INTERIM REPORT

January-September 2017

TFBank

THE PERIOD IN BRIEF

THE PERIOD JANUARY-SEPTEMBER 2017 COMPARED WITH JANUARY-SEPTEMBER 2016

- Total operating income increased by 16.9 % to SEK 377.6 million
- The loan portfolio amounted to SEK 2,950 million on 30 September 2017, an increase of 18.5 % since the end of 2016
- Operating profit increased by 46.5 % to SEK 142.8 million
- Adjusted operating profit increased by 22.3 % to SEK 142.8 million [1]
- Net profit increased by 43.1 % to SEK 109.3 million
- Adjusted net profit increased by 19.6 % to SEK 109.3 million [1]
- The cost/income ratio was 37.0 % (38.1)
- CET1 capital ratio was 13.5 % and the total capital ratio was 16.7 %
- Earnings per share amounted to SEK 5.22 (3.84)
- Adjusted earnings per share amounted to SEK 5.22 (4.54) [1]

THIRD QUARTER, JULY-SEPTEMBER 2017 COMPARED WITH JULY-SEPTEMBER 2016

- Total operating income increased by 14.1 % to SEK 130.3 million
- Operating profit increased by 19.6 % to SEK 51.5 million
- Adjusted operating profit increased by 15.8 % to SEK 51.5 million [1]
- Net profit increased by 15.2 % to SEK 39.2 million
- Adjusted net profit increased by 11.7 % to SEK 39.2 million [1]
- The cost/income ratio was 35.2 % (37.2)
- Earnings per share amounted to SEK 1.87 (1.70)
- Adjusted earnings per share amounted to SEK 1.87 (1.75) [1]

SIGNIFICANT EVENTS, JANUARY-SEPTEMBER 2017

- The subsidiary Avarda signed an agreement in June with a large Nordic merchant, Hobby Hall.
- TF Bank has started to offer deposits in Norway and Germany.
- The subsidiary BB Finans received approval in August to provide banking services in Norway and in connection with the approval changed its name to BB Bank ASA.

Our successful geographical diversification of both the loan portfolio and financing continues.

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

SEK 378 MILLION +17 %

LOAN PORTFOLIO
30 SEPTEMBER 2017 COMPARED WITH 31 DECEMBER 2016

SEK 3.0 BILLION +19 %

TOTAL CAPITAL RATIO
30 SEPTEMBER 2017 COMPARED WITH 31 DECEMBER 2016

16.7 % -1.5 PERCENTAGE POINTS

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

SEK 5.22 +15 %

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

See separate section with definitions, page 35.

CEO'S COMMENTS

TF Bank continues to grow and operating profit for the first nine months of the year was SEK 142.8 million, an increase of 22 % compared to the previous year and adjusted for items affecting comparability. The growth levels follow the bank's long-term plan and lending to the public increased by 19 % to almost SEK 3 billion. The cost/income ratio decreased from 38.1 % to 37.0 % and return on equity was 30 %.

Extended geographic presence
Our successful geographical diversification of both the loan portfolio and financing continues. In July, we received permission to conduct cross-border operations in Germany and Austria. As a next step, the Board of Directors decided in September to apply for a cross-border license to Lithuania. This means that we are now advancing in all Baltic countries with Estonia, where we have good experience for many years, at the forefront.

As we previously communicated, our long-term goal is to match deposits and lending in the same currency. This was partly the reasoning behind the decision to launch deposits in Germany during the summer and the offer has been well received by the market. Today, approximately 80 % of our business is outside of Sweden, which makes it even more important for us to increase our funding in currencies other than Swedish kronor.

The competition

We have seen a lot of changes in the competitive situation in 2017, especially regarding new Norwegian banks that affect the market in both Norway and Finland. The higher capital requirements and the proposed new rules for unsecured loans in Norway have meant that some Norwegian banks have chosen to expand their operations to other countries. This has opened up possibilities for us to continue our expansion in Norway, via BB Bank.

Consequently, we see new challenges in Finland where portfolio growth did not reach the levels we had anticipated for the quarter. This is however to some extent also due to the fact that we remain true to our proven business model not to significantly increase the average loan amount. At the same time, it underlines the importance of operating simultaneously in several markets with the ability to shift focus, depending on the underlying conditions. It also shows the importance of combining growth goals with profitability goals and continuously focusing on costs in order to achieve continued growth in results.

Shareholder Survey
In order to evaluate how our shareholders view the company, we conducted a shareholder survey in September and I would like to thank all shareholders who participated in the survey. As a result, we have decided to publish a newsletter on a regular basis to showcase the company's ongoing business to existing and potential new shareholders. In the newsletters, we will present news and in-depth information about our business and the industry in which we work, as well as summarising important company events. In the first newsletter, there will be an interview with our CFO, Mikael Meomuttel, which will, among other things, address why we have launched deposits in Germany and how we view future expansion. Furthermore, you will be able to read a brief interview with our new country manager in Finland.

I am looking forward to an exciting and eventful last quarter of 2017, and I would like to warmly welcome all new shareholders to TF Bank.

Declan Mac Guinness
President & CEO

THE GROUP

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

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

KEY FIGURES, GROUP

SEK thousand	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
Income statement					
Operating income	130,310	114,235	377,624	322,903	440,799
Operating profit	51,536	43,103	142,814	97,514	139,824
Net profit for the period	39,229	34,052	109,313	76,393	109,268
Earnings per share, SEK	1.87	1.70	5.22	3.84	5.47
Balance sheet					
Loans to the public	2,950,303	2,356,677	2,950,303	2,356,677	2,489,283
Deposits from the public	3,512,642	2,200,635	3,512,642	2,200,635	2,284,645
Credit volume	701,663	579,508	2,185,006	1,753,768	2,391,729
Key figures					
Operating income margin, %	18.4	20.5	18.4	20.5	20.2
Net loan loss ratio, %	4.6	5.4	4.6	5.4	5.1
Cost/Income ratio, %	35.2	37.2	37.0	38.1	38.6
Return on equity, %	30.2	25.7	30.2	25.7	29.1
CET1 capital ratio, %	13.5	14.6	13.5	14.6	14.5
Total capital ratio, %	16.7	18.6	16.7	18.6	18.2
Employees (FTE)	112	99	108	98	98

ADJUSTED KEY FIGURES, GROUP

SEK thousand	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
Operating profit	51,536	43,103	142,814	97,514	139,824
Items affecting comparability [1]	-	1,388	-	19,275	19,275
Adjusted operating profit	51,536	44,491	142,814	116,789	159,099
Adjusted income tax expense	-12,307	-9,356	-33,501	-25,362	-34,797
Adjusted net profit for the period	39,229	35,135	109,313	91,428	124,302
Adjusted net profit attributable to the shareholders of the Parent company	40,221	37,549	112,291	97,568	132,538
Adjusted earnings per share, SEK	1.87	1.75	5.22	4.54	6.16
Adjusted return on equity, %	30.2	31.6	30.2	31.6	32.8

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

See separate section with definitions, page 35.

EARNINGS AND FINANCIAL POSITION

JANUARY - SEPTEMBER 2017

Operating profit increased by 46.5 % to SEK 142.8 million (97.5). Items affecting comparability, related to the stock market listing, are included in the comparative period with SEK 19.3 million. Adjusted operating profit increased by 22.3 % and was positively affected by the Group's growth in lending and improved C/I ratio. Adjusted earnings per share increased to SEK 5.22 (4.54) and adjusted return on equity was 30.2 % (31.6).

Operating income

Operating income increased by 16.9 % to SEK 377.6 million (322.9) during the first nine months of 2017. The operating income margin decreased to 18.4 % (20.5), mainly due to a change in the new lending product mix as Norwegian consumer loans constitute an increasing share of the Group's lending.

Interest income

Interest income increased by 20.2 % to SEK 393.2 million (327.2) during the interim period. The increase is generated by strong organic lending growth, particularly in Norway but also in Poland and the Baltics, which had a positive impact on the Groups interest income. Interest income for consumer loans and credit cards in Norway were significantly higher than the first nine months of 2016.

Interest expenses

The Group's interest expenses amounted to SEK 47.4 million (36.4). The increase in interest expenses is primarily due to a growing balance of deposits as well the fact that lending growth is primarily driven by foreign markets, where interest rates are somewhat higher. However, new deposit products have contributed to a reduction in the Group's interest expenses in relation to interest bearing liabilities during the year.

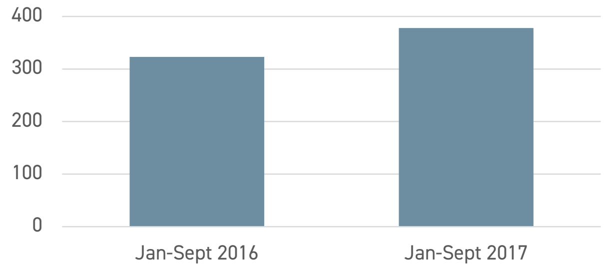
Net fee and commission income

Net fee and commission income amounted to SEK 31.7 million (31.5). Net fee and commission income is mainly made up of insurance-related income and expenses. During 2017 net fee and commission income has been adversely affected by an adjustment of the product mix in Poland, where there are no new sales of insurance products due to legal requirements.

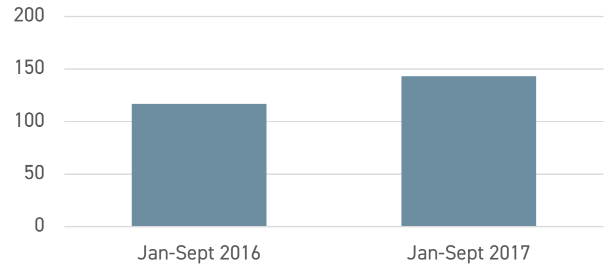
Operating expenses

The Group's operating expenses increased by 13.7 % to SEK 139.8 million (123.0). The increase is mainly attributable to more employees in the Group, IT expenses and expenses related to the growth in new lending. Costs increased less than income leading to a decrease in C/I ratio to 37.0 % (38.1).

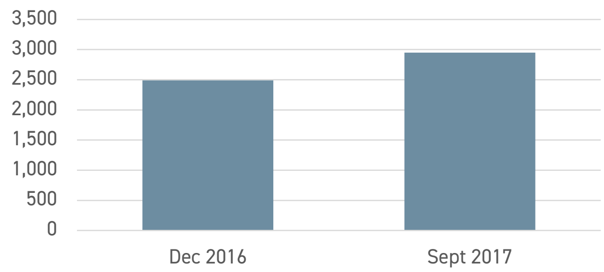
OPERATING INCOME (SEK million)



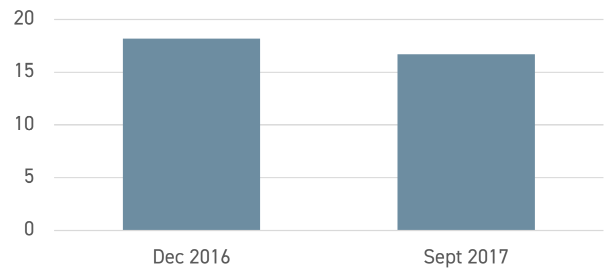
ADJUSTED OPERATING PROFIT (SEK million) [1]



LOANS TO THE PUBLIC (SEK million)



TOTAL CAPITAL RATIO (%)



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

See separate section with definitions, page 35.

Loan losses
Net loan losses increased by 14.3 % to SEK 95.0 million (83.1), whereas the net loan loss level decreased to 4.6 % (5.4), mainly as a result of lower loan losses in the growing Norwegian market. New agreements with debt collection agencies in the Swedish and Finnish markets also had a positive impact on the loan losses during the interim period.

Tax expenses
The Group's tax expense amounted to SEK 33.5 million (21.1). The average tax rate increased to 23.5 % (21.7). The tax rate in 2017 is affected by the fact that interest expenses on the bank's subordinated loan are no longer tax-deductible. In addition, the high corporate tax in Norway is having a larger impact on the Groups tax rate as BB Bank continues to show positive growth.

Lending
The loans to the public increased by 18.5 % to SEK 2,950 million (2,489) during the first nine months of the year. Currency effects had negative impact on growth with 0.7 %. Customer balance growth is largely due to the Norwegian operations, where both BB Bank's consumer loans and credit cards take market shares. The loan portfolios in Poland and the Baltics continue to grow according to plan and are steadily increasing their share of the total loan balance. The Group's new lending amounted to SEK 2,185 million (1,754).

Deposits
Deposits from the public increased by 53.8 % to SEK 3,513 million (2,285). New deposits in Sweden, Norway and Germany have contributed to the strong growth during the interim period. The new products lead to increased spread of geographical risk and lower funding costs for the Group. Pricing of deposit products was adjusted during the year to meet the liquidity needs of the Group's different currencies.

Investments
The Group's investments amounted to SEK 9.5 million (5.7) during the first nine months of 2017, which mainly relate to investments in the in-house developed proprietary ledger system as well as product development within Sales Finance.

Cash and cash equivalents
The Group's liquidity reserve amounted to SEK 1,203 million (380.9). The increase in 2017 is mainly related to the high deposit growth. The Group's total available liquidity, including undrawn credit facility of SEK 31 million, amounted to 35% (31) of deposits from the public at the end of the interim period. The strong liquidity position resulted in the Parent company deciding in July to terminate in advance the agreement for a credit facility of SEK 300 million.

Capital adequacy
TF Bank's capital ratios continue to be at levels providing a good margin against the regulatory requirements. The CET1 capital ratio was 13.5 % (14.5), while the total capital ratio was 16.7 % (18.2). The continued growth in lending and higher amount of liquid assets was compensated in part by a lower amount of non-performing loans and from the recognition of the interim profit after taking into account of foreseeable dividend according to the dividend policy. The Group is in a good position to meet both increased regulatory capital requirements and higher capital requirements as a result of the Group's expected future growth.

JULY - SEPTEMBER 2017

Operating profit increased by 19.6 % to SEK 51.5 million (43.1). Costs affecting comparability related to the IPO was charged to the comparative period with SEK 1.4 million. The adjusted operating profit increased by 15.8 %. Adjusted earnings per share increased to SEK 1.87 (1.75).

Operating income

The Group's operating income increased by 14.1 % to SEK 130.3 million (114.2) compared to the comparative period in 2016. Net interest income rose to SEK 119.2 million (104.0) and is positively affected by growth in Norway, while the quarter's development for consumer loans in Sweden and Finland has dampened the increase. Net commission income was affected by seasonal variations in Sales Finance and amounted to SEK 10.3 million (10.3).

Operating expenses

The Group's operating expenses increased by 7.9 % to SEK 45.9 million (42.5), while the C/I ratio improved with two percentage points to 35.2 % (37.2). Seasonally, the third quarter is always positively affected by the holiday period, which reduces the Group's salary costs compared with the previous quarter. The average number of employees during the quarter was 112 (99).

Loan losses

During the quarter net loan losses rose by 20.8 % to SEK 32.9 million (27.2). The loan portfolio increased sharply during the first quarter with the growth affecting the loan losses. In September, BB Bank divested a small portfolio of unsecured receivables, which had a slight positive effect on the Group's loan losses during the quarter. The nominal amount of the portfolio amounted to approximately SEK 13 million.

Tax expenses

The Group's tax expense amounted to SEK 12.3 million (9.1). The average tax rate increased to 23.9 % (21.0). The difference is primarily due to the fact that the comparative figures were positively affected by tax effects on changes in value of unrealised currency derivatives and a strong result in BB Bank during the third quarter of the year.

DIRECT TO CONSUMER

JANUARY-SEPTEMBER 2017

Background

In the Direct to Consumer segment, TF Bank offers unsecured consumer loans to creditworthy individuals. The average loan amount per customer on 30 September 2017 was approximately SEK 32 thousand with an average maturity of approximately 22 months. The most common use of the loan is to meet short-term financing needs, such as vacation, home appliances, car repair and the like.

Operations are conducted in six countries and the established core markets are Sweden, Finland and Norway. In recent years, the consumer credit market has grown steadily in these countries and growth has been higher than GDP growth. Operations are also conducted in Estonia and Latvia and in September it was decided to apply to also carry out cross-border operations in Lithuania, which means that the segment will be active in all Baltic countries. In the Polish market, TF Bank uses primarily credit intermediaries to find new customers.

The loan portfolio

Lending to the public increased by 15.2 % to SEK 2,392 million (2,076) in the first nine months of 2017. Currency effects have adversely affected growth by 0.7 %. New lending for the segment amounted to SEK 1,324 million (1,056) during the period.

Development has been strong in Norway with organic growth of 35.5 % to SEK 677 million (500). [1] The regulatory changes that apply from 1 October 2017 are deemed to affect BB Bank's products to a lesser extent than some other lenders, largely due to the lower average loan amount. The loan portfolio in Finland increased by 4.2 % to SEK 759 million (728) during the period. Increased competition, mainly from Norwegian banks seeking new markets, has affected growth in the third quarter.

The Swedish portfolio decreased by SEK 5 million to SEK 472 million (477), mainly due to a more challenging competitive situation in that market.

Loan portfolios in the Baltics and Poland have had stable growth during the interim period. In Estonia, the portfolio has increased by 15.8 % to SEK 268 million (231). The increase in the portfolio size is affected by the fact that a portfolio of non-performing loans was divested in June. The loan book in Latvia is developing according to plan and has increased by SEK 35 million to SEK 36 million (1). Growth in Poland has been stable at 29.8% during the period, and the loan portfolio amounted to SEK 180 million (139) on 30 September.

Result

Operating profit for the segment increased by 12.8 % to SEK 137.8 million (122.2). Lending growth, combined with relatively low cost increases has had a positive impact on earnings for the period.

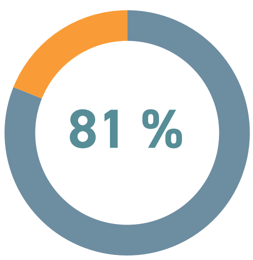
Operating revenues increased by 13.7 % to SEK 309.5 million (272.1). Growth has been organic and comes primarily from consumer loans in Norway, but other markets have also contributed to increasing the segment's operating income during the period.

Operating expenses increased by 9.4 % to SEK 95.4 million (87.2). The number of employees in BB Bank has increased somewhat due to strong lending growth in Norway. Costs attributable to new lending volumes are also higher compared with the corresponding period in 2016.

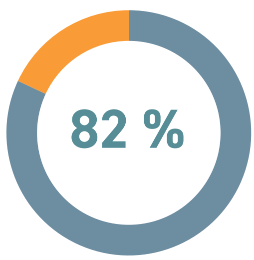
Loan losses have increased by 21.6 % to SEK 76.3 million (62.8). The increase is mainly related to the growth in the loan portfolio and somewhat poorer credit quality in Sweden and Finland.

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

SHARE OF THE GROUP'S LOANS TO THE PUBLIC



SHARE OF THE GROUP'S OPERATING INCOME



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

SALES FINANCE

JANUARY-SEPTEMBER 2017

Background

In the Sales Finance segment, TF Bank offers financing solutions to e-commerce and retailers including online payment solutions, invoices and instalment payments. From 1 January 2017 Norwegian credit cards are included in the segment.[1]

Within Sales Finance, TF Bank operates on its own behalf and through Avarda, a subsidiary operated with Intrum Justitia, which owns 49 % of the shares. TF Bank manages its own customer base in the Nordic region and develops the service outside the Nordic region through cross-border operations or through branch offices. Avarda focuses on the Nordic markets, where the ambition is to grow and establish itself. Avarda continues with its plans to offer an attractive service to retailers and the implementation of new customers, including the Finnish retailer Hobby Hall.

The segment's operations are also conducted through the wholly owned Norwegian subsidiary BB Bank. The subsidiary's credit card offerings continue to gain market share and growth in this newly established part of the Sales Finance segment has already led to an increased in the loan book, increased revenues and an increase in operating profit.

The segment's progress in Poland, where TF Bank offers a solution to local traders, indicates that the solution is competitive even outside the Nordic countries.

The loan portfolio

Lending to the public increased by 35.1 % to SEK 558 million (413) during the interim period. Currency effects have adversely affected growth by 0.6%. New lending for the segment amounted to SEK 861 million (698).

The credit card portfolio in Norway amounted to SEK 113 million (0) at the end of the period.[1] The loan portfolio in Poland continued to develop well during the period and amounted to SEK 67 million (26) at the end of the period. In other markets, changes have been relatively small during the period.

Result

Operating profit for the segment amounted to SEK 5.0 million (-5.4) during the period. The profit for the year so far is positively affected by the Norwegian credit card business and an improved result in Avarda.

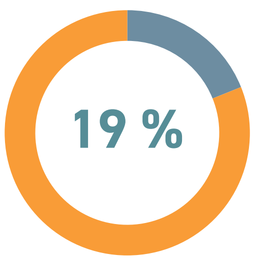
Operating revenues increased by 34.2 % to SEK 68.1 million (50.8). Organic growth in Norway and Poland, as well as higher revenues in Avarda, are the main reasons for the increase.

Operating expenses increased by 24.2 % to SEK 44.4 million (35.8), mainly related to credit card operations in Norway and operations in Poland. BB Bank has increased its investments in marketing during the year.

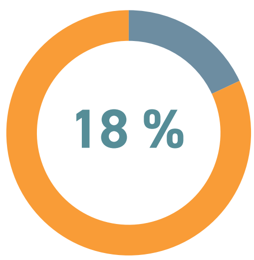
Loan losses decreased by 8.2 % to SEK 18.7 million (20.4). The main reasons for the decline are higher prices for ongoing sales of debts and a general improvement in credit quality.

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

SHARE OF THE GROUP'S LOANS TO THE PUBLIC



SHARE OF THE GROUP'S OPERATING INCOME



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

ACCOUNTING POLICIES AND RISKS

Accounting policies

The interim report has been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). In addition, amendments to the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board, and the Swedish Financial Supervisory Authority's regulations (FFFS 2008:25) have also been applied.

The Parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board, and the Swedish Financial Supervisory Authority's regulations (FFFS 2008:25).

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

IFRS 9 "Financial Instruments"

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

Impairment requirements in IFRS 9 is based on a model of expected loan losses, unlike the current model for incurred loan losses in IAS 39. TF Bank is in the final phase of the IFRS 9 project and is currently working on completing and validating the developed models. The new requirements are expected to have a material impact through increased provisions for loan losses and reduced equity, but with current proposals for how IFRS 9 will affect the capital adequacy, the effect on own funds will initially become less material as the effect will be phased in over a five-year period. The transition effect due to the new standard will be communicated in connection with the year-end report for 2017 or earlier.

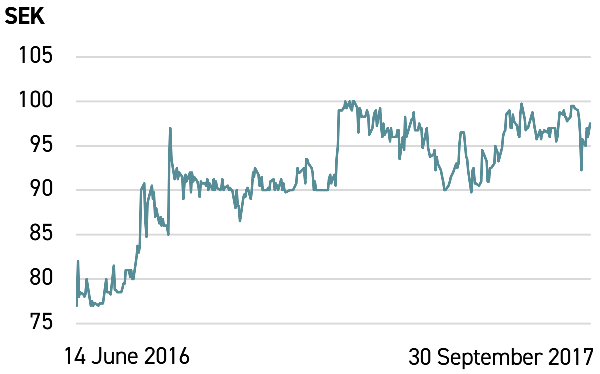
Risks and uncertainties

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

OTHER FINANCIAL INFORMATION

The share (TFBANK)

On 14 June 2016 TF Bank listed the NASDAQ Stockholm Mid Cap list with a price per share of SEK 77. The number of outstanding shares amounts to 21.5 million ordinary shares. Since the stock market listing the share has performed well and at the end of Q3 2017 the closing share price was SEK 97.50, an increase of approximately 27 %. In total, 6.7 million shares were traded on the Nasdaq Stockholm during the period 14 June 2016 to 30 September 2017 with a total value of approximately SEK 589 million. The share's ticker symbol is TFBANK and the ISIN code is SE0007331608.



Financial targets

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

Growth

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

Efficiency

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

Capital structure

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

Dividend policy

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

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

Significant events, January-September 2017

In January TF Bank started to offer deposits for its customers in Norway.

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

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

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

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

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

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

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

In August TF Bank started a branch in Estonia.

TF Bank launched deposits in Germany.

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

Events after the end of the reporting period

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

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

INCOME STATEMENT, GROUP

SEK thousand	Note	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
	1, 2, 3, 9					
Operating income						
Interest income		135,406	116,253	393,180	327,226	448,870
Interest expense		-16,250	-12,300	-47,443	-36,442	-49,870
Net interest income		**119,156**	**103,953**	**345,737**	**290,784**	**399,000**
Fee and commission income		12,427	12,110	37,923	37,169	49,045
Fee and commission expense		-2,158	-1,859	-6,271	-5,663	-7,654
Net fee and commission income		**10,269**	**10,251**	**31,652**	**31,506**	**41,391**
Net results from financial transactions		885	31	235	613	408
Total operating income		**130,310**	**114,235**	**377,624**	**322,903**	**440,799**
Operating expenses						
General administrative expenses		-40,648	-37,432	-124,647	-107,848	-149,786
Depreciation, amortisation and impairment charges of tangible and intangible assets		-1,725	-1,243	-4,975	-3,345	-4,744
Other operating expenses		-3,542	-3,871	-10,182	-11,782	-15,601
Total operating expenses		**-45,915**	**-42,546**	**-139,804**	**-122,975**	**-170,131**
Profit before loan losses		**84,395**	**71,689**	**237,820**	**199,928**	**270,668**
Net loan losses		-32,859	-27,198	-95,006	-83,139	-111,569
Items affecting comparability		-	-1,388	-	-19,275	-19,275
Operating profit		**51,536**	**43,103**	**142,814**	**97,514**	**139,824**
Income tax expense		-12,307	-9,051	-33,501	-21,121	-30,556
Net profit for the period		**39,229**	**34,052**	**109,313**	**76,393**	**109,268**
Attributable to:						
Shareholders of the Parent company		*40,221*	*36,466*	*112,291*	*82,533*	*117,504*
Non-controlling interests		*-992*	*-2,414*	*-2,978*	*-6,140*	*-8,236*
Basic earnings per share (SEK)		*1.87*	*1.70*	*5.22*	*3.84*	*5.47*
Diluted earnings per share (SEK)		*1.87*	*1.70*	*5.22*	*3.84*	*5.47*

STATEMENT OF COMPREHENSIVE INCOME, GROUP

SEK thousand	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
Net profit for the period	**39,229**	**34,052**	**109,313**	**76,393**	**109,268**
Other comprehensive income:					
Items that may be reclassified subsequently to the income statement					
Gross fair value gains/losses on available for sale financial assets	2	10	27	190	228
Tax on fair value gains/losses during the period	-	-3	-	-48	-
Gross currency translation differences	107	224	-911	578	609
Tax on currency translation differences during the period	275	1,039	-663	1,962	1,576
Other comprehensive income, net of tax	**384**	**1,270**	**-1,547**	**2,682**	**2,413**
Total comprehensive income for the period	**39,613**	**35,322**	**107,766**	**79,075**	**111,681**
Attributable to:					
Shareholders of the Parent company	*40,649*	*37,616*	*110,727*	*84,949*	*119,663*
Non-controlling interests	*-1,036*	*-2,294*	*-2,961*	*-5,874*	*-7,982*

BALANCE SHEET, GROUP

SEK thousand	Note	30 Sept 2017	31 Dec 2016
	1, 2, 3, 4, 5, 7, 9		
ASSETS			
Cash and balances with central banks		61,823	30,510
Treasury bills eligible for refinancing		120,229	60,211
Loans to credit institutions		979,525	290,152
Loans to the public	6	2,950,303	2,489,283
Shares		41,359	263
Goodwill		12,301	12,673
Intangible assets		23,623	18,414
Tangible assets		1,287	1,610
Other assets		10,885	9,509
Current tax assets		19,700	11,697
Deferred tax assets		8,559	6,830
Prepaid expenses and accrued income		14,409	10,973
Total assets		**4,244,003**	**2,942,125**
LIABILITIES AND EQUITY			
Liabilities			
Deposits and borrowings from the public		3,512,642	2,284,645
Other liabilities		18,731	17,853
Current tax liabilities		11,700	5,213
Deferred tax liabilities		12,462	14,597
Accrued expenses and prepaid income		56,468	53,490
Subordinated liabilities		97,595	97,040
Total liabilities		**3,709,598**	**2,472,838**
Equity			
Share capital (21,500,000 shares of SEK 5 each)		107,500	107,500
Accumulated other comprehensive income		-78	1,486
Other reserves		-274	1,934
Retained earnings		298,632	228,428
Net profit for the period attributable to the shareholders of the Parent company		112,291	117,504
Total equity attributable to the shareholders of the Parent company		**518,071**	**456,852**
Non-controlling interests		16,334	12,435
Total equity		**534,405**	**469,287**
Total liabilities and equity		**4,244,003**	**2,942,125**

CASH FLOW STATEMENT, GROUP

SEK thousand	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
Operating activities			
Operating profit	142,814	97,514	139,824
Adjustment for items not included in cash flow:			
Depreciation and amortisation	4,975	3,345	4,744
Accrued interest income and expense	-3,642	-9,409	-4,097
Other non-cash items	-329	4,499	4,029
Paid income tax	-35,680	-36,134	-37,328
	108,138	**59,815**	**107,172**
Increase/decrease in loans to the public	-461,020	-519,099	-651,705
Increase/decrease in other short-term claims	-46,422	26,507	19,325
Increase/decrease in deposits and borrowings from the public	1,227,997	-28,927	55,083
Increase/decrease in other short-term liabilities	4,148	-13,205	-10,207
Cash flow from operating activities	**832,841**	**-474,909**	**-480,332**
Investing activities			
Investments in tangible assets	-338	-764	-921
Investments in intangible assets	-9,151	-4,951	-11,062
Cash flow from investing activities	**-9,489**	**-5,715**	**-11,983**
Financing activities			
Shareholder's contribution	6,860	9,310	14,114
Change in liabilities to credit institutions	-	76	-516
Dividends paid	-47,300	-9,675	-9,675
Option premium	-	1,772	1,934
Share-based remuneration	-2,208	-	-
Cash flow from financing activities	**-42,648**	**1,483**	**5,857**
Cash flow for the period	**780,704**	**-479,141**	**-486,458**
Cash and cash equivalents at the beginning of period	**380,873**	**867,331**	**867,331**
Cash and cash equivalents at the end of period	**1,161,577**	**388,190**	**380,873**
Cash flow from operating activities includes interest expenses paid and interest payments received with the following amounts:			
Interest expenses paid	33,620	45,232	53,181
Interest payments received	254,041	310,163	423,817

STATEMENT OF CHANGES IN EQUITY, GROUP

SEK thousand	Share capital	Other comprehensive income	Other reserves	Retained earnings	Net profit for the period	Non-controlling interests	Total equity
Balance as at 1 Jan 2016	**107,500**	**-673**	**-**	**144,868**	**93,235**	**6,303**	**351,233**
Net profit for the period	-	-	-	-	117,504	-8,236	109,268
Gross fair value gains/losses on available for sale financial assets	-	228	-	-	-	-	228
Gross currency translation differences	-	355	-	-	-	254	609
Tax on currency translation differences during the period	-	1,576	-	-	-	-	1,576
Total comprehensive income for the period, net of tax	**-**	**2,159**	**-**	**-**	**117,504**	**-7,982**	**111,681**
Transfer from retained earnings	-	-	-	93,235	-93,235	-	-
Dividend	-	-	-	-9,675	-	-	-9,675
Option premium	-	-	1,934	-	-	-	1,934
Shareholders' contribution	-	-	-	-	-	14,114	14,114
Balance as at 31 Dec 2016	**107,500**	**1,486**	**1,934**	**228,428**	**117,504**	**12,435**	**469,287**
Balance as at 1 Jan 2017	**107,500**	**1,486**	**1,934**	**228,428**	**117,504**	**12,435**	**469,287**
Net profit for the period	-	-	-	-	112,291	-2,978	109,313
Gross fair value gains/losses on available for sale financial assets	-	27	-	-	-	-	27
Gross currency translation differences	-	-928	-	-	-	17	-911
Tax on currency translation differences during the period	-	-663	-	-	-	-	-663
Total comprehensive income for the period, net of tax	**-**	**-1,564**	**-**	**-**	**112,291**	**-2,961**	**107,766**
Transfer from retained earnings	-	-	-	117,504	-117,504	-	-
Shareholders' contribution	-	-	-	-	-	6,860	6,860
Dividend	-	-	-	-47,300	-	-	-47,300
Share-based compensation	-	-	-2,208	-	-	-	-2,208
Balance as at 30 Sept 2017	**107,500**	**-78**	**-274**	**298,632**	**112,291**	**16,334**	**534,405**

NOTES

NOTE 1 General information

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

Shareholder	%
TFB Holding AB	47.03
Erik Selin Fastigheter AB	11.63
Merizole Holding LTD	7.01
Swedbank Robur fonder	5.35
Danica Pension Försäkrings AB	4.87
SEB Life International	3.90
Proventus Aktiebolag	3.00
Pareto Nordic Return	1.70
Skandia fond småbolag Sverige	1.28
Clearstream Banking S.A.	1.22
Other shareholders	13.01
Total	**100.00**

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

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

Subsidiaries
- TFB Service OÜ (12676808) 100 %
- TFB Service SIA (40203015782) 100 %
- Avarda AB (556986-5560) 51 %
- Avarda Oy (2619111-6) 51 %
- BB Bank ASA (935590221) 100 %
- Confide AS (948063603) 100 %

NOTE 2 Credit risk

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

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

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

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

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

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

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

Group SEK thousand	30 Sept 2017	31 Dec 2016
Loans, not past due	2,519,351	2,113,837
Loans past due, 1 - 10 days	258,292	194,437
Loans past due, 11 - 69 days	123,059	109,270
Non-performing loans	106,532	129,346
Total	**3,007,234**	**2,546,890**
Provision for expected loan losses	-56,931	-57,607
Total loans to the public	**2,950,303**	**2,489,283**

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

CREDIT QUALITY OF FULLY PERFORMING LOANS

Group SEK thousand	30 Sept 2017	31 Dec 2016
Household sector		
Low risk	1,914,821	1,515,744
Medium risk	617,659	542,420
High risk	368,222	359,380
Total household sector	**2,900,702**	**2,417,544**

Note 2 cont.

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

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

Group SEK thousand	30 Sept 2017	31 Dec 2016
Cash and balances with central banks		
AA+	59,180	30,510
BBB+	2,643	-
Treasury bills eligible for refinancing		
AAA	120,229	60,211
Loans to credit institutions		
A-1+	269,782	172,312
A-1	689,862	115,372
A-2	19,878	2,468
Unrated	3	-
Other assets		
A-1+	3,337	3,715
A-1	41,104	-
Unrated	7,575	3,960
Total	**1,213,593**	**388,548**

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

Impairment of financial assets

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

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

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

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

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

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

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

NET LOAN LOSSES

Group SEK thousand	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
Change in provision for sold non-performing loans	-22,218	-21,069	-76,712	-65,782	-85,429
Realised loan losses	-12,452	-5,476	-25,185	-14,480	-18,572
Recovered from previous write-offs	2,833	2,042	5,885	6,173	7,662
Change in provision for other expected loan losses	-1,022	-2,695	1,006	-9,050	-15,230
Net loan losses	**-32,859**	**-27,198**	**-95,006**	**-83,139**	**-111,569**

NOTE 3 Operating segments

The CEO has the ultimate responsibility for the decisions being taken by the Group. Management has defined the operating segments based on the information determined by the CEO and used as a basis for decisions on the allocation of resources and evaluation of results. The Board of Directors evaluates the operating segments' performance based on their operating profits.

DIRECT TO CONSUMER

Income statement, SEK thousand	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
Net interest income	98,009	89,954	292,983	254,291	349,127
Net fee and commission income	5,255	5,687	16,228	17,192	22,564
Net results from financial transactions	810	23	267	654	501
Total operating income	**104,074**	**95,664**	**309,478**	**272,137**	**372,192**
General administrative expenses	-27,938	-25,186	-84,460	-73,369	-101,046
Depreciation, amortisation and impairment charges of tangible and of intangible assets	-1,120	-992	-3,292	-2,640	-3,752
Other operating expenses	-2,198	-3,842	-7,659	-11,211	-14,943
Total operating expenses	**-31,256**	**-30,020**	**-95,411**	**-87,220**	**-119,741**
Profit before loan losses	**72,818**	**65,644**	**214,067**	**184,917**	**252,451**
Net loan losses	-25,443	-18,769	-76,293	-62,755	-85,103
Operating profit	**47,375**	**46,875**	**137,774**	**122,162**	**167,348**
Attributable to:					
The shareholders of the Parent company	*47,375*	*46,875*	*137,774*	*122,162*	*167,348*
Non-controlling interests	-	-	-	-	-

Balance sheet, SEK thousand	30 Sept 2017	31 Dec 2016
Loans to the public		
Household sector	2,391,935	2,075,880
Corporate sector	-	-
Total loans to the public	**2,391,935**	**2,075,880**
Household sector		
Net performing loans	2,345,328	2,005,712
Net non-performing loans	46,607	70,168
Total household sector	**2,391,935**	**2,075,880**

Note 3 cont.

SALES FINANCE

Income statement, SEK thousand	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
Net interest income	21,147	13,999	52,754	36,493	49,873
Net fee and commission income	5,014	4,564	15,424	14,314	18,827
Net results from financial transactions	75	8	-32	-41	-93
Total operating income	**26,236**	**18,571**	**68,146**	**50,766**	**68,607**
General administrative expenses	-12,710	-12,246	-40,187	-34,479	-48,740
Depreciation, amortisation and impairment charges of tangible and of intangible assets	-605	-251	-1,683	-705	-992
Other operating expenses	-1,344	-29	-2,523	-571	-658
Total operating expenses	**-14,659**	**-12,526**	**-44,393**	**-35,755**	**-50,390**
Profit before loan losses	**11,577**	**6,045**	**23,753**	**15,011**	**18,217**
Net loan losses	-7,416	-8,429	-18,713	-20,384	-26,466
Operating profit	**4,161**	**-2,384**	**5,040**	**-5,373**	**-8,249**
Attributable to:					
The shareholders of the Parent company	*5,430*	*673*	*8,858*	*2,426*	*2,214*
Non-controlling interests	*-1,269*	*-3,057*	*-3,818*	*-7,799*	*-10,463*

Balance sheet, SEK thousand	30 Sept 2017	31 Dec 2016
Loans to the public		
Household sector	558,368	413,403
Corporate sector	-	-
Total loans to the public	**558,368**	**413,403**
Household sector		
Net performing loans	544,885	405,528
Net non-performing loans	13,483	7,875
Total household sector	**558,368**	**413,403**

GROUP

Income statement, SEK thousand	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
Operating income					
Operating income, Direct to Consumer	104,074	95,664	309,478	272,137	372,192
Operating income, Sales Finance	26,236	18,571	68,146	50,766	68,607
Total operating income for the Group	**130,310**	**114,235**	**377,624**	**322,903**	**440,799**
Operating profit					
Operating profit, Direct to Consumer	47,375	46,875	137,774	122,162	167,348
Operating profit, Sales Finance	4,161	-2,384	5,040	-5,373	-8,249
Items affecting comparability	-	-1,388	-	-19,275	-19,275
Total operating profit for the Group	**51,536**	**43,103**	**142,814**	**97,514**	**139,824**

Balance sheet, SEK thousand	30 Sept 2017	31 Dec 2016
Loans to the public		
Loans to the public, Direct to Consumer	2,391,935	2,075,880
Loans to the public, Sales Finance	558,368	413,403
Total loans to the public for the Group	**2,950,303**	**2,489,283**

NOTE 4 Classification of financial assets and liabilities

Group 30 Sept 2017 SEK thousand	Financial instruments at fair value through profit or loss		Available for sale financial assets	Loans and receivables	Derivatives used for hedging	Other financial assets/ liabilities	Total
	Held for trading	*Designated at initial recognition*					
Assets							
Cash and balances with central banks	-	-	-	61,823	-	-	61,823
Treasury bills eligible for refinancing	-	-	120,229	-	-	-	120,229
Loans to credit institutions	-	-	-	979,525	-	-	979,525
Loans to the public	-	-	-	2,950,303	-	-	2,950,303
Shares	-	-	41,359	-	-	-	41,359
Derivatives	2,060	-	-	-	1,277	-	3,337
Total assets	**2,060**	**-**	**161,588**	**3,991,651**	**1,277**	**-**	**4,156,576**
Liabilities							
Deposits and borrowings from the public	-	-	-	-	-	3,512,642	3,512,642
Subordinated liabilities	-	-	-	-	-	97,595	97,595
Derivatives	-	-	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	**3,610,237**	**3,610,237**

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

NOTE 5 Financial assets and liabilities measured at fair value

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

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

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

Group, 30 Sept 2017 SEK thousand	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills eligible for refinancing	120,229	-	-	120,229
Shares	41,104	255	-	41,359
Derivatives	-	3,337	-	3,337
Total assets	**161,333**	**3,592**	**-**	**164,925**
Liabilities				
Subordinated Tier 2 loans	97,595	-	-	97,595
Derivatives	-	-	-	-
Total liabilities	**97,595**	**-**	**-**	**97,595**

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

Financial instruments in Level 2
The fair value of financial instruments not traded in an active market (e.g. OTC derivatives) is determined using various valuation techniques. These valuation techniques use observable market data where available and rely as little as possible on entity specific estimates. An instrument is classified as Level 2 if all significant inputs required to value an instrument are observable.

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

Specific valuation techniques used to value financial instruments include:

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

For loans to the public the fair value is based on the discounted cash flows using an interest rate based on the market interest rate at the balance sheet date, which was 20.71 % as at 30 September 2017 and 22.02 % as at 31 December 2016.

Group, 30 Sept 2017 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/Fair value loss (-)
Assets			
Cash and balances with central banks	61,823	61,823	-
Treasury bills eligible for refinancing	120,229	120,229	-
Loans to credit institutions	979,525	979,525	-
Loans to the public	2,950,303	2,950,303	-
Shares	41,359	41,359	-
Derivatives	3,337	3,337	-
Total assets	**4,156,576**	**4,156,576**	**-**
Liabilities			
Deposits and borrowings from the public	3,512,642	3,512,642	-
Subordinated liabilities	97,595	97,595	-
Derivatives	-	-	-
Total liabilities	**3,610,237**	**3,610,237**	**-**

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

NOTE 6 Loans to the public

Group SEK thousand	30 Sept 2017	31 Dec 2016
Loans to the household sector	2,950,303	2,489,283
Loans to the corporate sector	-	-
Total loans to the public	**2,950,303**	**2,489,283**
Loans to the household sector		
Gross loans	3,007,234	2,546,890
Provision for expected loan losses	-56,931	-57,607
Loans, net book value	**2,950,303**	**2,489,283**
Geographic distribution of net loans		
Sweden	644,244	662,767
Finland	877,979	847,067
Norway	817,962	530,315
Estonia	286,687	245,801
Poland	246,888	164,389
Denmark	38,510	35,969
Latvia	38,033	2,975
Total loans, net book value	**2,950,303**	**2,489,283**

CHANGE IN PROVISION FOR ACTUAL AND EXPECTED LOAN LOSSES

Group SEK thousand	30 Sept 2017	31 Dec 2016
Opening balance	-57,607	-40,647
Change in provision for sold non-performing loans	-76,712	-85,429
Reversal in provision for sold non-performing loans	76,712	85,429
Change in provision for other loan losses	1,006	-15,230
Other adjustments [1]	-330	-1,730
Closing balance	**-56,931**	**-57,607**

[1] Other adjustments consist of currency translation differences.

NOTE 7 Capital adequacy analysis

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

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

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

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

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

Note 7 cont.

THE GROUP'S CAPITAL SITUATION

SEK thousand	30 Sept 2017	31 Dec 2016
Common Equity Tier 1 (CET1) capital after deductions	417,442	371,933
Additional Tier 1 (AT1) capital after deductions	-	-
Tier 2 capital after deductions	97,595	97,040
Own funds	**515,037**	**468,973**
Risk exposure amount	3,081,433	2,573,532
- *of which:* credit risk	2,457,027	1,965,888
- *of which:* credit valuation adjustment	2,427	3,322
- *of which:* market risk	33,893	16,236
- *of which:* operational risk	588,086	588,086
CET1 capital ratio, %	13.55	14.45
Tier 1 capital ratio, %	13.55	14.45
Total capital ratio, %	16.71	18.22
Total CET1 capital requirement incl. of capital buffer requirements	244,665	199,191
- *of which:* capital conservation buffer	77,036	64,338
- *of which:* countercyclical capital buffer	28,965	19,044
CET1 capital available to use as buffer	278,778	256,124

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

OWN FUNDS

SEK thousand	30 Sept 2017	31 Dec 2016
CET1 capital		
Share capital	107,500	107,500
Accumulated other comprehensive income	-78	1,486
Other reserves	-274	1,934
Retained earnings	298,632	228,428
Audited annual profits net of any foreseeable expenses and dividends [1]	56,145	70,502
Less:		
- Intangible assets	-35,924	-31,087
- Deferred tax assets that rely on future profitability	-8,559	-6,830
Total CET1 capital	417,442	371,933
Tier 2 capital		
Dated subordinated loan	97,595	97,040
Own funds	**515,037**	**468,973**

[1] Deduction of foreseeable dividends from own funds have been made in accordance with the dividend policy.

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

SPECIFICATION RISK EXPOSURE AMOUNTS

SEK thousand	30 Sept 2017	31 Dec 2016
Credit risk under the standardised approach		
Exposures to corporates	938	-
Retail exposures	2,166,946	1,807,836
Exposures secured by mortgage	332	452
Exposures in default	62,393	81,155
Exposures to institutions with a short-term credit assessment	204,592	62,008
Equity exposures	255	-
Other items	21,571	14,437
Total risk-weighted exposure amount credit risk	**2,457,027**	**1,965,888**
Credit valuation adjustment		
Standardised method	2,427	3,322
Total risk exposure amount credit valuation adjustment	**2,427**	**3,322**
Market risk [1]		
Foreign exchange risk	33,893	16,236
Total risk exposure amount market risk	**33,893**	**16,236**
Operational risk		
Standardised approach	588,086	588,086
Total risk exposure amount operational risk	**588,086**	**588,086**
Total risk exposure amount	**3,081,433**	**2,573,532**

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

NOTE 8 Assets pledged as security

Group SEK thousand	30 Sept 2017	31 Dec 2016
Group liabilities		
Relating to borrowing from credit institutions		
Loans	30,615	528,733
Other assets	329	356
Total	**30,944**	**529,089**

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

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

NOTE 9 Transactions with related parties

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

Group SEK thousand	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
The following transactions have been made with related companies within the Group:					
General administrative expenses	-20	-97	-274	-277	-422
Total	**-20**	**-97**	**-274**	**-277**	**-422**
The following transactions have been made with other related parties:					
Interest income (transaction costs)	-15,533	-16,014	-50,872	-49,821	-66,035
General administrative expenses	-1,393	-1,419	-4,218	-4,280	-5,670
Total	**-16,926**	**-17,433**	**-55,090**	**-54,101**	**-71,705**
Acquisition of assets and liabilities from other related parties:					
Sales Finance	145,414	150,730	504,209	476,740	636,879
Total	**145,414**	**150,730**	**504,209**	**476,740**	**636,879**

Group SEK thousand	30 Sept 2017	31 Dec 2016
Assets at the end of the period as a result of transactions with other related parties:		
Other assets	924	663
Total	**924**	**663**
Liabilities at the end of the period as a result of transactions with other related parties:		
Other assets	-	-
Total	**-**	**-**

PARENT COMPANY

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

The Parent company's operating income for the period January – September 2017 amounted to SEK 324.2 million (285.2). Net result from financial transactions impacts operating income with SEK 3.3 million (-8.2), which is related to currency effects on shares in foreign subsidiaries and which are not recalculated at current exchange rates.

The company's total operating expenses amounted to SEK 105.4 million (116.4) for the period. The figures for the comparative period include costs related to the IPO of SEK 19.3 million which are included in general administrative expenses. The operating profit amounted to SEK 127.8 million (90.5) for the period January – September 2017.

Loans to the public increased by 8.4 % to SEK 2,146 million (1,981) during the first nine months of the year. The amount includes loans to the subsidiary Avarda of SEK 41 million (44). Deposits from the public amounted to SEK 3,065 million (2,285) at the end of the period.

Loans to credit institutions increased during the interim period and amounted to SEK 1,159 million (690). The amount includes loans to the subsidiary BB Bank of SEK 233 million (420).

Shares in group companies increased by SEK 73 million during the first half of the year and amounted to SEK 174 million at the end of the period. The increase is explained by shareholders' contribution to Avarda (SEK 7 million) and new issue of shares in BB Bank (SEK 66 million). The capital contribution to BB Bank was done to facilitate the subsidiary's transformation to becoming a bank.

The capital adequacy of the company remains at a stable level with a CET1 capital ratio of 16.4 % as at 30 September 2017 (17.0). The total capital ratio at year-end was 20.2 % (21.2), which is significantly higher than the legally required levels.

INCOME STATEMENT, PARENT COMPANY

SEK thousand	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
Operating income					
Interest income	114,286	105,565	342,856	302,222	411,993
Interest expense	-15,700	-12,195	-46,782	-36,216	-49,209
Net interest income	**98,586**	**93,370**	**296,074**	**266,006**	**362,784**
Fee and commission income	8,940	9,745	27,842	30,796	40,245
Fee and commission expense	-970	-1,068	-3,011	-3,457	-4,527
Net fee and commission income	**7,970**	**8,677**	**24,831**	**27,339**	**35,718**
Net results from financial transactions	-394	-4,168	3,277	-8,179	-6,950
Total operating income	**106,162**	**97,879**	**324,182**	**285,166**	**391,552**
Operating expenses					
General administrative expenses	-29,909	-29,487	-94,028	-102,900	-132,789
Depreciation, amortisation and impairment charges of tangible and intangible assets	-1,280	-874	-3,715	-2,319	-3,327
Other operating expenses	-2,197	-3,806	-7,643	-11,143	-14,771
Total operating expenses	**-33,386**	**-34,167**	**-105,386**	**-116,362**	**-150,887**
Profit before loan losses	**72,776**	**63,712**	**218,796**	**168,804**	**240,665**
Net loan losses	-31,683	-23,761	-90,967	-78,325	-105,371
Operating profit	**41,093**	**39,951**	**127,829**	**90,479**	**135,294**
Income tax expense	-9,599	-8,169	-29,362	-19,245	-29,251
Net profit for the period	**31,494**	**31,782**	**98,467**	**71,234**	**106,043**

STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY

SEK thousand	July-Sept 2017	July-Sept 2016	Jan-Sept 2017	Jan-Sept 2016	Jan-Dec 2016
Net profit for the period	**31,494**	**31,782**	**98,467**	**71,234**	**106,043**
Other comprehensive income					
Items that may be reclassified subsequently to the income statement					
Currency translation differences during the period, net of tax	-	-	-	-	-
Other comprehensive income, net of tax	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**31,494**	**31,782**	**98,467**	**71,234**	**106,043**

BALANCE SHEET, PARENT COMPANY

SEK thousand	30 Sept 2017	31 Dec 2016
ASSETS		
Cash and balances with central banks	61,823	30,510
Treasury bills eligible for refinancing	120,229	60,211
Loans to credit institutions	1,158,948	690,360
Loans to the public	2,146,422	1,980,558
Shares	20,672	-
Shares in group companies	174,279	100,862
Intangible assets	16,078	15,137
Tangible assets	839	1,100
Other assets	6,185	7,740
Current tax assets	20,375	12,413
Deferred tax assets	-	-
Prepaid expenses and accrued income	12,149	8,680
Total assets	**3,737,999**	**2,907,571**
LIABILITIES AND EQUITY		
Liabilities		
Deposits and borrowings from the public	3,065,498	2,284,645
Other liabilities	10,825	14,062
Deferred tax liabilities	694	783
Accrued expenses and prepaid income	48,222	44,844
Subordinated liabilities	97,595	97,040
Total liabilities	**3,222,834**	**2,441,374**
Untaxed reserves	52,621	52,621
Equity		
Share capital (21,500,000 shares of SEK 5 each)	107,500	107,500
Other reserves	11,916	9,313
Share premium reserve	-274	1,931
Retained earnings	244,935	188,789
Total comprehensive income for the period	98,467	106,043
Total equity	**462,544**	**413,576**
TOTAL LIABILITIES AND EQUITY	**3,737,999**	**2,907,571**

CAPITAL ADEQUACY ANALYSIS, PARENT COMPANY

SEK thousand	30 Sept 2017	31 Dec 2016
Common Equity Tier 1 (CET1) capital after deductions	431,364	397,066
Additional Tier 1 (AT1) capital after deductions	-	-
Tier 2 capital after deductions	97,595	97,040
Own funds	**528,959**	**494,106**
Risk exposure amount	2,623,592	2,329,785
- *of which:* credit risk	2,059,585	1,764,877
- *of which:* credit valuation adjustment	2,287	3,188
- *of which:* market risk	-	-
- *of which:* operational risk	561,720	561,720
CET1 capital ratio, %	16.44	17.04
Tier 1 capital ratio, %	16.44	17.04
Total capital ratio, %	20.16	21.21
Total CET1 capital requirement inclusive of capital buffer requirements	206,215	178,229
- *of which:* capital conservation buffer	65,590	58,245
- *of which:* countercyclical capital buffer	22,563	15,144
CET1 capital available to use as buffer [1]	313,302	292,226

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

OWN FUNDS

SEK thousand	30 Sept 2017	31 Dec 2016
CET1 capital		
Share capital	107,500	107,500
Other reserves	52,961	50,358
Share premium reserve	-274	1,931
Retained earnings	244,935	188,789
Audited interim profits net of any foreseeable expenses and dividends [1]	42,320	63,626
Less:		
- Intangible assets	-16,078	-15,137
Total CET1 capital	431,364	397,067
Tier 2 capital		
Dated subordinated loan	97,595	97,040
Own funds	**528,959**	**494,107**

[1] Deduction of foreseeable dividends from own funds have been made in accordance with the dividend policy.

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

SPECIFICATION RISK EXPOSURE AMOUNTS

SEK thousand	30 Sept 2017	31 Dec 2016
Credit risk under the standardised approach		
Exposures to institutions	46,692	84,115
Exposures to corporates	42,005	44,357
Retail exposures	1,552,038	1,410,463
Exposures in default	36,536	55,841
Exposures to institutions with a short-term credit assessment	193,630	57,904
Equity exposures	174,279	100,861
Other items	14,405	11,336
Total risk-weighted exposure amount credit risk	**2,059,585**	**1,764,877**
Credit valuation adjustment		
Standardised method	2,287	3,188
Total risk exposure amount credit valuation adjustment	**2,287**	**3,188**
Operational risk		
Standardised approach	561,720	561,720
Total risk exposure amount operational risk	**561,720**	**561,720**
Total risk exposure amount	**2,623,592**	**2,329,785**

BOARD OF DIRECTORS AND CEO AFFIRMATION

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

Borås, 25 October 2017

Mattias Carlsson
Chairman

John Brehmer

Bertil Larsson

Charlotta Björnberg-Paul

Mari Thjømøe

Tone Bjørnov

Declan Mac Guinness
President & CEO

REPORT OF REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

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

Scope of Review

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

Conclusion

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

Stockholm, 25 October 2017
PricewaterhouseCoopers AB

Martin By
Authorised Public Accountant

DEFINITIONS

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

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

ADJUSTED OPERATING PROFIT
Operating profit excluding items affecting comparability.

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

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

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

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

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

EMPLOYEES (FTE)
Average number of full time employees, including employees on parental leave.

NET LOAN LOSS RATIO
Net loan losses as a percentage of average loan portfolio. Rolling 12 months.

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

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

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

FINANCIAL CALENDAR AND CONTACTS

FINANCIAL CALENDAR

8 February 2018	Year-end report January – December 2017
4 April 2018	Annual report 2017 is published
26 April 2018	Interim report January – March 2018
2 May 2018	Annual General Meeting
13 July 2018	Interim report January – June 2018
25 October 2018	Interim report January – September 2018

This is information which TF Bank is required to disclose under the EU Market Abuse Regulation and the Securities Market Act. The information was provided for publication 26 October 2017 at 07:00 CEST.

PRESENTATION FOR INVESTORS, ANALYSTS AND MEDIA

A live conference call will be held 26 October July at 08:15 CEST where CEO Declan Mac Guinness and CFO Mikael Meomuttel will present the report and answer questions. The conference call will be held in English and to participate dial +46 8 5664 2509 or +44 20 3008 9809. A recording of the conference call, including presentation material, will be made available on our website after the event, www.tfbankgroup.com/en/section/investor-relations.

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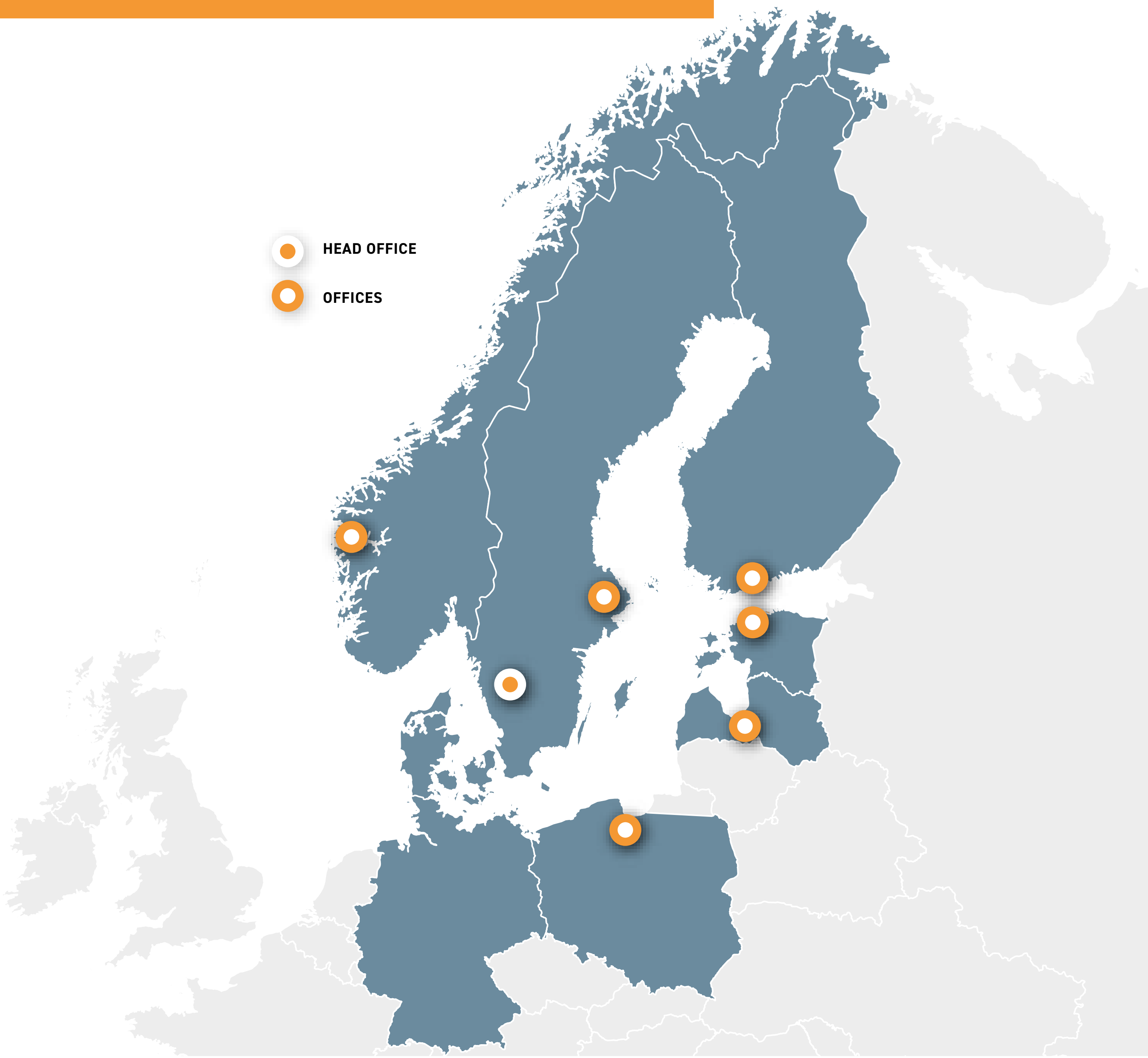
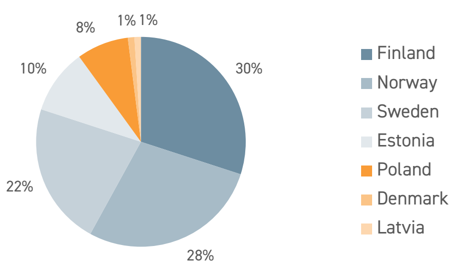
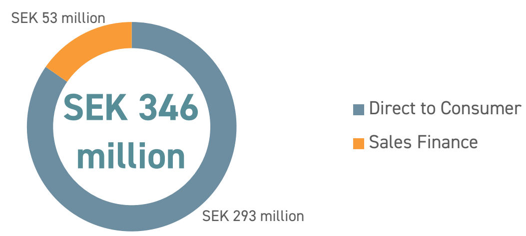
TF BANK'S GEOGRAPHICAL PRESENCE



SHARE OF LOAN PORTFOLIO BY COUNTRY, 30 SEPTEMBER 2017



NET INTEREST INCOME, JANUARY-SEPTEMBER 2017



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