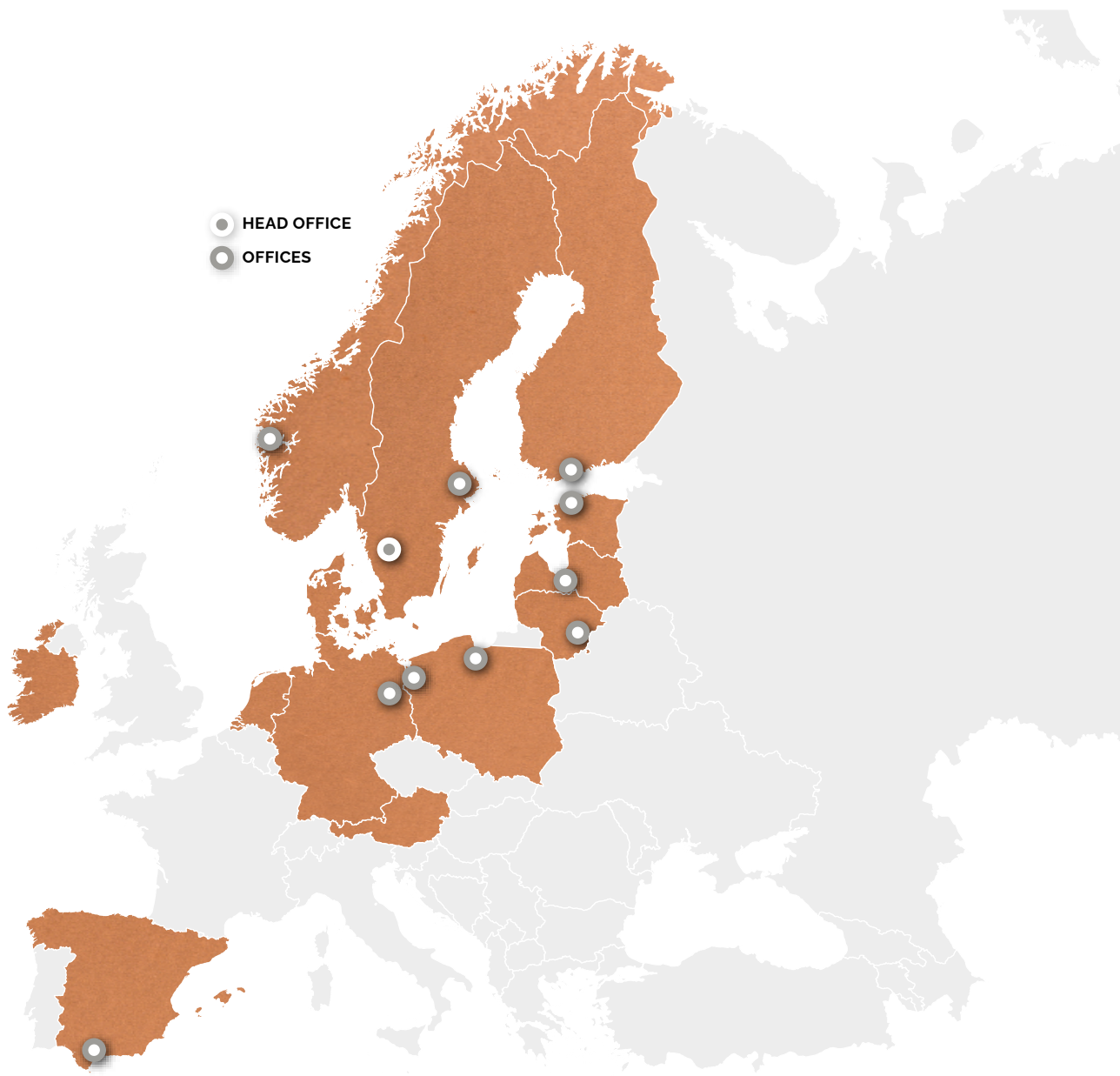
² Calculation of capital ratios is shown in Note g.

REGULATORY KEY METRICS

TEMPLATE "EU KM1 – KEY METRICS TEMPLATE" IS DISCLOSED BELOW AS PER THE TECHNICAL STANDARDS IN THE COMMISSION IMPLEMENTING REGULATION 2021/637.

SEK thousand	31 Mar 2024	31 Dec 2023
Available own funds		
1 Common Equity Tier 1 capital (CET1)	1,915,710	1,817,029
2 Tier 1 capital	2,165,710	2,067,029
3 Total capital	2,512,923	2,413,938
Risk-weighted exposure amount		
4 Total risk exposure amount	15,896,707	15,143,851
Capital ratios (% of risk-weighted exposure amount)		
5 Common Equity Tier 1 ratio, %	12.1	12.0
6 Tier 1 ratio, %	13.6	13.6
7 Total capital ratio, %	15.8	15.9
Additional own funds requirements to address risks other than the risk of excessive leverage (% of risk-weighted exposure amount)		
EU 7a Additional own funds requirements to address risks other than the risk of excessive leverage, %	1.0	1.1
EU 7b - of which, to be made up of CET1 capital, %	0.5	0.6
EU 7c - of which, to be made up of Tier 1 capital, %	0.7	0.8
EU 7d Total SREP own funds requirements, %	9.0	9.1
Combined buffer and overall capital requirement (% of risk-weighted exposure amount)		
8 Capital conservation buffer, %	2.5	2.5
EU 8a Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State, %	N/A	N/A
9 Institution specific countercyclical capital buffer, %	1.1	1.2
EU 9a Systemic risk buffer, %	N/A	N/A
10 Global Systemically Important Institution buffer, %	N/A	N/A
EU 10a Other Systemically Important Institution buffer, %	N/A	N/A
11 Combined buffer requirement, %	3.6	3.7
EU 11a Overall capital requirements, %	12.6	12.7
12 CET1 available after meeting the total SREP own funds requirements, %	7.0	6.9
Leverage ratio		
13 Total exposure measure	24,716,220	24,150,038
14 Leverage ratio, %	8.8	8.6
Additional own funds requirements to address risks of excessive leverage (% of leverage ratio total exposure amount)		
EU 14a Additional own funds requirements to address the risk of excessive leverage, %	N/A	N/A
EU 14b - of which, to be made up of CET1 capital, %	N/A	N/A
EU 14c Total SREP leverage ratio requirements, %	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement (% of total exposure measure)		
EU 14d Total SREP leverage ratio requirements, %	N/A	N/A
EU 14e Overall leverage ratio requirements, %	3.0	3.0
Liquidity Coverage Ratio		
15 Total high-quality liquid assets (Weighted value – average)	3,180,573	3,641,665
EU 16a Cash outflows – Total weighted value	2,040,898	2,070,091
EU 16b Cash inflows – Total weighted value	1,262,282	1,042,366
16 Total net cash outflows (adjusted value)	778,616	1,027,725
17 Liquidity coverage ratio, %	408	354
Net Stable Funding Ratio		
18 Total available stable funding	18,143,153	18,626,082
19 Total required stable funding	15,044,868	14,553,355
20 Net Stable Funding ratio, %	121	128

TF BANK'S GEOGRAPHICAL PRESENCE



SHARE OF LOAN PORTFOLIO BY QUARTER

