



ANNUAL REPORT  
2024

 TFBank

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2024

The Board of Directors and the CEO hereby submit the Annual report and consolidated financial statements for TF Bank AB (publ), corporate identity number 556158-1041.

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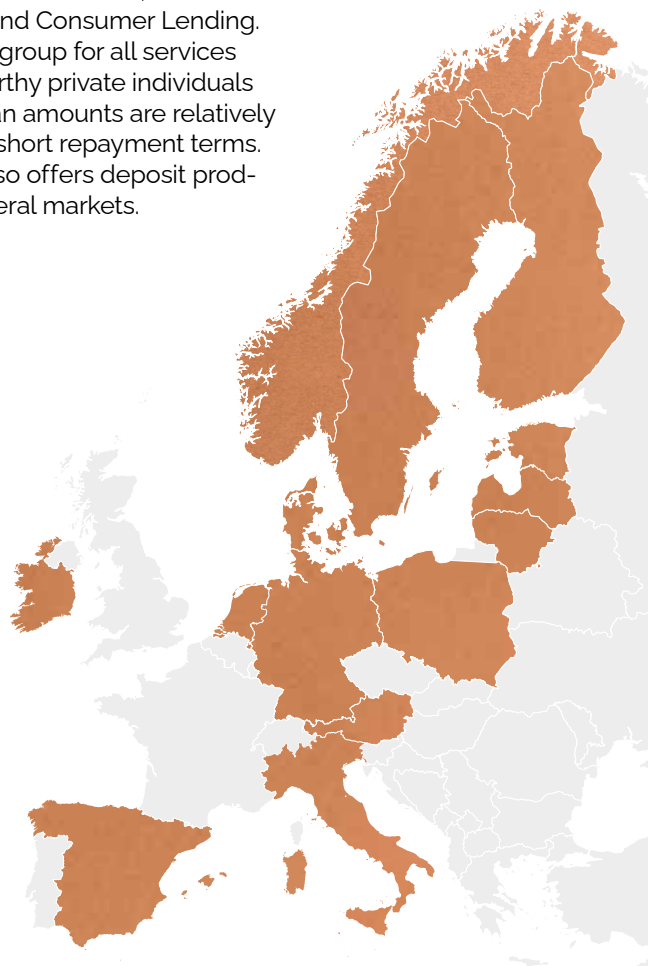
Unless otherwise stated, all amounts are shown in thousands of Swedish kronor. The figures in brackets are for the previous year.

*This Financial Statements and Report by the Board of Directors 2024 in pdf format has been published voluntarily and is not an xHTML document compliant with the ESEF (European Single Electronic Format) regulation. TF Bank's Financial Statements and Report by the Board of Directors 2024 in accordance with ESEF regulations are available at [www.tfbankgroup.com](http://www.tfbankgroup.com).*

# TF BANK IN BRIEF

TF Bank is a digital bank offering consumer banking services and e-commerce solutions through a proprietary IT platform with a high degree of automation. The platform is designed for scalability and adaptability to different products, countries, currencies and digital banking solutions. TF Bank prioritises organic growth under controlled conditions and expansion is taking place in carefully selected segments and markets. Operations are conducted in the Nordics, the Baltics, Poland, Germany, Austria, Spain, Ireland, the Netherlands and Italy through subsidiary, branch, or cross-border banking with the support of the Swedish banking license.

The business is divided into three segments: Credit Cards, Ecommerce Solutions and Consumer Lending. The target group for all services is creditworthy private individuals and the loan amounts are relatively small with short repayment terms. TF Bank also offers deposit products in several markets.



**20,265**

Loans to the public,  
million SEK

**685**

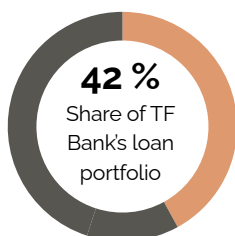
Operating profit,  
million SEK

**16.7 %**

Total capital ratio

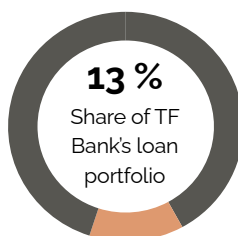
**417**

Employees (FTE)



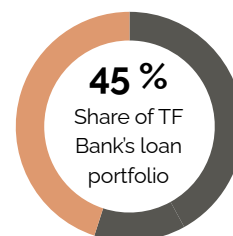
## Credit Cards

In the Credit Cards segment, TF Bank offers credit cards to creditworthy individuals. Within this segment the Bank operates across five countries in Europe.



## Ecommerce Solutions

In the Ecommerce Solutions segment, TF Bank offers digital payment solutions, primarily in e-commerce, to creditworthy individuals. Within this segment the Bank operates across nine countries in Europe.



## Consumer Lending

In the Consumer Lending segment, TF Bank offers unsecured consumer loans to creditworthy individuals. Within this segment the Bank operates across ten countries in Europe.

See separate section with definitions and reconciliation tables, page 109-110.

# TF BANKS HISTORY

**1987**

The company, AB Time Finans, started with lending operations in Sweden

**1999**

Launch of lending operations in Finland

**2006**

Launch of lending operations in Estonia

**2012**

Launch of lending operations in Poland

Time Finans receives a license from the Swedish Financial Supervisory Authority to conduct banking operations and changes its name to TF Bank AB

**2015**

TF Bank acquires the Norwegian company BB Finans

**2017**

Avarda AB becomes a wholly owned subsidiary

**2019**

Launch of lending operations in Austria

**2024**

Redim Capital is established and acquires the majority of TF Banks NPL-portfolio

Launch of lending operations in Italy

TF Bank divests a majority stake in Redim Capital

**1989**

AB Time Finans becomes an authorised credit market company and changes its name to Haléns Finans AB

**2004**

Launch of lending operations in Norway

**2008**

Company name changes to Time Finans AB

**2014**

TF Bank enters into a cooperation agreement with Intrum Justitia AB with the aim of developing and selling payment solutions for the Nordic e-commerce market through the joint company Avarda

**2016**

TF Bank is listed on the Nasdaq Stockholm Stock Exchange

Launch of lending operations in Latvia

**2018**

Launch of lending operations in Lithuania and Germany

**2022**

Launch of lending operations in Denmark and Spain

# YEAR IN BRIEF

## FINANCIAL PERFORMANCE 2024

- The loan portfolio amounted to SEK 20,265 million, compared to December 2023 the increase in local currencies was 17 % excluding divested past due receivables in Stage 3
- Operating profit increased by 34 % to SEK 684.9 million
- Earnings per share increased by 60 % to SEK 28.06
- Adjusted earnings per share increased by 33 % to SEK 23.23
- Cost/income ratio improved to 38.3 % (41.6)
- Return on equity amounted to 27.2 % (21.9)
- Adjusted return on equity amounted to 22.5 % (21.9)
- Total capital ratio has increased to 16.7 % (15.9)
- The Board of Directors proposes to the Annual General Meeting an extraordinary dividend of SEK 5.00 per share for 2024

## SIGNIFICANT EVENTS 2024

- The divestment of 80.1% of shares in the subsidiary Rediem Capital AB was completed on 20 December. The transaction resulted in a positive one-off effect on the Group's profit before tax of SEK 103 million and a positive capital effect of SEK 345 million, corresponding to 2.0 % of the Bank's risk exposure amount.
- The credit card business had an organic underlying loan book growth of 48 % over the past year and economies of scale in the business model have contributed to a significantly improved operating profit of 77 % compared to the previous year.
- Lending operations in Spain and Italy have been established in the Credit Cards segment with a similar offering as in other credit card markets.

When summarising the year 2024, it can be stated that TF Bank is a pan-European provider of financial services to private individuals. TF Bank also continues to broaden its offering by becoming even more of a European credit and payment platform than the Bank was a few years ago.

## KEY FIGURES - GROUP

SEK million	2024	2023
<b>Income statement</b>		
Operating income	2,439	1,998
Operating profit	685	510
Adjusted earnings per share, SEK	23.23	17.53
Loans to the public	20,265	17,871
New lending	27,149	22,046
Cost/Income ratio, %	38.3	41.6
Adjusted return on equity, %	22.5	21.9
Total capital ratio, %	16.7	15.9
Employees (FTE)	417	380

## FINANCIAL CALENDAR

Interim report January-March 2025	14 April 2025
Annual General Meeting 2025	17 June 2025
Interim report January-June 2025	11 July 2025
Interim report January-September 2025	14 October 2025

For further information, see [www.tfbankgroup.com](http://www.tfbankgroup.com) or contact Investor Relations at [ir@tfbank.se](mailto:ir@tfbank.se).

The Annual General Meeting 2025 will be held on Tuesday 17 June 2025 in Borås. Notice of the Annual General Meeting will be published no later than Tuesday 20 May 2025.

See separate section with definitions and reconciliation tables, page 109-110.

# CEO'S COMMENTS

The year 2024 was another year for TF Bank characterised by growth and high profitability. The loan portfolio increased by 17 % in local currencies excluding the divested past due receivables of the former subsidiary Rediem Capital. Profit before tax amounted to SEK 788 million, of which SEK 103 million is attributable to the divestment of a majority stake in Rediem Capital. Thus, the operating profit improved by 34 % to SEK 685 million excluding this non-recurring item.

The year has been marked by a modest economic recovery in Europe after a period of stagnation. Inflation declined significantly during the year and the European labour market remained stable. Forward-looking forecasts indicate continued gradual improvement. The situation in the German economy, which is an important market for TF Bank, is more subdued. In 2024, German households were cautious, which has likely had a negative impact on TF Bank's growth. Despite a strong labour market and rising disposable income, many households chose to limit spending due to uncertainty about future economic conditions. This modest consumption contributed to Germany's economy remaining in recession with a declining GDP in 2024 as well. Regardless of the macroeconomic situation, which has reduced our growth rate, the development of the Bank continues unabated.

## **A European credit card and payment platform**

When summarising the year 2024, it can be stated that TF Bank is a pan-European provider of financial services to private individuals. TF Bank also continues to broaden its offering by becoming even more of a European credit and payment platform than the Bank was a few years ago. An increasing part of the combined business is now conducted in the Credit Cards and Ecommerce Solutions segments. Against this background, the Bank's operations are adapted to the new conditions. In 2024, for example, the operations of the former subsidiary Avarda were integrated with the Bank to be close to the expanding credit card business. A consequence of this development is that new opportunities for coordination benefits are created, for example when both offers are available in Germany.



Geographically, there is also a change as the majority of the business now is conducted outside the Nordic region. TF Bank has a significantly broader geographical presence than nearly all comparable competitors. TF Bank's operations expanded to 14 European countries during the year when the Bank's credit card offering was launched in Italy. The operations vary in the different countries, but the common idea is to offer consumer loans to private individuals at times when they need them. The Bank has no ambition to become the market leader in any country, or in any product area, but is governed solely by a clear focus on profitability. In 2024, TF Bank delivered an adjusted return on equity of 23 %.

During 2024, the Bank's loan portfolio exceeded the volume that was not projected to be reached until mid-2025 according to current financial targets. Pending a decision from the Swedish Financial Supervisory Authority on guidance on the need for Pillar 2 capital, the Bank has initiated a process to set new financial targets, which will be communicated during the first half of 2025.

## **Credit Cards continue to be the Bank's growth engine**

The growing credit card balance in Germany continues to be the main driver of our organic growth. The Credit Card segment's underlying loan portfolio grew by as much as 48 % in local currencies in 2024 and the segment's share of the Bank's total loan portfolio amounted to 42 % at the end of the year. The business scales well with income growing faster than costs. The number of active credit cards increased

by 50 % over the past year, creating conditions for continued scalability. Profitability for the segment had a positive trend during the year and operating profit for 2024 was SEK 243 million – an increase of 77 % compared to 2023.

We plan for continued profitable growth in the Credit Card segment in 2025. In Germany, we had around 306,000 active credit cards at the end of the year and we continue to see great opportunities in the German market. It is in this market that further economies of scale can be extracted, and overall, we believe that the segment has good conditions to deliver attractive risk-adjusted returns in the coming years. The European market in which the Company operates is substantial, and TF Bank has also launched the credit card offering in Spain and Italy in 2024. Laying a foundation for continued growth in the segment in new markets is a long-term investment that should be seen in light of the fact that the Bank established its operations in Germany as early as 2018. As always when the Bank launches operations in new markets, volumes will initially be small until we are confident in the credit quality and the ability to identify the right customers in the local markets.

#### **Strong performance for Ecommerce Solutions**

TF Bank's digital payment solutions in the Ecommerce Solutions segment had a profitable year with the operating profit increasing by 80 % to SEK 107 million. The operations in the Nordic region are conducted under the Avarda brand and are one of the leading players in payment and checkout solutions in the region. At the end of 2024, Avarda's strong Nordic offering gained another unique selling point through an expansion into Germany. During the fourth quarter, agreements were also signed with a number of major new retailers, ensuring a solid base for growth in 2025 and onward.

#### **Controlled growth in Consumer Lending**

In the Consumer Lending segment, new lending was limited as capital was allocated for growth in Credit Cards. The focus in the segment in 2024 has been to ensure strong margins and continue to offer responsible and sustainable lending to the right customers. In 2025, we plan for continued controlled growth with a focus on selected markets in the segment, and broadly the business will be adapted to create room for growth in other segments.

#### **Prospects**

At the end of the year, 80.1 % of the shares in the subsidiary Rediem Capital, which owned the majority of the Bank's past due receivables, were divested. The first part of the transaction resulted in a positive one-off effect on the Group's profit and a positive capital effect. In the next step, TF Bank intends to divest its remaining holding in Rediem Capital in exchange for a minority ownership in Alektum of less than 10 %. The divestment of past due receivables means that TF Bank is taking a major step in streamlining the use of capital. In the coming years, the Bank would otherwise have had to make deductions from own funds related to past due receivables, which would risk slowing down further growth. Through the divestment of shares in Rediem Capital, TF Bank is well equipped to continue to develop the business and, as always, do so with profitability in focus.

In Europe, a modest recovery is expected in 2025 and the labour market is expected to remain stable. Despite this positive outlook, several risks remain. Geopolitical tensions, particularly related to the conflict in Ukraine, could negatively impact energy prices and supply chains. In addition, trade restrictions from the United States could affect Europe's already challenged manufacturing sector. For TF Bank, the German economy is particularly important. Looking ahead, German households face a mixed economic situation. Households' disposable income is expected to increase, which may strengthen consumption, but at the same time households' confidence in the economy is still lower than normal, suggesting a cautious attitude towards increased spending. This indicates that the strength of underlying payment patterns highlighting the Bank's growth may be somewhat weaker than normal in 2025 as well. At the same time, it is possible that earlier and potentially additional interest rate cuts from the ECB will create increased confidence in the future among households, which could be positive for our growth, especially in the second half of the year.

*Joakim Jansson  
CEO and President*

# TF BANK AS AN INVESTMENT

TF Bank's strategy is based on driving profitable growth through a diversified geographical presence in selected European markets. To meet the increasing demand and maximise customer value, the Bank is continuously working to improve efficiency and strengthen its competitiveness, while accelerating the development of Credit Cards and Ecommerce Solutions.

**30 %**<sup>1</sup>

Compound annual growth rate in the loan portfolio

**22 %**<sup>1</sup>

Compound annual growth rate in the operating profit

**14**

Geographical markets

**55 %**

Share of loan portfolio compiled of the segments Credit Cards and Ecommerce Solutions

## Growth with profitability in focus

TF Bank was founded in 1987 in Borås and has since managed to combine rapid growth with strong profitability, which is a central part of the Company's long-term strategy. By expanding its geographical presence, the Bank has been able to ensure robust growth without compromising profitability.

A key factor behind its success is the Bank's ability to quickly put decisions into practice, without burdening the business with high costs or long waiting times. By maintaining high profitability, the Bank can continue to reinvest in the business and provide its shareholders with an attractive risk-adjusted return.

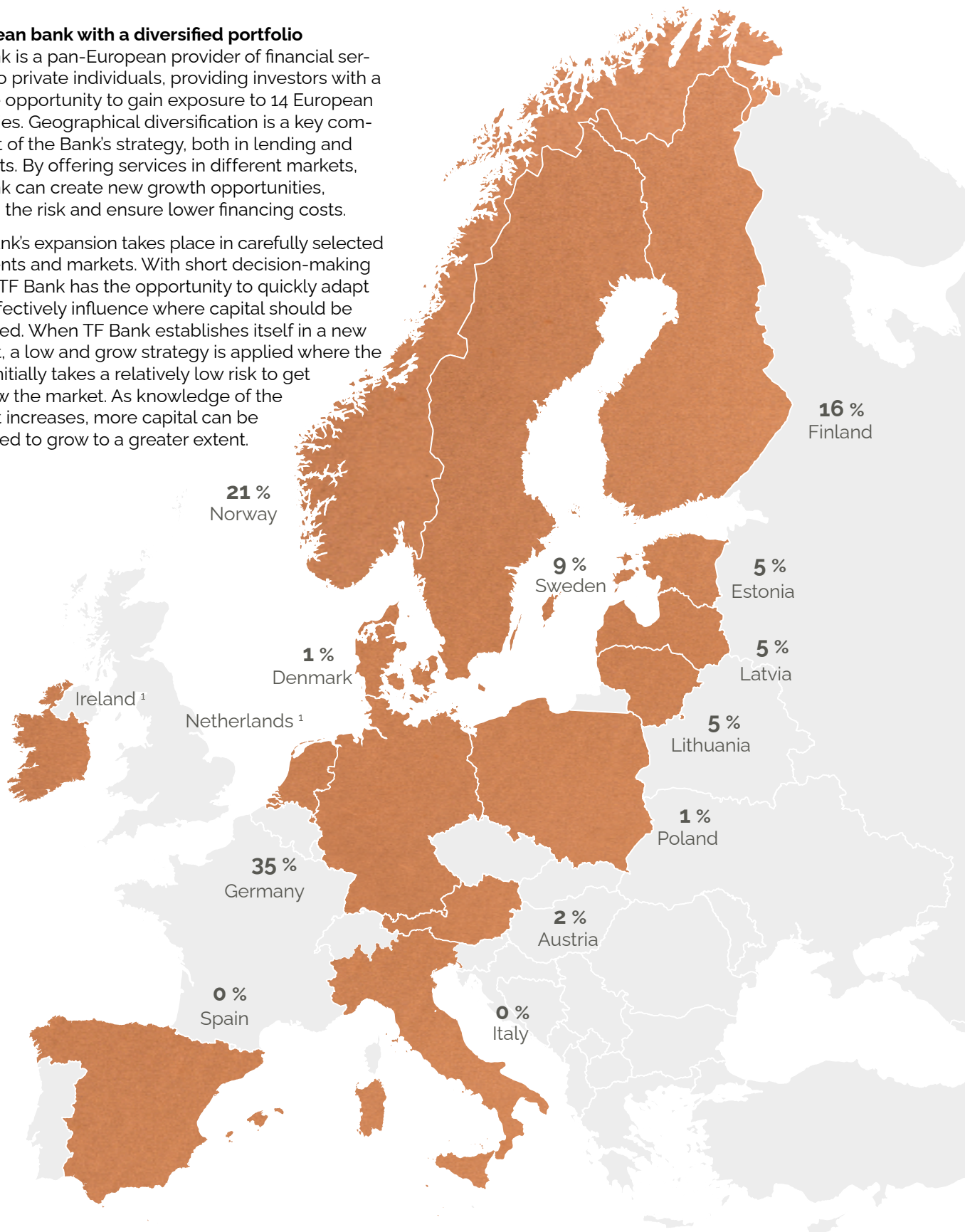


<sup>1</sup> Compound annual growth rate 2016-2024

### European bank with a diversified portfolio

TF Bank is a pan-European provider of financial services to private individuals, providing investors with a unique opportunity to gain exposure to 14 European countries. Geographical diversification is a key component of the Bank's strategy, both in lending and deposits. By offering services in different markets, TF Bank can create new growth opportunities, spread the risk and ensure lower financing costs.

The Bank's expansion takes place in carefully selected segments and markets. With short decision-making paths, TF Bank has the opportunity to quickly adapt and effectively influence where capital should be allocated. When TF Bank establishes itself in a new market, a low and grow strategy is applied where the Bank initially takes a relatively low risk to get to know the market. As knowledge of the market increases, more capital can be allocated to grow to a greater extent.



<sup>1</sup> Only deposit products in the market.

### Strong risk-adjusted income margin

Responsible lending has always been fundamental to TF Bank's business strategy. By continuously improving its credit assessment processes and avoiding unnecessary risk-taking, the Bank ensures controlled loan loss levels and contributes to a stable economy.

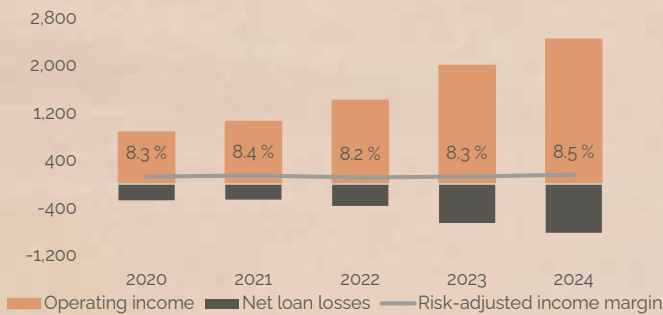
The Bank has no ambition to become the market leader in any country, or in any product area. Instead, TF Bank strives to identify the customer segment where it is currently possible to find a good risk-adjusted income margin.

### Growth opportunities in Credit Cards and Ecommerce Solutions

A majority of TF Bank's combined operations are now conducted in the Credit Cards and Ecommerce Solutions segments, where the business flow is managed jointly across several countries. The growing credit card balance represents a significant driver of the Bank's organic growth.

The strong position in the Nordic market in the Ecommerce Solutions segment, in combination with the expansion into Germany in 2024, has further strengthened TF Bank's offering. For our Nordic partners, this means both a valuable addition to the offering and an easier path for profitable expansion into new markets.

RISK-ADJUSTED INCOME MARGIN (SEK million)



CREDIT CARDS

**50 %**

Growth in the number of active cards during 2024

ECOMMERCE SOLUTIONS

**80 %**

Growth in the operating profit for Ecommerce Solutions during 2024

# THE SHARE

## The share

TF Bank was listed at Nasdaq Stockholm in the Mid Cap segment on 14 June 2016. The opening price was SEK 77.00 and on the last trading day of the year 2024, the share price closed at SEK 365.00. Since the listing TF Bank has paid out a total of SEK 8.75 per share in dividend to shareholders. The market capitalisation at the end of the year was SEK 7,848 million.

## Turnover and volume

The share trades under the ticker name TFBANK and the ISIN code is SE0007331608. As of the last trading day of the year 2024, the share price closed at SEK 365.00, an increase of 114 % during the year. In total, approximately 2.2 million shares in TF Bank were traded on Nasdaq Stockholm during the year, totalling approximately SEK 530 million in value.

## Share capital and number of shares

At the end of the year TF Bank's share capital amounted to SEK 107,500,000 and the number of ordinary shares to 21,500,000. According to the Articles of Association, the share capital must not be less than SEK 107,500,000 and must not exceed SEK 430,000,000. TF Bank has one class of share, and each share carries one vote at the Annual General Meeting.

## Dividend policy

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

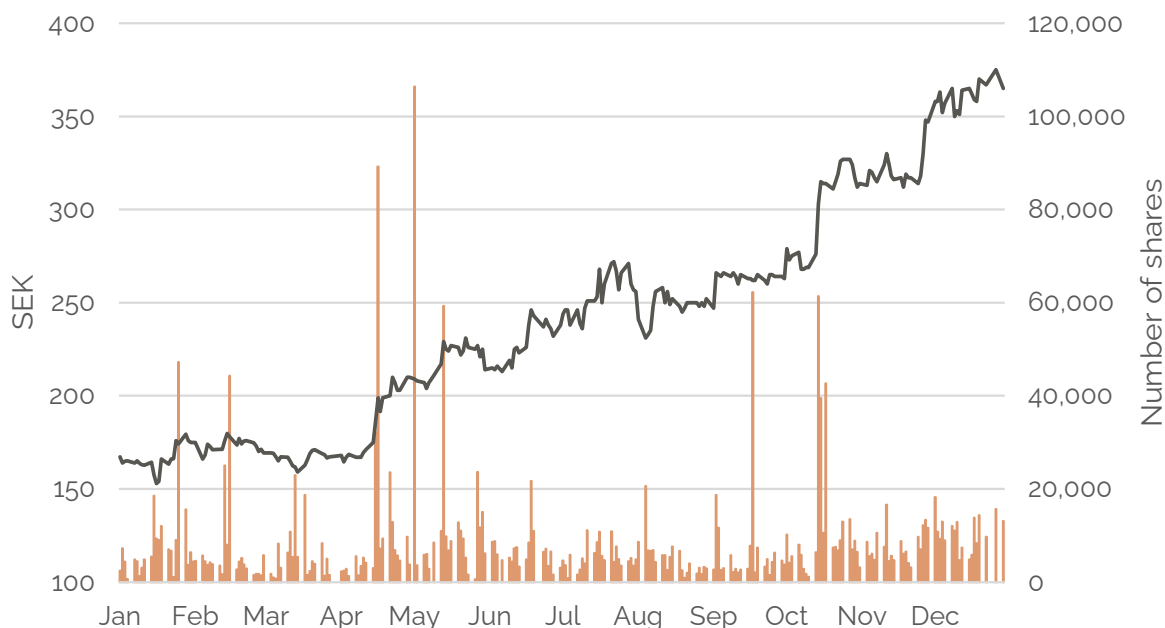
## Institutions following TF Bank

ABG Sundal Collier, Carnegie and DNB are following the Company. All institutions had issued a buy recommendation for the TF Bank share at the end of 2024.

## Ownership of TF Bank AB as at 31 December 2024

Shareholder	%
TFB Holding AB	30.31
Tiberon AB	15.07
Erik Selin Fastigheter AB	12.74
Proventus Aktieföretag	5.42
Nordnet Pensionsförsäkring AB	4.95
Carnegie Fonder AB	4.50
Jack Weil	3.90
Goldman Sachs International	2.49
Bank Julius Baer & CO Ltd	1.34
Försäkringsbolaget Avanza Pension	1.16
Other shareholders	18.12
<b>Total</b>	<b>100.00</b>

Source: Euroclear  
(for more information see page 119)



# DIRECTORS' REPORT

TF Bank AB (publ), corporate identity number 556158-1041, is a bank domiciled in Borås, Sweden. The Company has a license to provide banking services.

## About the business

TF Bank is a digital bank offering consumer banking services and e-commerce solutions through a proprietary IT platform with a high degree of automation. The platform is designed for scalability and adaptability to different products, countries, currencies and digital banking solutions. TF Bank prioritises organic growth under controlled forms and expansion is taking place in carefully selected segments and markets. Operations are conducted in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland, the Netherlands and Italy through subsidiary, branch or cross-border banking with the support of the Swedish banking license.

The business is divided into three segments: Credit Cards with focus on offering credit cards, Ecommerce Solutions offering digital payment solutions primarily to online retailers and Consumer Lending with focus on offering unsecured consumer loans. The target group for all services is creditworthy individuals and the loan amounts are relatively small with short repayment terms. The product offer varies between different markets and is adapted to the specific conditions in each country. TF Bank also offers deposit products in several markets.

## Significant events during the year

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

The Annual General Meeting on 2 May resolved that the Meeting's available standing funds be carried forward. John Brehmer was re-elected as Chairman of the Board. The other members of the Board of Directors were re-elected at the Annual General Meeting.

Lending operations in Spain and Italy were established in the second and third quarters respectively in the Credit Card segment with a similar offering as in other credit card markets.

On 1 September, the Bank completed a restructuring and established the wholly owned subsidiary Rediem Capital AB as a credit market company focused on the acquisition of non-performing loan portfolios.

During September, TF Bank issued Tier 2 bonds in the amount of SEK 100 million and carried out an early redemption of Tier 2 bonds of SEK 100 million.

In December, TF Bank's Swedish subsidiary, TF Nordic AB, was granted a license by the Swedish Financial Supervisory Authority to operate as a deposit taking financial institution in the Consumer Lending segment.

The divestment of 80.1 % of the shares in the subsidiary Rediem Capital AB was completed on 20 December. The transaction resulted in a positive one-off effect on the Group's profit before tax of SEK 103 million and a positive capital effect of SEK 345 million, corresponding to 2.0 % of the Bank's risk exposure amount.

The credit card business had an organic underlying loan book growth of 48 % over the past year and economies of scale in the business model have contributed to a significantly improved operating profit of 77 %.

Strong performance in the Ecommerce Solutions segment has resulted in an increase in operating profit of 80 %, mainly related to rising operating income in the Nordic region.

# FIVE-YEAR OVERVIEW

## GROUP

SEK thousand	2024	2023	2022	2021	2020
<b>Income statement</b>					
Operating income	2,438,516	1,998,121	1,412,324	1,054,654	875,523
Operating expenses	-934,005	-831,671	-609,027	-439,219	-339,731
Net loan losses	-819,606	-656,851	-367,569	-260,564	-272,676
Operating profit	684,905	509,599	435,728	354,871	263,116
Profit for the year	632,349	396,700	342,459	279,403	203,145
Earnings per share, SEK	28.06	17.53	15.26	12.65	9.13
<b>Balance sheet</b>					
Loans to the public	20,265,458	17,870,633	14,654,373	10,872,285	7,922,448
Deposits from the public	21,197,981	20,652,997	16,108,130	11,504,749	8,714,032
New lending	27,149,250	22,046,078	16,318,310	11,186,800	7,304,603
<b>Key figures</b>					
Operating income margin, %	12.8	12.3	11.1	11.2	12.1
Net loan loss ratio, %	4.3	4.0	2.9	2.8	3.8
Cost/Income ratio, %	38.3	41.6	43.1	41.6	38.8
Return on equity, %	27.2	21.9	23.7	24.6	22.1
Return on loans to the public, %	3.2	2.3	2.6	2.9	2.7
Return on assets, %	2.5	1.8	2.1	2.3	2.1
CET1 capital ratio, % <sup>1</sup>	13.3	12.0	12.3	12.3	12.8
Tier 1 capital ratio, % <sup>1</sup>	14.7	13.6	13.9	14.3	14.2
Total capital ratio, % <sup>1</sup>	16.7	15.9	15.6	16.2	17.4
Employees (FTE)	417	380	318	261	212
<b>THE GROUP'S ADJUSTED KEY FIGURES</b>					
<b>Income statement</b>					
Profit for the year	632,349	396,700	342,459	279,403	203,145
Items affecting comparability <sup>2</sup>	-103,084	-	-	-	-
Tax on items affecting comparability	-12,378	-	-	-	-
Provision for tax surcharge	11,723	-	-	-	-
Adjusted profit for the year	528,610	396,700	342,459	279,403	203,145
Adjusted profit for the year attributable to the shareholders of the Parent company	499,481	376,853	328,099	272,072	196,195
Adjusted earnings per share, SEK	23.23	17.53	15.26	12.65	9.13
<b>Key figures</b>					
Adjusted return on equity, %	22.5	21.9	23.7	24.6	22.1
Adjusted return on loans to the public, %	2.6	2.3	2.6	2.9	2.7
Adjusted return on assets, %	2.0	1.8	2.1	2.3	2.1

## EXCHANGE RATES

SEK	2024	2023	2022	2021	2020
EUR Income statement (average)	11.43	11.48	10.63	10.14	10.49
EUR Balance sheet (end of reporting period)	11.49	11.10	11.13	10.23	10.04
NOK Income statement (average)	0.98	1.01	1.05	1.00	0.98
NOK Balance sheet (end of reporting period)	0.97	0.99	1.06	1.03	0.95
PLN Income statement (average)	2.66	2.53	2.27	2.22	2.36
PLN Balance sheet (end of reporting period)	2.69	2.56	2.37	2.23	2.22

<sup>1</sup> Comparative figures for 2020-2022 refers to the Parent company due to the fact that the Bank didn't have a consolidated situation between the first quarter of 2020 and the third quarter of 2023.

<sup>2</sup> Adjustments for items affecting comparability in 2024 related to transactions according to the Share Purchase Agreement with Alektum Holding AB and Erik Selin Fastigheter AB regarding the transfer of 80.1 percent of the shares in the subsidiary Rediem Capital AB.

See separate section with definitions and reconciliation tables, page 109-110.

# RESULTS AND FINANCIAL POSITION

## Operating profit

Operating profit increased by 34 % to SEK 684.9 million (509.6) during the year. Higher operating income from the growing loan portfolio has contributed to the increasing operating profit. Adjusted earnings per share increased by 33 % to SEK 23.23 (17.53) and the adjusted return on equity amounted to 22.5 % (21.9).

## Operating income

The operating income increased by 22 % to SEK 2,439 million (1,998). 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. The operating income margin has improved to 12.8 % (12.3).

## Interest income

Interest income increased by 31 % to SEK 3,101 million (2,369), which is partly due to a growing loan portfolio and partly to rising financing costs being passed on to the Bank's lending customers.

## Interest expense

The interest expenses increased by 54 % to SEK 845.4 million (547.6). Rising financing costs are explained by a higher deposit rate on newly received deposits than the interest rate on the existing deposit portfolio.

## Net fee and commission income

Net fee and commission income increased by 4 % to SEK 183.3 million (176.9). The increase is mainly attributable to higher insurance premiums in the Credit Cards segment, but also to higher transaction volumes in the Ecommerce Solutions segment. During the year, 35 % of TF Bank's fee and commission income consisted of collection fees and 65 % from insurance premiums and other commission income.

## Operating expenses

The operating expenses increased by 12 % to SEK 934.0 million (831.7). 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 38.3 % (41.6), mainly due to economies of scale in the Credit Cards segment.

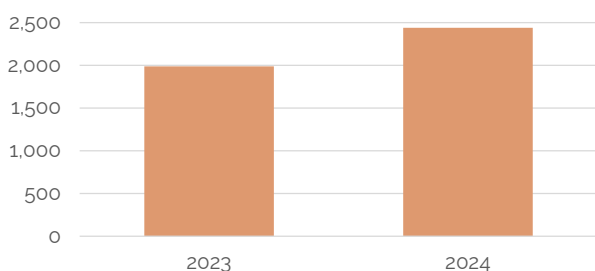
## Net loan losses

The net loan losses increased by 25 % to SEK 819.6 million (656.9). The growing loan portfolio in the Credit Cards segment and higher net loan losses in the Ecommerce Solutions segment contributed to an increase in the net loan losses. The net loan loss ratio amounted to 4.3 % (4.0).

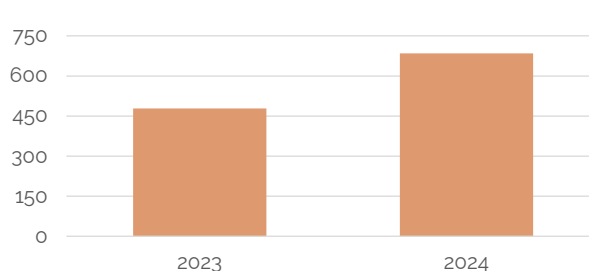
## Tax expense

The tax expenses increased by 38 % to SEK 155.6 million (112.9). The increase in the tax expenses is related to a higher operating profit but also to a provision for a tax surcharge related to an ongoing tax audit.

OPERATING INCOME (SEK million)



OPERATING PROFIT (SEK million)



# RESULTS AND FINANCIAL POSITION

## Loans to the public

The loan portfolio amounted to SEK 20,265 million (17,871), an increase in local currencies of 11 % compared to December 2023. Excluding divested past due receivables in Stage 3, the growth in local currencies amounted to 17 %. Positive currency effects impacted the loan portfolio growth by 2 %. New lending increased by 23 % to SEK 27,149 million (22,046) compared to 2023. The increase is mainly attributable by record volumes in the Credit Cards segment.

TF Bank's loan portfolio is well-diversified with relatively small exposures in several different geographic markets. At the end of the year, the exposure towards the three largest countries was Germany at 35 %, Norway 21 % and Finland 16 %. 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 21,198 million (20,653), a decrease in local currencies of 1 % compared to December 2023. Positive currency effects have affected the deposit balance by 4 %. At the end of the year, deposits were geographically distributed between Germany 79 %, the Netherlands 13 % and other countries 8 %.

The increased deposit balance over the past year is mainly attributable to the Netherlands and relates to savings accounts with fixed interest rate. At the end of the year, accounts with a fixed term comprised of 70 % (40) of TF Bank's total deposits.

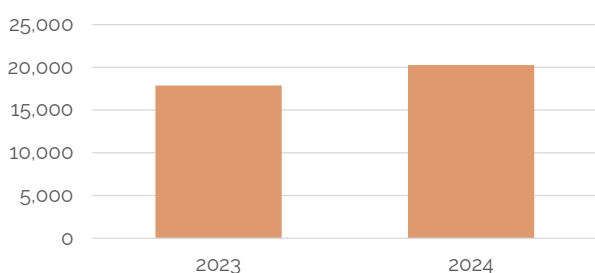
## Cash and cash equivalents

Cash and cash equivalents decreased to SEK 4,259 million (5,744) during the year. The decrease is mainly attributable to increased lending to the public. At the end of the year, the available liquidity reserve amounted to 19 % (25)<sup>1</sup> of deposits from the public.

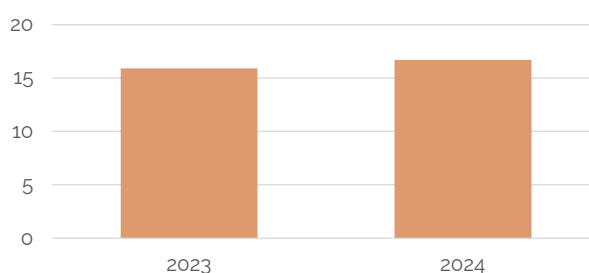
## Capital adequacy

The capital ratios have improved considerably during the year and at the end of 2024 the CET1 capital ratio was 13.3 % (12.0), the Tier 1 capital ratio was 14.7 % (13.6) and the total capital ratio was 16.7 % (15.9). The increase is related to positive capital effects of SEK 345 million from the divestment of a majority stake in the subsidiary Rediem Capital. The proposed dividend of SEK 107.5 million has been deducted from the capital base as of 31 December 2024. At the end of 2024, TF Bank's statutory Common Equity Tier 1 capital requirement was 8.9 %, the Tier 1 capital requirement was 10.6 % and the total capital requirement was 12.9 %.

LOANS TO THE PUBLIC (SEK million)



TOTAL CAPITAL RATIO (%)



<sup>1</sup> Excluding restricted cash and cash equivalents that are not available the next day.

## CREDIT CARDS

**My aim is to reach even higher levels of cost efficiency. As we continue to expand, our focus on efficiency and innovation will be key to sustaining profitability.**

With more than 10 years of experience in banking and the finance industry, and with a focus on credit cards especially, Claudia Wiese plays a vital role in optimising the Credit Cards business model.

- I have worked in both traditional banks and FinTechs and TF Bank is an interesting blend of both. With over 35 years of history, TF Bank has the stability and reliability of a well-established bank. At the same time, the Credit Cards segment, our newest business area, often feels like a start-up, fast-moving, growing rapidly and dynamic, much like a FinTech.

The Credit Cards segment has been the main driver of the Bank's growth during recent years. This is a trend that is expected to withstand as there continues to be significant growth opportunities.

- My responsibility is to ensure that our product, platform, and operations support TF Bank's strategic growth and expansion. Our goal is to have a flexible infrastructure that allows us to enter new markets and introduce new products without requiring large investments.

In addition to growth, TF Bank has always prioritised profitability. It is amongst the Bank's financial goals to maintain a return on equity well above 20 % and as such, it is a key objective across every business segment to integrate cost efficiency into the operations.



- We have upgraded our technology and introduced AI and machine learning features in our operations. Through the automation as well as a more experienced customer support team we have achieved a higher efficiency. Additionally, product enhancements have reduced customer inquiries, and economies of scale have further strengthened profitability and cost efficiency.

Higher operational efficiency and a clear focus on margins has resulted in the cost/income ratio noticeably improving to 34.6 % from 39.5 % during 2024. However, the work doesn't stop there.

- We have achieved significant growth without increasing the size of our operational team. My aim is to reach even higher levels of cost efficiency. As we continue to expand, our focus on efficiency and innovation will be key to sustaining profitability.

*Interview with:  
Claudia Wiese  
Chief Operating Officer (COO)*

## CREDIT CARDS

In the Credit Cards segment, TF Bank offers credit cards to creditworthy individuals in Germany, Norway, Austria, Spain and Italy. 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. Lending operations in Spain and Italy have been established in the second and third quarter of 2024, respectively. The credit card is compatible with both Google Pay and Apple Pay in all markets.

TF Bank Mastercard was named "Best Credit Card 2024" by Finansplassen Norway for its outstanding combination of favourable terms and comprehensive benefits. The card stands out with a credit limit of SEK 150,000, no annual fee and is free of charge when used. The complete offering included makes TF Bank Mastercard the most complete credit card on the Norwegian market in 2024.

At the end of the year, the number of active German credit cards amounted to approximately 306,000, which is the fastest growing market in the segment. The number of active credit cards at the end of the year was approximately 32,000 in Norway, 18,000 in Austria and 4,000 combined in the newly established markets of Spain and Italy.

**243.0**

Operating profit, SEK million

**8,450**

Loan portfolio, SEK million

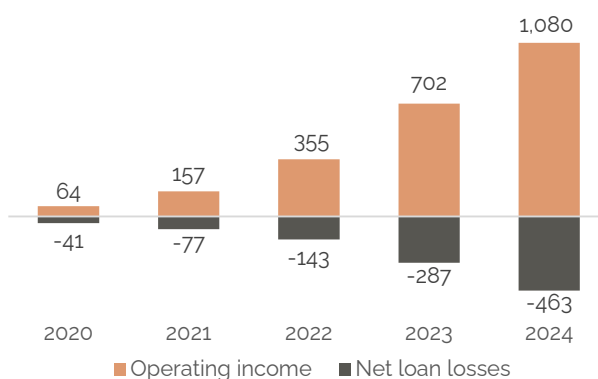
### Loan portfolio

The loan portfolio amounted to SEK 8,450 million (5,808), at the end of the year an increase in local currencies of 41 % compared at the end of the year to December 2023. Excluding divested past due receivables in Stage 3, the growth in local currencies amounted to 48 %. Positive currency effects impacted the loan portfolio growth by another 4 %. The new lending increased by 60 % to SEK 16,435 million (10,304). The increase is mainly related to the operations in Germany.

The loan portfolio in Germany increased by 42 % to EUR 612 million (431) over the past year. The growth is mainly generated by an increased number of issued credit cards.

The loan portfolio in Norway increased by 13 % to NOK 844 million (745) over the past year. The volumes have increased due to a changed credit strategy which has resulted in a significant increase in the utilisation rate on the credit cards but also due to an increased number of issued credit cards. The loan portfolio in Austria increased by 45 % to EUR 38 million (26) over the past year. The loan portfolios in the new markets of Spain and Italy combined amounted to EUR 2 million (-).

### OPERATING INCOME AND NET LOAN LOSSES (SEK MILLION)



### Results

The operating profit has increased by 77 % to SEK 243.0 million (137.4). Higher income from the growing loan portfolio and economies of scale in the business model contributed to the considerable improvement in the profit.

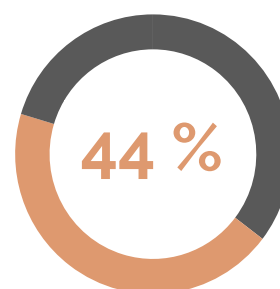
The operating income increased by 54 % to SEK 1,080 million (702.3). The increase is mainly related to the high growth in Germany. The operating income margin amounted to 15.1 % (15.5), mainly due to higher financing costs. Furthermore, a larger proportion of issued cards have been made through intermediaries, which has also had a negative impact on margins.

The operating expenses increased by 34 % to SEK 373.3 million (277.5) and the expenses have been affected by factors such as a higher frequency in the number of newly issued cards. However, the C/I ratio improved to 34.6 % (39.5) due to economies of scale in the business model and reduced direct marketing costs.

The net loan losses increased by 61 % to SEK 463.5 million (287.4). The increase was primarily affected by provisions for expected credit losses related to the growing loan portfolio in Germany. The net loan loss ratio amounted to 6.5 % (6.3).

For further information about the loan portfolio and results of this segment, see Note G4 Segment reporting.

### SHARE OF THE BANK'S OPERATING INCOME



## ECOMMERCE SOLUTIONS

**We're a responsive partner that understands and adapts to the preferences and needs of both consumers and merchants.**

Rasmus Rolén became part of TF Bank in the spring of 2023 when he was hired as CEO of the former subsidiary Avarda. In Ecommerce Solutions TF Bank offers tailor-made payment solutions through the Avarda brand.

-We stand out from other companies in the industry by not only focusing on being a payment provider but also by striving to differentiate ourselves at all levels. We deliver a top-tier product and customer service, while also working to elevate the merchants' own brands. As a responsive partner, we aim to understand and adapt to the unique preferences and needs of both consumers and merchants.

It is not only the white label solution in the purchase process that makes the offer unique in the market, but also what happens after the purchase. When partnering with TF Bank, the merchant's brand is also in focus in communications with the customer after the purchase has been completed.

- By consistently ensuring that we keep merchants top of mind for consumers, they gain better customer contact and can initiate new customer dialogues across all touchpoints without requiring significant investments in time and money.

Thanks to this strategy, nearly 20 % of customers return to the merchants' sites. Additionally, the buy-back rate for some merchants has been between 12-20 % over the course of the year.

- I often joke that we really are true payment geeks. Our team shares an incredible passion and drive for what we do. We always want to be better. During my time at the Bank alone, we've implemented numerous organisational and visionary changes, both within Ecommerce Solutions and across the Bank as a whole.



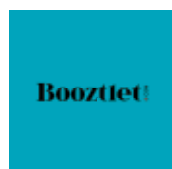
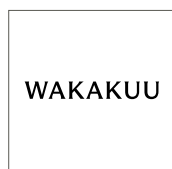
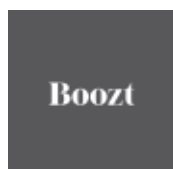
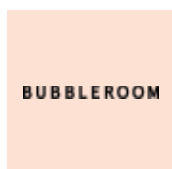
Despite a challenging macroeconomic climate, the segment, under Rasmus' leadership, has successfully navigated through the challenges, with improved profitability serving as clear evidence of this success.

- After several years in the industry, I've learned that it's essential to align the entire team with a common vision. A solid structure and clear direction are key to long-term success. Furthermore, starting simple, on a small scale, and then scaling up tends to yield the best results.

This low and grow strategy is embedded throughout all areas of the Bank. TF Bank's consistent growth occurs in a controlled and organic manner.

- Moving forward, the focus will be on scaling the business, driving product development, and expanding geographically, all while maintaining cost efficiency. We've already seen significant benefits between the Ecommerce Solutions and Credit Cards segments, where we can leverage joint geographical initiatives, product development and competence exchange.

*Interview with:  
Rasmus Rolén  
Chief Commercial Officer (CCO)*



## ECOMMERCE SOLUTIONS

In the Ecommerce Solutions segment, TF Bank offers digital payment solutions primarily within e-commerce to creditworthy individuals. The digital payment solutions are offered in the Nordic region under the brand Avarda and were previously offered in the Baltics and Poland via TF Bank. New lending in the Baltics was terminated at the end of January 2024, and new lending in Poland ceased in autumn 2023. At the end of the year, the Nordic loan portfolio comprises 90 % of the segment and the remaining markets comprises 10 % combined.

Avarda as a brand has been around since 2015, focusing on digital payment solutions in the Nordics. The goal is to create a payment solution for e-retailers who wish to build and strengthen their own brand throughout the entire purchasing journey, from checkout to payment. The payment solutions are offered for e-commerce and retail in the Nordic region. The Bank sees continued development opportunities in its operations in the Nordic region and has also initiated a small-scale launch of credit offerings in Germany at the end of the fourth quarter of 2024.

**107.3**

Operating profit,  
SEK million

**2,742**

Loan portfolio,  
SEK million

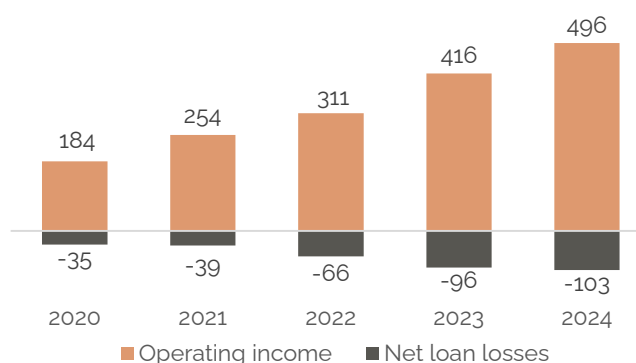
### The loan portfolio

The loan portfolio amounted to SEK 2,742 million (3,011) at the end of the year, a decrease in local currencies of 10 % compared to December 2023. Excluding divested past due receivables in Stage 3, the decrease in local currencies amounted to 7 %. Positive currency effects impacted the loan portfolio growth by 1 %. New lending decreased by 6 % to SEK 5,994 million (6,402). The decrease is attributable to new lending in the Baltics having ceased at the end of January 2024.

The loan portfolio in the Nordics amounted to SEK 2,462 million (2,470), an increase in local currencies of just below 1 % compared to December 2023. In Finland, the loan portfolio decreased by 14 % to EUR 93 million (107) during the past year. The Swedish loan portfolio increased by 8 % to SEK 1,023 million (947) following strong sales development during the past year. In Norway the loan portfolio increased by 16 % to NOK 383 million (329). In Denmark, the loan portfolio decreased to DKK 3 million (5).

The loan portfolio in the Baltics has decreased by 72 % to EUR 8 million (27) over the past year. The decrease is explained by new lending having ceased. In Poland, the loan portfolio has decreased by 44 % to PLN 54 million (96).

### OPERATING INCOME AND NET LOAN LOSSES (SEK MILLION)



### Results

The operating profit increased by 80 % to SEK 107.3 million (59.5). The increase is mainly related to rising operating income in the Nordics.

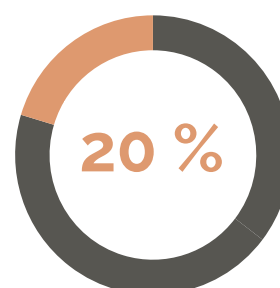
The operating income increased by 19 % to SEK 496.3 million (415.8) as a result of increased financing costs being passed on to customers. Increased transaction volumes in the Nordics have also resulted in higher operating income. The operating income margin improved to 17.3% (14.5).

The operating expenses increased by 10 % to SEK 286.0 million (260.2). This is explained by increased sales-related costs and more employees. The C/I ratio improved to 57.6 % (62.6).

The net loan losses increased by 7 % to SEK 103.0 million (96.1) which is mainly related to Finland and Sweden. The net loan loss ratio increased to 3.6 % (3.4).

For further information about the loan portfolio and results of this segment, see Note G4 Segment reporting.

### SHARE OF THE BANK'S OPERATING INCOME

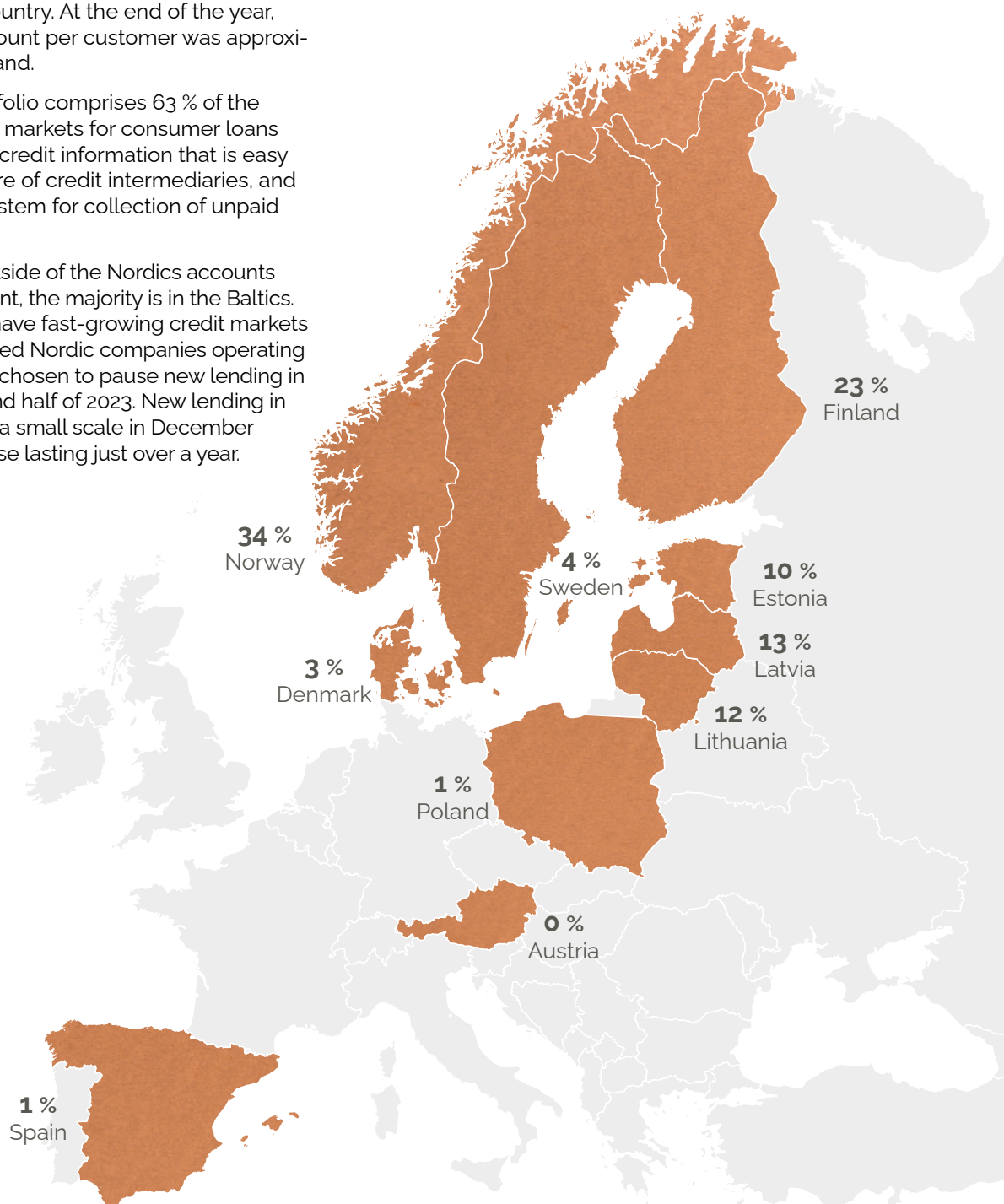


## CONSUMER LENDING

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 year, the average loan amount per customer was approximately SEK 74 thousand.

The Nordic loan portfolio comprises 63 % 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 37 % 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 since the second half of 2023. New lending in Sweden resumed on a small scale in December 2024, following a pause lasting just over a year.



## CONSUMER LENDING

### The loan portfolio

The loan portfolio amounted to SEK 9,073 million (9,052) at the end of the year, a decrease in local currencies of 1 % compared to December 2023. Excluding divested past due receivables in Stage 3, the growth in local currencies amounted to 4 %. Positive currency effects have impacted the loan portfolio's growth of 1 %. New lending has decreased by 12 % to SEK 4,720 million (5,340), which is an effect of a deliberate strategy to allocate more capital to other segments.

The Nordic loan portfolio decreased by 6 % in local currencies and amounts to SEK 5,700 million (6,181). The loan portfolio in Norway decreased by 3 % to NOK 3,135 million (3,231) over the past year. The loan portfolio in Finland decreased by 12 % to EUR 181 million (206). The Swedish loan portfolio decreased by 34 % to SEK 355 million (539) and the loan portfolio in Denmark increased by 29 % to DKK 146 million (113) over the past year.

The loan portfolio in the Baltics increased by 12 % to EUR 266 million (238) over the past year. The growth is stable in all Baltic countries. The Polish loan portfolio decreased to PLN 20 million (27). The loan portfolio in Spain amounted to EUR 9 million (14).

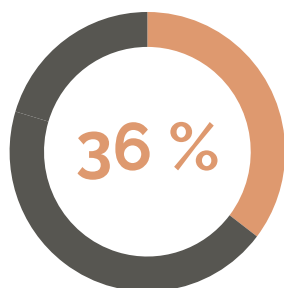
**334.5**

Operating profit,  
SEK million

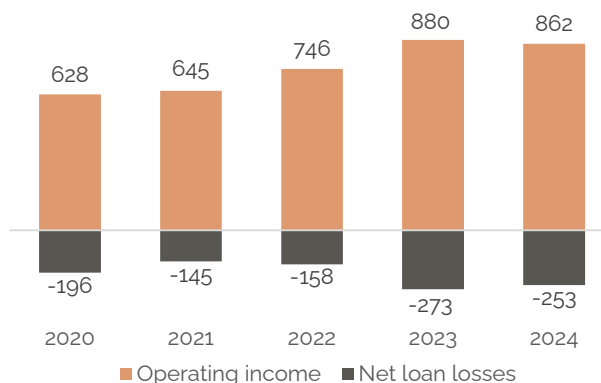
**9,073**

Loan portfolio,  
million SEK

### SHARE OF THE BANK'S OPERATING INCOME



### OPERATING INCOME AND NET LOAN LOSSES (SEK MILLION)



### Results

The operating profit increased by 2 % to SEK 334.5 million (328.7). The increase is mainly explained by lower loan losses as a result of reduced new lending.

The operating income decreased by 2 % to SEK 862.4 million (880.0) which is mainly related to lower net interest income in Sweden and Finland. The operating income margin amounted to 9.5 % (9.9).

The operating expenses decreased by 1 % to SEK 274.7 million (278.0) mainly as a result of lower volume-related costs in Sweden and Spain. The C/I ratio amounted to 31.9 % (31.6).

The net loan losses have decreased by 7 % to SEK 253.2 million (273.3) and the net loan loss ratio has improved to 2.8 % (3.1), which is mainly explained by reduced new lending.

For further information about the loan portfolio and results of this segment, see Note G4 Segment reporting.

## OTHER FINANCIAL INFORMATION

### Annual General Meeting 2025

The 2025 Annual General Meeting will be held on Tuesday 17 June 2025 in Borås. Shareholders who want a matter listed in the notice to the Annual General Meeting must submit a request to the Board no later than Tuesday 29 April 2025. The request must be sent by e-mail to [ir@tfbank.se](mailto:ir@tfbank.se) or by regular postal service to TF Bank AB, Attn: Investor Relations, Box 947, SE-501 10 Borås, Sweden. Notice of the Annual General Meeting will be published no later than Tuesday 20 May 2025.

### Proposed dividend

The Board of Directors proposes to the Annual General Meeting an extraordinary dividend of SEK 5.00 per share for 2024 linked to the divestment of a majority stake in the former subsidiary Rediem Capital AB. The total dividend to the shareholders according to the proposal will be SEK 107.8 million.

### 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.

### Remuneration of senior executives

In accordance with the requirements regarding disclosure of information in FFFS 2011:1, on remuneration systems in credit institutions and investment firms, last updated through FFFS 2020:2021:3017, information is presented on e.g. remuneration framework is provided on the Bank's website [www.tfbankgroup.com](http://www.tfbankgroup.com). The guidelines for remuneration of senior executives comprises the CEO, CFO and other members of the executive management. The guidelines shall be applied on remunerations which have been agreed upon, and changes made to already agreed remunerations, after the guidelines have been adopted by the AGM. At the 2021 AGM, the following guidelines were adopted regarding remuneration of TF Bank's senior executives:

### Guidelines for promoting the Bank's business strategy, long-term interests and sustainability

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

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

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

### The forms of remuneration etc.

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

The fulfilment of criteria for variable cash remuneration must be measurable over a time period of one or several years. The variable cash remuneration may amount to a maximum of 100 % of the total fixed salary during the measurement period.

Furthermore, the following applies in accordance with the regulations in place with regards to remuneration in banks: Variable remuneration can be emanated in the form of shares, and there shall be a limit to the maximum result. Payment of variable remuneration shall be postponed and be conditional on the fulfilment of the criteria on which the remuneration is based being sustainable in the long-term and on the Bank's position not declining substantially. If the conditions for payment are not met, the remuneration shall be cancelled in its entirety or in part.

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

## OTHER FINANCIAL INFORMATION

Regarding employment conditions that are governed by rules that are not Swedish, insofar as pension benefits and other benefits are concerned, appropriate adjustments are made to comply with mandatory rules or fixed local practices, whereby the general purpose of these guidelines should be met as far as possible.

### **Termination of employment**

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

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

### **Criteria for distributing variable remuneration**

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

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

### **Salary and terms of employment for the employees**

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

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

The Board of Directors shall establish proposals for new guidelines when there is a need for significant changes, at least every four years. The proposals shall be submitted for the resolution at the AGM. The guidelines shall apply until new guidelines have been adopted by the AGM. The Board shall also follow and evaluate programs for variable remuneration for the executives, the application of guidelines for remuneration of senior executives, as well as current remuneration structures and remuneration levels in the Bank. The CEO and other members of executive management shall not attend board meetings when decisions are being made about remuneration-related issues, insofar as they are affected by the issues.

### **Deviations from the guidelines**

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

### **Commission-based compensation**

The size of the commission-based compensation is paid on the basis of the individual accomplishment of financial targets established for the year. TF Bank has ensured that all targets related to commission-based compensation can be measured in a reliable way. The commission-based compensation is paid to senior executives within the Bank and is not pensionable.

### **Pensions**

The Company's pension obligations are covered through payments to an ITP occupational pension plan. The retirement age for the CEO is 65 and annual supplementary payments are made to a defined contribution plan. The retirement age for other senior executives is between 65 and 67 depending on country of residence and annual supplementary payments are made to a defined contribution plan.

### **Period of notice and severance pay**

According to an agreement between TF Bank AB and the CEO, the period of notice is six months (12 months in the case of termination by the Company). If termination is initiated by the Company, basic salary is payable during the period of notice, however variable remuneration, if agreed before the notice was issued, is not payable. Severance pay is adjusted according to the salary that the CEO receives from a new employer.

## OTHER FINANCIAL 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.

For a more detailed description of financial risks and the use of financial instruments, as well as capital adequacy, see Notes G3 and G33.

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.

### Geopolitical and macroeconomic uncertainty

TF Bank is affected by external factors related to geopolitics and macroeconomics. The geopolitical landscape remains uncertain in parts of Europe, while the macroeconomic environment continues to be shaped by the high inflation and higher interest rates of recent years. It is possible that TF Bank's operations, new lending, or loan losses may be adversely affected by future geopolitical and macroeconomic developments.

### Sustainability

TF Bank is committed to operating responsibly, with the aim of minimising its negative impact on its surroundings. Environmental resources are used responsibly and carefully across all areas of the Bank's operations. The Bank conducts its business 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, which enhances the Bank's accessibility while limiting its environmental footprint.

Starting from the 2025 financial year, TF Bank will be subject to the new EU Sustainability Reporting Directive (CSRD), with the first report due in 2026. This means the Bank will report in accordance with the European Sustainability Reporting Standards (ESRS). The directive imposes stricter requirements for more comprehensive disclosures and information on sustainability than what has previously been required.

TF Bank's sustainability report for 2024 has been prepared in accordance with the Annual Accounts Act's requirements (Chapter 6, Section 12) for sustainability reporting. TF Bank has opted to present the statutory sustainability report as a separate report, distinct from the management report in the annual report. This has been submitted to the auditor alongside the annual report. The sustainability report can be found on pages 130-141.

The results and financial position of the Bank are shown in the below income statement and statements of financial position, statements of equity and cash flow statements, as well as accompanying notes.

# FINANCIAL INFORMATION AND NOTES - GROUP



## INCOME STATEMENT - GROUP

SEK thousand	Note	2024	2023
	G2,G3,G4		
<b>Operating income</b>			
Interest income according to effective rate method		3,040,652	2,324,288
Other interest income		60,551	44,630
<b>Interest income</b>	G5,G31	<b>3,101,203</b>	<b>2,368,918</b>
Interest expense	G6	-845,447	-547,605
<b>Net interest income</b>		<b>2,255,756</b>	<b>1,821,313</b>
Fee and commission income		362,750	280,246
Fee and commission expense		-179,437	-103,335
<b>Net fee and commission income</b>	G7,G31	<b>183,313</b>	<b>176,911</b>
Net results from financial transactions	G8	-553	-103
<b>Total operating income</b>		<b>2,438,516</b>	<b>1,998,121</b>
<b>Operating expenses</b>			
General administrative expenses	G9,G10,G11,G31	-821,371	-706,846
Depreciation and amortisation of tangible and intangible assets	G12,G13,G14	-68,402	-60,466
Other operating expenses	G15	-44,232	-64,359
<b>Total operating expenses</b>		<b>-934,005</b>	<b>-831,671</b>
<b>Profit before loan losses</b>		<b>1,504,511</b>	<b>1,166,450</b>
Net loan losses	G16	-819,606	-656,851
<b>Operating profit</b>		<b>684,905</b>	<b>509,599</b>
Items affecting comparability	G17	103,084	-
Tax on profit for the year	G18	-155,640	-112,899
<b>Profit for the year</b>		<b>632,349</b>	<b>396,700</b>
<i>Profit for the year attributable to:</i>			
<i>Shareholders of the Parent company</i>		603,220	376,853
<i>Parent company holders of additional tier 1 capital instruments</i>		29,129	19,847
<i>Basic earnings per share (SEK)</i>		28.06	17.53
<i>Diluted earnings per share (SEK)</i>		28.06	17.53

## STATEMENT OF OTHER COMPREHENSIVE INCOME - GROUP

SEK thousand	2024	2023
<b>Profit for the year</b>	<b>632,349</b>	<b>396,700</b>
<b>Other comprehensive income</b>		
<b>Items that may subsequently be reclassified to the income statement</b>		
Gross exchange rate differences	222	-1,358
Tax on exchange rate differences in the year	-	260
<b>Other comprehensive income for the year</b>	<b>222</b>	<b>-1,098</b>
<b>Total comprehensive income for the year</b>	<b>632,571</b>	<b>395,602</b>
<i>Comprehensive income for the year attributable to:</i>		
<i>Shareholders of the Parent company</i>	603,442	375,755
<i>Parent company holders of additional tier 1 capital instruments</i>	29,129	19,847

## BALANCE SHEET - GROUP

SEK thousand	Note	31 Dec 2024	31 Dec 2023
	G2,G3,G19,G20		
<b>ASSETS</b>			
Cash and balances with central banks		18,563	18,916
Treasury bills eligible for refinancing, etc.	G21	1,792,652	3,635,697
Loans to credit institutions	G22,G31	2,447,869	2,089,504
Loans to the public	G4,G23	20,265,458	17,870,633
Shares	G24	117,309	144
Goodwill	G12	20,011	12,753
Intangible assets	G13	97,572	93,088
Tangible assets	G14	71,370	60,015
Other assets	G25,G31	145,196	52,105
Current tax assets		-	1,818
Deferred tax assets	G26	7,659	54,277
Prepaid expenses and accrued income		85,946	57,808
<b>TOTAL ASSETS</b>		<b>25,069,605</b>	<b>23,946,758</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits and borrowings from the public	G27	21,197,981	20,652,997
Other liabilities	G28,G31	232,528	421,487
Current tax liabilities		63,175	97,325
Accrued expenses and prepaid income	G29	436,552	255,968
Deferred tax liabilities	G26	19,606	-
Provisions		1,574	11,158
Subordinated liabilities	G30	345,509	346,909
<b>Total liabilities</b>		<b>22,296,925</b>	<b>21,785,844</b>
<b>Equity</b>	G32		
<b>Restricted equity</b>			
Share capital		107,500	107,500
<b>Total restricted equity</b>		<b>107,500</b>	<b>107,500</b>
<b>Non-restricted equity</b>			
Foreign currency reserve		2,194	1,972
Retained earnings		2,412,986	1,801,442
<b>Total non-restricted equity</b>		<b>2,415,180</b>	<b>1,803,414</b>
<b>Total equity</b>		<b>2,522,680</b>	<b>1,910,914</b>
Tier 1 capital instrument		250,000	250,000
<b>Total equity attributable to the owners of the Parent Company</b>		<b>2,772,680</b>	<b>2,160,914</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>25,069,605</b>	<b>23,946,758</b>

## STATEMENT OF CHANGES IN EQUITY - GROUP

SEK thousand	Restricted equity	Non-restricted equity			Total equity
	Share capital	Foreign currency reserve	Retained earnings	Tier 1 capital instrument	
<b>Equity as at 1 Jan 2023</b>	<b>107,500</b>	<b>3,070</b>	<b>1,428,030</b>	<b>200,000</b>	<b>1,738,600</b>
<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
<b>Equity as at 31 Dec 2023</b>	<b>107,500</b>	<b>1,972</b>	<b>1,801,442</b>	<b>250,000</b>	<b>2,160,914</b>
<b>Equity as at 1 Jan 2024</b>	<b>107,500</b>	<b>1,972</b>	<b>1,801,442</b>	<b>250,000</b>	<b>2,160,914</b>
Profit for the year			632,349		632,349
Other comprehensive income for the year		222			222
<i>Total comprehensive income for the year</i>		222	632,349		632,571
<i>Transactions with owners of the Parent company</i>					
<i>Contributions from and value transfers to owners of the Parent company</i>					
Interest on additional tier 1 capital instruments			-29,129		-29,129
<i>Total contributions from and value transfers to owners of the Parent company</i>			-29,129		-29,129
<i>Other transactions in equity</i>					
Share based remunerations			8,324		8,324
<i>Total other transactions in equity</i>			8,324		8,324
<b>Equity as at 31 Dec 2024</b>	<b>107,500</b>	<b>2,194</b>	<b>2,412,986</b>	<b>250,000</b>	<b>2,772,680</b>

## CASH FLOW STATEMENT - GROUP

SEK thousand	2024	2023
<b>Operating activities</b>		
Operating profit	684,905	509,599
<i>Adjustment for items not included in cash flow</i>		
Depreciation and amortisation of tangible and intangible assets	68,402	60,466
Accrued interest income and expense	134,635	90,153
Other non-cash items	5,973	315
Paid income tax	-187,972	-53,933
<b>Cash flows from operations before changes in working capital</b>	<b>705,943</b>	<b>606,600</b>
Increase/decrease in loans to the public	-2,394,825	-3,216,260
Increase/decrease in other short-term receivables	-271,355	-45,036
Increase/decrease in deposits and borrowings from the public	544,984	4,544,867
Increase/decrease in other short-term liabilities	-134,524	311,144
<b>Cash flow from operating activities</b>	<b>-1,549,777</b>	<b>2,201,315</b>
<b>Investing activities</b>		
Investments in tangible assets	-30,999	-54,113
Investments in intangible assets	-53,264	-37,399
Paid interest on lease debt	-1,443	-1,347
Amortisation of lease debt	-15,514	-14,938
Sale of shares in subsidiaries	105,700	-
<b>Cash flow from investing activities</b>	<b>4,480</b>	<b>-107,797</b>
<b>Financing activities</b>		
Redemption of Tier 2 capital	-100,000	-
Issue of Tier 2 capital	100,000	150,000
Redemption of Tier 1 capital	-	-100,000
Issue of Tier 1 capital	-	150,000
Interest on Tier 1 capital	-29,129	-19,847
Transaction costs, issue of Tier 1 capital	-	-3,138
Tax effect, transaction costs issue of Tier 1 capital	-	618
<b>Cash flow from financing activities</b>	<b>-29,129</b>	<b>177,633</b>
<b>Cash flow for the year</b>	<b>-1,574,426</b>	<b>2,271,151</b>
Cash and cash equivalents at the beginning of the year	5,744,117	3,528,368
Exchange rate difference in cash and cash equivalents	89,393	-55,402
<b>Cash and cash equivalents at the end of the year</b>	<b>4,259,084</b>	<b>5,744,117</b>
<i>Cash flow from operating activities includes interest expenses paid and interest payments received</i>		
Interest expenses paid	713,452	460,225
Interest payments received	2,935,092	2,214,814
<b>Components of cash and cash equivalents</b>		
Cash and balances with central banks	18,563	18,916
Treasury bills eligible for refinancing	1,792,652	3,635,697
Loans to credit institutions	2,447,869	2,089,504
<b>Total cash and cash equivalents</b>	<b>4,259,084</b>	<b>5,744,117</b>

# NOTES

## NOTE G1 General information

The consolidated financial statements and annual report of TF Bank AB for the financial year 2024 were approved by the Board of Directors and the CEO for publication on 21 March 2025. The Parent company, TF Bank AB, has its registered office in Borås, Sweden and is a banking company licensed to conduct banking operations. The Bank conducts lending and/or deposit operations to private individuals in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland, the Netherlands and Italy through subsidiaries, branches or cross-border operations with the support of the Swedish banking licence. The Company's shares are traded on Nasdaq OMX Nordic in Stockholm in the Mid Cap segment.

### General information

Name	TF Bank AB (publ)
Residence	Borås
Legal form	Limited company (publ)
Legal domicile	Sweden
Address, company headquarter	Box 947, 501 10 Borås
Organisation number	556158-1041
LEI code	529900BGZZZTLLBR1X49
Website	www.tfbankgroup.com

### 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
TF Bank AB, branch Lithuania	306989111

### Subsidiaries

TF Nordic AB	559476-6379
TFB Service GmbH	HRB 208869 B
TFBN Services S.L.U.	B10781789
TFBN Services Ltd	15924773
TFB Service UAB	304785170
Avarda AS	931 481 169

All subsidiaries are 100 % owned.

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

The Swedish krona (SEK) is the Group's presentation currency, which is TF Bank AB's functional currency and presentation currency.

## NOTE G2 Accounting Policies

The most significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been applied consistently to all reporting periods presented in these financial statements, unless otherwise stated.

The consolidated financial statements of the TF Bank AB Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of these standards

adopted by the European Union (EU). In addition, the supplements set out in the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559), RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, and of the Swedish FSA (FFFS 2008:25).

### Estimates and Judgements

Preparation of the consolidated financial statements in compliance with IFRS requires the use of some critical estimates for accounting purposes. Estimates and judgements are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Bank makes estimates and assumptions about the future. The resulting estimates for accounting purposes by definition rarely correspond to the actual results.

The areas that involve a high degree of judgement, are complex, or where assumptions and estimates have a material impact on the financial statements primarily comprise provisions for expected loan losses and goodwill impairment testing.

### Provisions for expected loan losses

TF Bank has a forward-looking model for impairments in accordance with IFRS 9, where expected loan losses on financial assets are calculated at initial recognition. A loan loss reserve is recognised for all financial assets that are valued at amortised cost. The calculation of the expected loan losses is done through methods and models developed by the Bank, all of which are characterised by assumptions about the future, such as how historical experiences will develop in the future given assumptions about the development of various macro scenarios. Making provisions for expected loan losses requires careful analysis of available data to make reliable assessments about the future.

The most important inputs used to assess expected loan losses are:

- Probability of default (PD)
- Loss given default (LGD)
- Exposures at default (EAD)
- Expected maturity

Calculations are derived from developed statistical models.

PD for 12 months and PD for the remaining maturity are based on the conditions on the balance sheet date. PD models are based on homogeneous groups of the total loan portfolio, i.e. geographic market and segment. Future economic conditions are considered through expert assessments for each homogeneous group. The Bank's method for estimating the probability of default also takes into account unused limits for revolving credits. LGD corresponds to the expected loss in the event of default and takes into account assumptions about future discounted cash flows or the contractual terms that apply in the event of sale to debt collection agencies. The Company's issued credits that have matured without being settled by the debtor are continuously sold to debt collection agencies in markets where the Board considers the price level to be favourable for the Bank's performance and risk profile. During the end of the year, the Bank has chosen to keep more of nonperforming loans in the balance sheet. EAD represents an estimated credit exposure at a future point in time in the event of default, taking into account expected changes in credit exposure on the balance sheet date. The Bank's method for calculating EAD corresponds to current contractual terms for repayment of capital, interest, and maturity date. For the calculation of future maturity, the Bank starts from the original contract period and then takes into account behaviour patterns for the Bank's various segments and markets to determine the expected maturity.

For more detailed information on impairment tests and credit risks, see the section Impairment of financial assets in this note, the section on Credit risks in Note G3 and Note G23.

Note G2 cont.

#### *Impairment testing of Goodwill*

Impairment testing of Goodwill is subject to many different estimates and assessments of the future. TF Bank annually examines whether there is a need for impairment of goodwill for the cash-generating unit. The calculations are based on estimated future cash flows after tax, which are based on financial forecasts approved by the Company's management. Important assumptions regarding forecasts made include the average loan portfolio, new lending, margins and assessments of future developments. For more information, see section Goodwill in this note and Note G12.

#### **New standards and amendments and interpretations of existing standards that have been adopted by the Bank**

No changes or improvements to IFRS standards that have come into effect, or new IFRS IC Agenda Decisions published for the 2024 financial year had any material impact on TF Bank's financial report. The same applies to corresponding changes in Swedish regulations.

#### **Foreign branches**

For items that are considered to be dealings with the foreign branches, all translations are recorded in net profit or loss of financial transactions.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are recognised as assets and liabilities of the foreign entity and translated at the exchange rate at the balance sheet date. Foreign exchange differences arising on the acquisition are recognised in other comprehensive income.

#### **Segment reporting**

Operating segments are accounted for in a way that is compatible with the internal reports submitted to the function responsible for the allocation of resources and the evaluation of the results of the operating segments. In the Bank, this function has been identified as the CEO.

#### **Tangible assets**

The straight-line method of depreciation is used for all types of tangible assets. The following depreciation periods are used:

IT equipment	36 months
Other equipment	60 months

Lease liabilities are measured at the present value of the remaining lease payments using the incremental borrowing rate at the date of first application. Leases with a term of twelve months or less are not included, nor are leases for which the underlying asset has a lesser value.

#### **Intangible assets**

The Group's intangible assets consist entirely of development costs that are directly attributable to the development and testing of identifiable and unique software products controlled by the Bank.

The intangible assets are amortised on a straight-line basis over their useful lives, but not more than 60 months, from the time the asset is ready for use.

#### **Goodwill**

The goodwill recognised in the balance sheet is related to business acquisitions and mergers. An impairment test for goodwill is performed annually. The calculations are based on estimated future after-tax cash flows derived from financial forecasts approved by the management, covering a three-year period, in line with the Bank's business plan. Key assumptions regarding the forecasts include average credit portfolio, new lending, and margins. The average growth rate used is based on the Company's own plans and assessments of future development. For the period after the forecast period, growth is estimated to align with the Swedish Central Bank's inflation target. Estimated cash flows have been discounted using a rate based on the risk-free interest rate, along with a risk adjustment corresponding to the market's average return requirement. The calculation of the recoverable amount is based on the value in use.

#### **Financial instruments – classification, recognition and measurement**

Note G19 "Classification of financial assets and liabilities" shows how TF Bank has categorised financial instruments.

#### *Amortised cost*

Financial assets and liabilities measured at amortised cost are initially recognised in the balance sheet at fair value, including transaction costs. After initial recognition, the instrument in this category is measured at amortised cost using the effective interest method less the credit loss provision for financial assets. This category includes the Bank's loan receivables and trade receivables.

#### *Fair value through profit and loss*

Financial assets and liabilities valued at fair value through profit and loss if they are not to be valued in any of the other categories. These assets and liabilities are valued at fair value excluding transaction costs. All changes in value of these items are reported directly in the income statement in "Net results from financial transactions". The financial instruments that are valued at fair value through TF Bank's profit and loss comprise derivative instruments held for trading purposes and shares whose cash flows do not meet the cash flow criteria.

#### *Accounting, cancellation and modification*

Financial assets and financial liabilities are reported in the balance sheet on the business day, which is the day on which the agreement is entered into, in addition to financial assets classified as amortised cost which are reported on the settlement date. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or has been transferred and the Bank has transferred virtually all risks and benefits associated with ownership to another party. A financial asset and a financial liability are netting off and reported at the netting amount in the balance sheet, only when there is a legal right to net off the amounts, and the intention is there to settle the posts with a net amount or to simultaneously realise the asset and settle the liability. When a loan is modified, the Bank makes an assessment of whether the modification results in removal from the balance sheet.

A loan is considered to be modified when the terms and conditions governing cash flows change compared to the original agreement, for example due to easing of loan terms, changes in market conditions, measures to retain the customer and other factors unrelated to a borrower's deteriorating creditworthiness. Modified loans are removed from the balance sheet and a new loan is reported either when the existing loan is terminated and a new agreement is entered into with significantly different terms or if the terms of an existing agreement are significantly modified. Modifications solely due to the borrower's financial difficulties, including the provision of relief in loan terms, are not considered significant on their own. If a loan has been modified and moved from Stage 1 to either Stage 2 or 3, it will not be moved back during the term of the loan.

Financial liabilities are removed from the balance sheet when the debt is extinguished by the agreement being fulfilled, cancelled or terminated. Loan receivables classified as impaired are written off from the balance sheet when the Bank has no reasonable expectation of recovering a claim in its entirety or in part. The Bank has no reasonable expectation of recovering the claim and considers the loss to be determined when a customer has passed, completed a debt restructuring program, or when it has been sold to a third party. After write-off, loan receivables are no longer reported on the balance sheet. Recovery of previously written-off amounts is reported as a reduction of loan losses in the net loan losses line of the income statement.

Note G2 cont.

### Impairment of financial assets

TF Bank has a portfolio-based model for calculating loan loss provisions based on the valuation of expected loan losses and complemented by risk parameters. The risk parameters are updated on a report-by-report basis to reflect forward-looking information. The Bank segments out each month's loans issued in order to analyse current behaviour in relation to historical behaviour and, based on this, calibrate models to calculate expected credit losses. In cases where the effect of relevant factors is not captured by risk models, the Bank uses expert adjustments.

The Group's calculation of future expected loan losses includes forward-looking macroeconomic information based on three different scenarios, a base, a positive scenario and an adverse scenario. These scenarios have then been weighted into the model based on the Group's assessment of the probability of each scenario occurring. The input data used comes from the European Central Bank's (ECB) and the Organisation for Economic Co-operating and Development (OECD) forecasts, which include estimates of macroeconomic variables such as GDP, inflation, unemployment rate, interest rates and households' consumption. The base scenario is based on the ECB's staff projections presented new interest rate decisions are announced. The positive scenario assumes favourable outcomes according to the confidence intervals in the ECB's staff projections, which, based on the Company's assessment, would lead to a reduction in the provision for expected loan losses by 9.4 %. The adverse scenario is also based on the ECB's staff projections and would result in an increase in provisions by 10.2 %. The base scenario implies a decrease of 3.5 % in the Group's provisions. The Group takes into account the macroeconomic effect on the reserve for expected loan losses only for loans where the credit risk has not significantly increased since origination (i.e., Stage 1). In addition to macroeconomic variables, the Group also considers credit variables. The Group uses assumptions about the probability of default (PD) ranging from 1-12 % for claims in Stage 1 and 42-86% for claims in Stage 2. The Group's assumptions for loss given default (LGD) range from 13-75 %. For table illustrations and sensitivity analysis, see Note G23.

The Group primarily uses quantitative data to determine whether a significant increase in credit risk has occurred in order to categorise the financial assets into the three different categories. Qualitative data is used in cases where the Bank receives external or internal information that a customer has payment difficulties.

Provisions for loans in Stage 3 are made with the difference between the asset's carrying amount and the present value of future cash flows, discounted at the original effective interest rate. The expected future cash flow is based on calculations that take into account historical repayment levels that are applied to each generation of loan receivables.

The calculation of the lifetime for credit cards and other revolving credits as well as provisioning of unused credit limits is based on predictive models about the future limit use and statistical repayment plans. The models are based on internal historical data where different models are used for homogeneous groups of credits with similar explanatory variables.

#### Definition of default and credit impaired assets

According to the Bank, defaults and doubtful receivables are triggered if any of the following occurs; a borrower has past due unpaid amounts older than 90 days, has died or been declared bankrupt or similar; the loan has been identified as fraudulent or sold or sent to an external collection agency. In assessing whether a borrower is unlikely to pay its loan obligations, the Bank considers both qualitative and quantitative factors including, but not limited to, the status of defaults, defaults, expected easing of loan terms, expected bankruptcy or breach of loan terms.

#### Determining a significant increase in credit risk since initial recognition

The Bank assesses changes in credit risk using a combination of individual and collective information and reflects significant increases in credit risk at the individual financial instrument level. The forward-looking lifetime probability of default over the remaining term will incorporate the effects of past and current forecasted economic conditions. Quantitative indicators are the most important part in determining an increase in credit risk since initial recognition, and an increase in credit risk occurs when the loan has been past due for 30 days or more, which results in the asset being moved from Stage 1 to Stage 2. If the loan is past due for 90 days or more, the asset is moved to Stage 3. This process is done at the portfolio level. Qualitative indicators at the contract level are also taken into account when placing in the different stages, such as if the borrower is monitored on a watchlist or has been granted relief in loan terms, or if the Bank receives external information that the customer is experiencing payment difficulties, such as debt restructuring cases and payment arrangements. The Bank assesses that financial assets with low credit risk on the reporting date are not considered to have been significantly exposed to an increased credit risk, which refers to financial assets classified as cash and balances with central banks, securities issued or guaranteed by the government that are eligible for repurchase agreements, and lending to other financial institutions. A financial instrument is no longer considered to have experienced a significant increase in credit risk when all indicators are no longer breached.

#### Derivative instruments and hedge accounting

Derivative instruments are recognised in the balance sheet on the contract date and are measured at fair value through profit or loss, both initially and in subsequent revaluations. The Bank's derivative instruments are covered by framework agreements for set-offs, and Note G3 shows the net effect of this. The method of recognising the gain or loss arising from revaluation depends on whether the derivative has been identified as a hedging instrument and, if so, the nature of the item hedged.

At the time of entering into the transaction, the Bank documents the relationship between the hedging instrument and the hedged item, as well as the Bank's risk management objective and risk management strategy with respect to the hedge. TF Bank also documents its assessment, both at the time of entering into the hedge and ongoing, of whether the derivative instruments used in hedging transactions are effective in offsetting changes in fair value or cash flows attributable to the hedged items.

The Bank hedges the forward rate risk of net investments when derivatives are used as hedging instruments, and in other cases it is the spot risk of net investments that constitutes the hedged risk. For derivatives, this means that the entire change in market value is reported in the hedging reserve.

The entire fair value of a derivative that is a hedging instrument is classified as other assets or other liabilities when the remaining maturity of the hedged item is less than 12 months. Derivative instruments held for trading are always classified as other assets or other liabilities.

The effective portion of changes in the fair value of a derivative instrument that is identified as hedging the net investment in foreign operations and that meets the conditions for hedge accounting is recognised in other comprehensive income. The portion of the gain or loss on a hedging instrument that is deemed to be an effective hedge is recognised in other comprehensive income. The gain or loss attributable to the ineffective portion is recognised in the income statement. Accumulated gains and losses in equity are recognised in the income statement when the foreign operation is divested in whole or in part. Gains and losses arising from changes in the fair value of derivatives not used for hedge accounting are recognised in the income statement in net result from financial transactions.

Note G2 cont.

#### **Issued debt and equity instruments**

A financial instrument issued by TF Bank are classified either as a financial liability or as equity. Issued financial instruments are classified as a financial liability if the contract terms and conditions mean that TF Bank has an obligation to pay using either cash or another financial asset. If this is not the case, the instrument is usually an equity instrument and classified as equity, less transaction costs.

The issued financial instruments classified as financial liabilities are bonds over ten years with possible voluntary redemption after five years. The interest terms are Stibor plus margin and interest is paid quarterly. The financial instruments classified as equity are perpetual bonds with possible voluntary redemption after five years from the date of issue. The interest terms are Stibor plus margin and interest is paid quarterly. For more detailed terms, see the prospectus on the Bank's website [www.tfbankgroup.com](http://www.tfbankgroup.com), as well as Note G30 and Note G32.

Interest attributable to financial instruments that are classified as financial liabilities is reported as interest expense and interest for financial instruments that are classified as equity is reported in equity.

#### **Employee benefits**

Pension plans are funded through payments to insurance companies. The Bank only has defined contribution plans.

#### **Share-based payments**

The Group has share-based incentive programs, under which equity instruments in TF Bank are allotted to the Group's employees. Share-based incentive programs that are settled with shares entitle the employees to receive equity instruments in TF Bank. The fair value of these rights is determined by using appropriate valuation models, taking into account the terms and conditions of the grant, and the Bank's assessment of how many rights will ultimately be vested. This is re-evaluated at each reporting occasion.

Social costs are recognised over the vesting period and the provision for social costs is remeasured at each reporting date to ensure that the provision is based on the fair value of the rights at the reporting date. The cost of share-based incentive programs that are settled with shares is valued based on the fair value of the equity instruments on the date they are granted and is expensed evenly over the vesting period. The vesting period is the period during which employees must remain employed by the Group in order for their rights to be earned.

#### **Interest income**

Interest income is recognised in the income statement over the expected life using the effective interest method. Transaction costs related to loans payable and loans receivable are therefore recognised as part of the loan. Transaction costs refer to commission. Transaction costs, arrangement fees and notification charges are recognised over the expected term of the loan. Invoicing charges are also included in interest income.

The Bank regularly makes amortisation of assets and unappropriated funds for which the Bank has not been able to repay or locate counterparties. They are recognised as interest income as they are directly linked to the Bank's loans to the public.

#### **Commission income and expense**

TF Bank recognises reminder fees, insurance premium fees and other fees and in commission income. Commission income is recognised in profit and loss in the period it is earned. Commission expense are expenses attributable to services and charges that relate to fees earned from insurance premiums.

#### **Net results from financial transactions**

This item relates to foreign currency translation of assets and liabilities in foreign currencies and changes in the fair value of derivatives in foreign currency.

#### **Cash flow statement**

The cash flow statement is prepared according to the indirect method. Recognised cash flow comprises only transactions that involve cash receipts or disbursements. Cash and cash equivalents include Cash and balances with central banks, Treasury bills eligible for refinancing, etc. and Loans to credit institutions.

TF Bank's activities are exposed to a variety of financial risks: credit risk, market risk (including currency risk and interest rate risk) and liquidity risk. 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

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. A credit committee monitors the development of the level of credit risk in the loan portfolios on a continuous basis. It makes decisions 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 at every ordinary board meeting. The credit risk exposure also includes concentration risks related to the loan portfolio. Concentration risks are measured based on the size of exposures to individual counterparties, industries or regions. Concentration risks are also captured in the Bank's calculation of capital requirements for credit risks and in the stress tests carried out in the internal capital evaluation and as part of the monitoring of the Bank's risk tolerance.

Before a loan is issued, a risk assessment is done for the customer's creditworthiness, taking into account the customer's financial position, such as external information, scoring, repayment capacity as well as past history with the Bank and other factors. Individual risk limits are defined based on internal and/or external credit assessments in accordance with the limits set by the Board of Directors. The Bank's use of credit limits for loans to the public is strictly limited and is regularly monitored. TF Bank cannot enter into credit agreements with legal entities in which related parties have significant economic interest without the approval of the Board of Directors.

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 favourable for the Bank's development and risk profile. From year 2023, the price level has not been deemed favourable in some of the larger markets and the proportion of past due receivables in Stage 3 has increased. However, the majority of the past due receivables in Stage 3 left the Group when the Bank divested 80.1% of the shares in the subsidiary Rediem Capital on 20 December 2024. The Bank's average loan amount per customer is relatively low and the loan portfolio is well diversified with a number of different products in several different geographic markets, resulting in the concentration risk for the Bank being relatively low.

The Bank has claims and collections unit which deals with existing customers in financial difficulties. The Bank also has a credit division which assesses potential customers and reviews collateral and credit limits established by the Board on an ongoing basis. The objective of the Bank's process for monitoring past due receivables and unsettled receivables is to minimise loan losses by detecting payment issues early and implementing rapid intervention where needed. The monitoring is supported by a separate "pre-collection" system for past due receivables involving automatic monitoring and reminders when payments are past due.

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. The Bank strives for a well-diversified loan portfolio with pricing based on risk exposure through a broad base of customers with relatively low exposure amounts per customer. In order to maintain a well-diversified loan portfolio with a balanced risk profile and to have a favourable balance between risk and return, the Bank works actively to understand the borrowers' circumstances and macroeconomic changes that may affect the risk profile.

Credit quality of gross receivables in Stage 1 and Stage 2 (see Note G23) that are neither past due nor impaired have been assessed on the basis of a model that classifies loans as low, moderate or high risk. The classification is primarily based on the number of reminders, if any, sent to individual customers, the number of months a customer has had an active loan with the Bank and the borrower's individual credit status at the time of taking out the loan, calculated on the basis of both internal and external sources. The risk assessment also takes into account various parameters such as product type (segment) and country, including historical information retrieved from the Bank's own database.

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Household sector</b>		
Low risk	14,484,441	12,533,349
Moderate risk	3,880,696	2,751,321
High risk	1,929,949	1,931,639
<b>Total</b>	<b>20,295,086</b>	<b>17,216,309</b>

Note G3 cont.

TF Bank uses the standardised method for calculating the capital requirement for credit risk and does not have its own internal model that calculates the capital requirement. To calculate expected credit losses in accounting, the Bank relies on historical data on risk of default (PD), loss given default (LGD) and exposure to default (EAD). Assumptions about future developments in macro parameters do not form part of the Bank's credit risk management but are only applied in the financial statements.

The age distribution of loans to the public is essentially consistent with the different categories, with Stage 1 loans being between 0-29 days past due, Stage 2 loans being between 30-89 days past due and Stage 3 loans being more than 90 days past due.

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Household, gross</b>		
Between 0-29 days	19,258,023	16,505,116
Between 30-89 days	1,037,063	711,193
90 days or more	282,577	1,604,567
<b>Total</b>	<b>20,577,663</b>	<b>18,820,876</b>

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 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.

The credit quality of other fully performing (neither past due nor impaired) financial assets in accordance with Standard & Poor's ratings is shown below:

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Cash and balances with central banks</b>		
AA+	7,916	7,647
AA-	-	8
A+	7	7
A-	10,640	11,254
<b>Total</b>	<b>18,563</b>	<b>18,916</b>
<b>Treasury bills eligible for refinancing</b>		
AAA	934,334	1,817,300
AA+	858,318	1,818,397
<b>Total</b>	<b>1,792,652</b>	<b>3,635,697</b>
<b>Loans to credit institutions</b>		
A-1+	1,400,562	1,300,612
A-1	733,458	511,273
A-2	134,522	134,584
Unrated	179,327	143,035
<b>Total</b>	<b>2,447,869</b>	<b>2,089,504</b>

Credit risk exposures in financial instruments are referred to as counterparty risks and refer to the risk that a counterparty cannot fulfil its obligations according to an agreement, or that it chooses not to fulfil its obligations in the future on the same or similar terms. TF Bank includes currency derivatives in the form of swaps and futures as a result of lending in currencies other than SEK. Counterparty risks constitute the credit risk towards other banks that arises as a result of transactions. This counterparty risk is reduced by the exchange of collateral between the parties.

Note G3 cont.

### Market risk

Market risk refers to the risk that earnings, equity or the value of assets decrease due to changes in risk factors on the financial market. TF Bank's market risks are primarily currency risk and interest rate risk.

#### (i) Currency risk

TF Bank is exposed to currency risk partly through the monetary assets and liabilities in foreign currencies held in the Swedish operations and partly in the form of the conversion effect that occurs when the net investments in the foreign branches are converted to Swedish kronor. Currency risk involves the following currencies: EUR, NOK, DKK, PLN and USD and TF Bank's overall objective with the management of currency risk is to keep the currency exposure as low as possible with the objective of holding as much assets as liabilities in each currency. For 2024 the Board has decided that the Bank should strive to ensure that the total liabilities, including any derivatives, in each currency should not deviate by more than +/- 2% of the total assets in the currency. The Bank exchanges the earnings in other currencies than the accounting currency to SEK on an ongoing basis and uses forward contracts for EUR, NOK, DKK, PLN and USD to balance the assets and liabilities in each currency. Forward contracts generally have a maturity of between 1-12 months.

TF Bank assesses its future capital requirements under Pillar 2 for currency risk through stress tests involving the impact on net positions in foreign currencies on the closing date. As of 31 December 2024, TF Bank has chosen an exchange rate movement of 8.3 % (8.4). The results of the stress tests as of 31 December 2024 means an additional capital requirement for currency risk in Pillar 2 of SEK 4 million (2) excluding tax effect.

### CURRENCY EXPOSURES AGAINST THE BANK'S TRANSACTION CURRENCIES

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Assets in EUR:</b>		
Cash and balances with central banks	7,923	7,663
Treasury bills eligible for refinancing, etc.	858,319	2,259,220
Loans to credit institutions	1,530,939	1,039,972
Loans to the public	13,369,379	11,276,855
Other assets	74,706	54,076
<b>Total assets</b>	<b>15,841,266</b>	<b>14,637,786</b>
<b>Liabilities in EUR:</b>		
Deposits and borrowings from the public	-20,865,409	-19,898,435
Other liabilities	-386,007	-225,872
<b>Total liabilities</b>	<b>-21,251,416</b>	<b>-20,124,307</b>
Currency forward contracts	5,453,107	5,472,008
<b>Total</b>	<b>42,957</b>	<b>-14,513</b>
Impact on equity (excl. tax) in the event of a weakening of the Swedish krona of 8.3 % (8.4)	3,548	-1,223

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Assets in NOK:</b>		
Treasury bills eligible for refinancing, etc.	527,901	246,800
Loans to credit institutions	428,294	267,036
Loans to the public	4,226,007	4,244,109
Other assets	6,113	13,400
<b>Total assets</b>	<b>5,188,315</b>	<b>4,771,345</b>
<b>Liabilities in NOK:</b>		
Deposits and borrowings from the public	-180,870	-559,370
Other liabilities	-71,608	-74,280
<b>Total liabilities</b>	<b>-252,478</b>	<b>-633,650</b>
Currency forward contracts	-4,930,874	-4,135,949
<b>Total</b>	<b>4,963</b>	<b>1,746</b>
Impact on equity (excl. tax) in the event of a weakening of the Swedish krona of 8.3 % (8.4)	410	147

Note G3 cont.

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Assets in PLN:</b>		
Cash and balances with central banks	10,640	11,253
Loans to credit institutions	13,972	16,525
Loans to the public	196,878	314,500
Other assets	2,459	3,709
<b>Total assets</b>	<b>223,949</b>	<b>345,987</b>
<b>Liabilities in PLN:</b>		
Other liabilities	-6,854	-5,504
<b>Total liabilities</b>	<b>-6,854</b>	<b>-5,504</b>
Currency forward contracts	-220,818	-342,638
<b>Total</b>	<b>-3,723</b>	<b>-2,155</b>
Impact on equity (excl. tax) in the event of a weakening of the Swedish krona of 8.3 % (8,4)	-308	-181

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Assets in DKK:</b>		
Loans to credit institutions	29,262	25,351
Loans to the public	223,499	171,057
Other assets	371	1,710
<b>Total assets</b>	<b>253,132</b>	<b>198,118</b>
<b>Liabilities in DKK:</b>		
Other liabilities	-5,161	-4,707
<b>Total liabilities</b>	<b>-5,161</b>	<b>-4,707</b>
Currency forward contracts	-246,368	-193,544
<b>Total</b>	<b>1,603</b>	<b>-133</b>
Impact on equity (excl. tax) in the event of a weakening of the Swedish krona of 8.3 % (8,4)	132	-11

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Assets in USD:</b>		
Loans to credit institutions	152,700	96,582
<b>Total assets</b>	<b>152,700</b>	<b>96,582</b>
Currency forward contracts	-148,476	-95,395
<b>Total</b>	<b>4,224</b>	<b>1,187</b>
Impact on equity (excl. tax) in the event of a weakening of the Swedish krona of 8.3 % (8,4)	349	100

Note G3 cont.

With regards to the currency risks arising from the conversion of net investments in foreign branches, it is TF Bank's strategy that the entire existing equity when the hedging relationship is established, and that is expected to remain at the end of the hedging period, is to be hedged in its entirety. This means that when a loss is expected for the upcoming hedging period, a deduction is made from the equity for the expected loss at this time so that the hedged item becomes a slightly smaller part of the equity at the start of the period. Conversely, in cases where the foreign operation is expected to have a positive result during the hedging period, this result is not included in the equity until the beginning of the next hedging period. TF Bank has the following hedged net investments in foreign operations and hedging instruments as of the closing date:

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Hedge net assets</b>		
Net investments in branches in EUR	1,311,472	1,061,712
Net investments in branch in NOK	85,861	387,143
Net investments in branch in PLN	-96,213	-96,448
<b>Total</b>	<b>1,301,120</b>	<b>1,352,407</b>
<b>Hedging instruments</b>		
Deposit from the public in EUR as hedge investments	-1,317,690	-1,060,068
Other liability related to currency forward contracts in NOK for hedging purposes (nominal amount)	-82,253	-374,068
Other asset in PLN as hedge investments	113,215	93,603
<b>Total</b>	<b>-1,286,728</b>	<b>-1,340,533</b>

The effects of hedge accounting for the impact of currency risks on the Group's financial position and results are shown below:

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Derivative instrument NOK</b>		
Carrying amount	494	1,292
Nominal amount NOK thousand	-84,824	-378,956
Maturity date	02/01/2025	02/01/2024
Hedge ratio	SEK 0,975517 : 1 NOK	SEK 0,9494 : 1 NOK
Forward rate	11	11
<b>Hedging instrument deposit EUR</b>		
Carrying amount	-1,317,690	-1,060,068
Nominal amount EUR thousand	-114,716	95,536
Hedge ratio	11	11
<b>Hedging instrument other asset PLN</b>		
Carrying amount	113,215	93,603
Carrying amount PLN thousand	42,042	36,607
Hedge ratio	11	11

All derivatives used in hedge accounting mature within one month.

The full market value of the hedging instrument is used to account for hedging inefficiencies. The source of inefficiency of hedging in foreign net investments is if losses are incurred in the branches during a month that are not captured in the hedge. There has been no hedging inefficiency over the years, if there is it is reported in net income from financial transactions.

Note G3 cont.

*(iii) Interest rate risk*

Interest rate risk arises when TF Bank has different maturities or different fixed interest terms for assets and liabilities. According to the Bank's financial policy, the interest rate risk should be low, and the majority of TF Bank's assets and liabilities therefore have a short, fixed interest term. A smaller portion of the Bank's lending has a longer fixed interest term, which is partly matched by TF Bank offering longer fixed interest term deposits. A change in the market interest rate by 1 percentage point increases/decreases the Bank's interest expenses for the coming 12 months by SEK 58 million (9), calculated based on interest-bearing liabilities on the balance sheet date.

TF Bank assesses additional capital requirements in Pillar 2 for interest rate risk by calculating the economic value at a parallel shift of the yield curve by 200 basis points (2 %). As of 31 December 2024, the additional capital requirement for interest rate risk in Pillar 2 amounted to SEK 51 million (25) excluding tax effect.

SEK thousand	31 Dec 2024	31 Dec 2023
Fixed interest of up to 3 months	18,563	18,916
<b>Cash and balances with central banks</b>	<b>18,563</b>	<b>18,916</b>
Fixed interest of up to 3 months	954,300	2,837,868
Remaining term to maturity of more than 3 months but less than 1 year	598,397	551,029
More than 1 year but less than 5 years	239,955	246,800
<b>Treasury bills eligible for refinancing</b>	<b>1,792,652</b>	<b>3,635,697</b>
Fixed interest less than 1 month	2,447,869	2,089,504
<b>Loans to credit institutions</b>	<b>2,447,869</b>	<b>2,089,504</b>
Fixed interest of up to 3 months	14,718,071	13,088,049
Remaining term to maturity of more than 3 months but less than 1 year	2,416,767	2,549,786
Remaining term to maturity of more than 1 year but less than 5 years	3,102,532	2,001,202
Remaining term to maturity of more than 5 years	28,088	231,596
<b>Loans to the public</b>	<b>20,265,458</b>	<b>17,870,633</b>
Fixed interest of up to 3 months	36,940	2,455
Remaining term to maturity of more than 3 months but less than 1 year	23,281	-
<b>Other assets</b>	<b>60,221</b>	<b>2,455</b>
Fixed interest of up to 3 months	9,530,069	14,042,234
Remaining term to maturity of more than 3 months but less than 1 year	8,759,029	4,757,997
Remaining term to maturity of more than 1 year but less than 5 years	2,908,883	1,852,766
<b>Deposits and borrowings from the public</b>	<b>21,197,981</b>	<b>20,652,997</b>
Fixed interest of up to 3 months	345,509	346,909
<b>Subordinated liabilities</b>	<b>345,509</b>	<b>346,909</b>
Fixed interest of up to 3 months	1,101	120,780
Remaining term to maturity of more than 3 months but less than 1 year	20,853	106,928
<b>Other liabilities</b>	<b>21,954</b>	<b>227,708</b>

Note G3 cont.

### Liquidity risk

The main liquidity risk comprises the Bank's ability to meet its obligations to repay customer deposits from households; the ability to pay out new credits is regarded as a business risk. To ensure that TF Bank does not end up in a liquidity crisis, the financial policy regulates the minimum level of available liquidity reserve to be maintained. Management carefully monitors the Bank's liquidity reserve, which comprises cash and cash equivalents and other liquidity generating measures and also follows rolling forecasts concerning the liquidity situation on the basis of expected cash flows. According to the Bank's financial policy, the liquidity and funding risks should be low. All funding other than deposits from the public comprises securities issues and equity.

TF Bank also has a significant liquidity reserve to manage uneven liquidity flows. As of the closing date, the Bank's liquidity reserve amounted to SEK 4,053 million (5,204), which corresponds to 19 % (25) of the Bank's deposits from the public. For more information regarding the Bank's liquidity situation, see Note G34.

SEK thousand	31 Dec 2024	31 Dec 2023
Payable on demand	6,338	5,968
Without maturity	12,225	12,948
<b>Cash and balances with central banks</b>	<b>18,563</b>	<b>18,916</b>
Remaining term to maturity of up to 3 months	962,464	2,855,880
Remaining term to maturity of more than 3 months but less than 1 year	601,895	554,800
More than 1 year but less than 5 years	246,561	258,585
<b>Treasury bills eligible for refinancing</b>	<b>1,810,920</b>	<b>3,669,265</b>
Payable on demand	2,254,307	1,562,825
Remaining term to maturity of more than 3 months but less than 1 year	-	103,625
Remaining term to maturity of more than 1 year but less than 5 years	-	-
Without maturity	193,562	423,054
<b>Loans to credit institutions</b>	<b>2,447,869</b>	<b>2,089,504</b>
Remaining term to maturity of up to 3 months	9,127,396	6,214,827
Remaining term to maturity of more than 3 months but less than 1 year	372,128	534,425
Remaining term to maturity of more than 1 year but less than 5 years	7,968,704	9,152,681
Remaining term to maturity of more than 5 years	7,368,018	6,127,413
<b>Loans to the public</b>	<b>24,836,246</b>	<b>22,029,346</b>
Remaining term to maturity of up to 3 months	36,940	2,455
Remaining term to maturity of more than 3 months but less than 1 year	23,281	-
<b>Other assets</b>	<b>60,221</b>	<b>2,455</b>
Payable on demand	6,413,170	12,648,404
Remaining term to maturity of up to 3 months	3,126,639	1,399,057
Remaining term to maturity of more than 3 months but less than 1 year	8,841,145	4,820,446
More than 1 year but less than 5 years	3,090,688	1,968,563
<b>Deposits and borrowings from the public</b>	<b>21,471,642</b>	<b>20,836,470</b>
Remaining term to maturity of more than 5 years	571,089	610,231
<b>Subordinated liabilities</b>	<b>571,089</b>	<b>610,231</b>
Remaining term to maturity of up to 3 months	1,101	120,780
Remaining term to maturity of more than 3 months but less than 1 year	20,853	106,928
<b>Other liabilities</b>	<b>21,954</b>	<b>227,708</b>
Payable on demand	10,050,350	5,983,885
<b>Commitments</b>	<b>10,050,350</b>	<b>5,983,885</b>

The amounts stated in the table are contractual, undiscounted cash flows and include both interest and amortisations and therefore the amounts cannot be directly linked to the balance sheet.

Note G3 cont.

TF Banks derivatives are covered by offsetting agreements. The Bank reports these derivatives with gross amounts in the balance sheet. In the table, the Bank shows how it would have appeared if the Bank had netted the derivatives in the balance sheet.

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Financial assets</b>		
Derivatives	60,221	2,455
<b>Total financial assets for offsetting</b>	<b>60,221</b>	<b>2,455</b>
<b>Financial liabilities</b>		
Derivatives	-21,954	-227,708
<b>Total financial liabilities for offsetting</b>	<b>-21,954</b>	<b>-227,708</b>
Paid(-)/received(+) cash collateral	-14,160	274,151
<b>Net amount</b>	<b>24,107</b>	<b>48,898</b>

#### Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, procedures and systems, human error, or external events. Operational risk includes information, communication, and security risks, legal risks, as well as compliance risks, and may result in a negative impact on the Bank's assets and reputation and/or result in sanctions.

Operational risks are found in all activities, and it is neither possible nor cost-effective to try to eliminate all operational risks. TF Bank works to minimise operational risks by creating effective processes, systems, and routines, as well as maintaining good internal control. The Bank regularly evaluates its operational risks and quantifies them based on a model of probability and consequences. To reduce the consequences of operational risks, TF Bank uses control points in business and support processes, incident reporting, as well as a process for approving new products, services, markets, IT systems, etc. TF Bank also has contingency, continuity- and recovery plans.

#### Other operating risks

Other operating risks identified by TF Bank are business risks, economic risks, and reputational risks. Business risk can arise from factors in the external business environment, such as changes in competitive situations or customer behaviour. Economic risk can arise when there are changes in the economic conditions in the market that affect customer demand for the Bank's products. TF Bank continuously makes economic forecasts and follows up on any deviations to reduce the risks that may arise, and the Bank's operations are well-diversified.

Reputation risk is defined as losses that may be caused by customers, counterparties, shareholders, and authorities' negative perception of TF Bank, and negative rumours can significantly damage a company's brand and operations. All of the Bank's lending takes place under controlled conditions where customers' interests are taken into account. TF Bank also has high internal capital targets, in addition to legal ones, to ensure a strong capital situation and stable financing.

## NOTE G4 Segment reporting

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.

### CREDIT CARDS

Income statement, SEK thousand	2024	2023
Net interest income	1,085,019	713,302
Net fee and commission income	-5,060	-10,928
Net results from financial transactions	-177	-27
<b>Total operating income</b>	<b>1,079,782</b>	<b>702,347</b>
General administrative expenses	-321,120	-209,366
Depreciation and amortisation of tangible and intangible assets	-19,194	-13,842
Other operating expenses	-32,964	-54,329
<b>Total operating expenses</b>	<b>-373,278</b>	<b>-277,537</b>
<b>Profit before loan losses</b>	<b>706,504</b>	<b>424,810</b>
Net loan losses	-463,475	-287,447
<b>Operating profit</b>	<b>243,029</b>	<b>137,363</b>

Balance sheet, SEK thousand	31 Dec 2024	31 Dec 2023
<b>Loans to the public</b>		
Household sector	8,297,766	5,807,810
Corporate sector <sup>1</sup>	152,709	-
<b>Total loans to the public</b>	<b>8,450,475</b>	<b>5,807,810</b>
<b>Household sector</b>		
Stage 1, net	8,062,411	5,386,226
Stage 2, net	232,897	150,985
Stage 3, net <sup>2</sup>	2,458	270,599
<b>Total household sector</b>	<b>8,297,766</b>	<b>5,807,810</b>

Key figures <sup>3</sup>	2024	2023
Operating income margin, %	15.1	15.5
Net loan loss ratio, %	6.5	6.3
Cost/Income ratio, %	34.6	39.5
Return on loans to the public, %	2.5	2.2
New lending, SEK thousand	16,435,047	10,303,935
Number of active credit cards	359,792	240,241

<sup>1</sup> Lending to the corporate sector consists of loans in Stage 1 to counterparty regarding sale of past due receivables.

<sup>2</sup> The Bank continuously sells past due receivables in markets where the price level is such that the Board deems it favourable for the Bank's development and risk profile.

<sup>3</sup> See separate section with definitions and reconciliation tables, page 109-110.

Note G4 cont.

## ECOMMERCE SOLUTIONS

Income statement, SEK thousand	2024	2023
Net interest income	372,426	293,105
Net fee and commission income	123,976	122,721
Net results from financial transactions	-94	-18
<b>Total operating income</b>	<b>496,308</b>	<b>415,808</b>
General administrative expenses	-246,845	-226,342
Depreciation and amortisation of tangible and intangible assets	-35,672	-32,645
Other operating expenses	-3,495	-1,207
<b>Total operating expenses</b>	<b>-286,012</b>	<b>-260,194</b>
<b>Profit before loan losses</b>	<b>210,296</b>	<b>155,614</b>
Net loan losses	-102,968	-96,093
<b>Operating profit</b>	<b>107,328</b>	<b>59,521</b>

Balance sheet, SEK thousand	31 Dec 2024	31 Dec 2023
<b>Loans to the public</b>		
Household sector	2,687,816	2,988,895
Corporate sector <sup>1</sup>	53,820	22,163
<b>Total loans to the public</b>	<b>2,741,636</b>	<b>3,011,058</b>
<b>Household sector</b>		
Stage 1, net	2,538,800	2,735,381
Stage 2, net	134,291	134,101
Stage 3, net <sup>2</sup>	14,725	119,413
<b>Total household sector</b>	<b>2,687,816</b>	<b>2,988,895</b>

Key figures <sup>3</sup>	2024	2023
Operating income margin, %	17.3	14.5
Net loan loss ratio, %	3.6	3.4
Cost/Income ratio, %	57.6	62.6
Return on loans to the public, %	2.7	1.5
New lending, SEK thousand	5,994,495	6,401,897
Transaction volume, SEK thousand	13,363,621	13,559,511

<sup>1</sup> Lending to the corporate sector consists of loans in Stage 1 to counterparty regarding sale of past due receivables and loans in stage 1 to a foreign partner within the segment.

<sup>2</sup> The Bank continuously sells past due receivables in markets where the price level is such that the Board deems it favourable for the Bank's development and risk profile.

<sup>3</sup> See separate section with definitions and reconciliation tables, page 109-110.

Note G4 cont.

## CONSUMER LENDING

Income statement, SEK thousand	2024	2023
Net interest income	798,311	814,906
Net fee and commission income	64,397	65,118
Net results from financial transactions	-282	-58
<b>Total operating income</b>	<b>862,426</b>	<b>879,966</b>
General administrative expenses	-253,406	-255,200
Depreciation and amortisation of tangible and intangible assets	-13,536	-13,979
Other operating expenses	-7,773	-8,823
<b>Total operating expenses</b>	<b>-274,715</b>	<b>-278,002</b>
<b>Profit before loan losses</b>	<b>587,711</b>	<b>601,964</b>
Net loan losses	-253,163	-273,311
<b>Operating profit</b>	<b>334,548</b>	<b>328,653</b>

Balance sheet, SEK thousand	31 Dec 2024	31 Dec 2023
<b>Loans to the public</b>		
Household sector	8,793,889	8,969,464
Corporate sector <sup>1</sup>	279,459	82,301
<b>Total loans to the public</b>	<b>9,073,348</b>	<b>9,051,765</b>
<b>Household sector</b>		
Stage 1, net	8,288,633	8,121,574
Stage 2, net	444,127	310,998
Stage 3, net <sup>2</sup>	61,129	536,892
<b>Total household sector</b>	<b>8,793,889</b>	<b>8,969,464</b>

Key figures <sup>3</sup>	2024	2023
Operating income margin, %	9.5	9.9
Net loan loss ratio, %	2.8	3.1
Cost/Income ratio, %	31.9	31.6
Return on loans to the public, %	2.7	2.8
New lending, SEK thousand	4,719,708	5,340,246

<sup>1</sup> Lending to the corporate sector consists of loans in Stage 1 to counterparties in the sale of past due receivables.

<sup>2</sup> The Bank continuously sells past due receivables in markets where the price level is such that the Board deems it favourable for the Bank's development and risk profile.

<sup>3</sup> See separate section with definitions and reconciliation tables, page 109-110.

Note G4 cont.

#### RECONCILIATION AGAINST FINANCIAL INFORMATION

Income statement, SEK thousand	2024	2023
<b>Operating income</b>		
Credit Cards	1,079,782	702,347
Ecommerce Solutions	496,308	415,808
Consumer Lending	862,426	879,966
<b>Total operating income</b>	<b>2,438,516</b>	<b>1,998,121</b>
<b>Operating profit</b>		
Credit Cards	243,029	137,363
Ecommerce Solutions	107,328	59,521
Consumer Lending	334,548	328,653
Other <sup>1</sup>	-	-15,938
<b>Total operating profit</b>	<b>684,905</b>	<b>509,599</b>
Balance sheet, SEK thousand	31 Dec 2024	31 Dec 2023
<b>Loans to the public</b>		
Credit Cards	8,450,475	5,807,810
Ecommerce Solutions	2,741,636	3,011,058
Consumer Lending	9,073,348	9,051,765
<b>Total loans to the public</b>	<b>20,265,458</b>	<b>17,870,633</b>

<sup>1</sup> Restructuring costs for adaptations of the current organisation.

**NOTE G5 Interest income**

SEK thousand	2024	2023
<b>Interest income according to the effective interest rate method</b>		
Interest income from loans to the public	2,877,092	2,224,623
Interest income from treasury bills eligible for refinancing	107,917	68,448
Interest income from loans to credit institutions	53,439	28,570
Other interest income according to the effective interest rate method	2,204	2,647
<b>Total interest income according to the effective interest rate method</b>	<b>3,040,652</b>	<b>2,324,288</b>
<b>Other interest income</b>		
Interest income from non-performing loans	49,459	30,765
Other interest income	11,092	13,865
<b>Total other interest income</b>	<b>60,551</b>	<b>44,630</b>
<b>Total interest income</b>	<b>3,101,203</b>	<b>2,368,918</b>

SEK thousand	2024	2023
<b>Geographical breakdown of interest income:</b>		
Germany	1,120,187	692,272
Norway	562,961	440,828
Finland	469,574	425,060
Sweden	275,782	215,199
Estonia	182,898	166,397
Latvia	178,987	156,125
Lithuania	120,527	110,366
Austria	69,532	40,035
Denmark	27,676	17,915
Poland	25,056	41,379
Spain	13,871	13,682
Netherlands	8,638	3,900
The rest of Europe	45,514	45,760
<b>Total interest income</b>	<b>3,101,203</b>	<b>2,368,918</b>

**NOTE G6 Interest expense**

SEK thousand	2024	2023
Interest expense from deposits from the public	-710,118	-437,344
Costs for deposit guarantee and resolution fee	-44,078	-34,445
Interest expense from subordinated liabilities	-33,447	-30,392
Interest expenses from lease liabilities	-1,443	-1,347
Deposit fees to credit institutions	-169	-1,591
Other financial expenses	-56,192	-42,486
<b>Total interest expense</b>	<b>-845,447</b>	<b>-547,605</b>

- of which interest expenses according to the effective interest rate method

-801,369

-513,160

**NOTE G7 Net fee and commission income**

SEK thousand	2024	2023
<b>Fee and commission income</b>		
Reminder fees	126,534	122,342
Insurance premiums	144,588	97,514
Credit card commissions	65,337	37,242
Transaction fees	26,169	22,755
Other fee and commission income	122	393
<b>Total fee and commission income</b>	<b>362,750</b>	<b>280,246</b>
<b>Fee and commission expense</b>		
Credit card transaction costs	-98,795	-60,954
Payment protection insurance expense	-58,443	-29,860
Travel insurance expense	-19,556	-12,521
Other fee and commission expense	-2,643	-
<b>Total fee and commission expense</b>	<b>-179,437</b>	<b>-103,335</b>
<b>Net fee and commission income</b>	<b>183,313</b>	<b>176,911</b>

SEK thousand	2024	2023
<b>Geographical breakdown of fee and commission income:</b>		
Norway	123,172	110,279
Germany	103,597	37,155
Sweden	65,917	64,297
Finland	50,883	50,307
Denmark	6,569	5,298
Estonia	4,991	5,904
Latvia	3,111	4,055
Poland	2,486	1,888
Spain	874	363
Austria	610	312
Lithuania	458	388
Italy	82	-
<b>Total fee and commission income</b>	<b>362,750</b>	<b>280,246</b>

**NOTE G8 Net results from financial transactions**

SEK thousand	2024	2023
Exchange rate fluctuations	-553	-103
<b>Total net results from financial transactions</b>	<b>-553</b>	<b>-103</b>

**NOTE G9** General administrative expenses

SEK thousand	2024	2023
<b>Staff costs</b>		
Salaries and fees	-251,848	-228,010
Social security costs	-64,188	-53,653
Pension costs	-16,088	-13,223
Other staff costs	-10,033	-9,394
<b>Total staff costs</b>	<b>-342,157</b>	<b>-304,280</b>
<b>Other general administrative expenses</b>		
Informations services and customer communication expenses	-155,098	-144,981
IT-expenses	-91,390	-82,732
Bank fees	-40,794	-35,039
Postage and telephone expenses	-38,933	-34,322
Debt collection expenses	-32,951	-26,842
Card issuing expenses	-28,708	-16,786
Consulting expenses	-15,634	-8,164
Rent and property expenses	-11,094	-6,027
Auditor's remuneration	-7,505	-4,041
Travel expenses	-7,156	-6,163
Consumables	-6,187	-3,137
Lawyer fees	-4,267	-4,893
Recruitment expenses	-1,353	-3,398
Other expenses	-38,144	-26,041
<b>Total other general administrative expenses</b>	<b>-479,214</b>	<b>-402,566</b>
<b>Total general administrative expenses</b>	<b>-821,371</b>	<b>-706,846</b>

**NOTE G10** Auditors' remuneration

SEK thousand	2024	2023
<b>KPMG</b>		
Audit assignment	6,418	3,176
Audit services in addition to the audit assignment	638	610
Tax advices	-	-
Other services	449	255
<b>Total auditors' remuneration</b>	<b>7,505</b>	<b>4,041</b>

The amount for 2024 includes audit fees to KPMG AB of SEK 5,436 thousand, distributed over the audit assignment SEK 4,350 thousand, audit activities in addition to the audit assignment SEK 638 thousand and tax advisory services SEK 449 thousand.

**NOTE G11** Average number of employees, salaries, other remuneration and social security costs

**AVERAGE NUMBER OF EMPLOYEES, DISTRIBUTED BETWEEN WOMEN AND MEN, BY COUNTRY:**

2024	Women	Men	Total
Sweden	58	74	132
Poland	66	59	125
Norway	22	16	38
Finland	18	12	30
Estonia	23	6	29
Lithuania	15	3	18
Latvia	11	6	17
Germany	7	7	14
Spain	3	10	13
United Kingdom	0	1	1
<b>Total</b>	<b>223</b>	<b>194</b>	<b>417</b>

2023	Women	Men	Total
Sweden	57	67	124
Poland	46	46	92
Norway	27	19	46
Finland	20	13	33
Estonia	25	6	31
Lithuania	16	5	21
Latvia	11	6	17
Germany	6	5	11
Spain	2	3	5
<b>Total</b>	<b>210</b>	<b>170</b>	<b>380</b>

**SALARIES AND REMUNERATION:**

SEK thousand	2024	2023
Board of Directors and CEO	15,710	15,861
Other staff	236,138	212,149
<b>Total salaries and remuneration</b>	<b>251,848</b>	<b>228,010</b>
Social costs pursuant to legislation and agreements	64,188	53,653
Pension costs	16,088	13,223
<b>Total salaries, remuneration, social security costs and pension costs</b>	<b>332,124</b>	<b>294,886</b>

Note G11 cont.

**SALARIES AND REMUNERATION FOR BOARD MEMBERS AND SENIOR EXECUTIVES:**

SEK thousand	2024	2023
<b>Chairman of the Board: John Brehmer</b>		
Board fees <sup>1</sup>	1,400	1,400
Other benefits	-	-
Pension costs	-	-
<b>Total Chairman of the Board</b>	<b>1,400</b>	<b>1,400</b>
<b>Fees <sup>1</sup> other Board members:</b>		
Arti Zeighami	475	475
Fredrik Oweson	575	575
Michael Lindengren	625	625
Niklas Johansson	625	625
Sara Mindus	475	475
<b>Total</b>	<b>2,775</b>	<b>2,775</b>
<b>CEO: Joakim Jansson</b>		
Basic salary	4,769	2,820
Variable remuneration	-	-
Other benefits	160	89
Pension costs	1,164	602
<b>Total</b>	<b>6,093</b>	<b>3,511</b>
<b>CEO: Mattias Carlsson</b>		
Basic salary	-	1,781
Variable remuneration	-	-
Other benefits	-	60
Pension costs	-	403
<b>Total</b>	<b>-</b>	<b>2,244</b>
<b>Deputy CEO: Mikael Meomuttel</b>		
Basic salary	3,185	3,280
Variable remuneration	-	-
Other benefits	165	153
Pension costs	808	707
<b>Total</b>	<b>4,158</b>	<b>4,140</b>
<b>COO: Espen Johannesen</b>		
Basic salary <sup>2</sup>	3,032	2,954
Variable remuneration	-	-
Other benefits	223	221
Pension costs	133	142
<b>Total</b>	<b>3,388</b>	<b>3,317</b>

<sup>1</sup> Remuneration in accordance with the resolution at the AGM's in 2024 and 2023, and include remuneration that will be paid until the AGM during the subsequent year.

Note G11 cont.

#### Remuneration of senior executives

In accordance with the disclosure requirements in FFFS 2011:1, information about remuneration systems is presented on the Bank's website [www.tfbankgroup.com](http://www.tfbankgroup.com). Salaries and other remuneration to the CEO and other senior executives consist of fixed salary, variable remuneration, commission-based remuneration, other benefits and pension.

#### Commission-based compensation

Commission-based compensation during the year amounted to SEK 0 thousand (0). The size of the commission-based compensation is related to the achievement of individually determined financial targets for the financial year. TF Bank has ensured that all targets for variable compensation can be measured in a reliable manner. The commission-based compensation is paid to senior executives within the Bank and is not pensionable.

#### Pensions

The Company's pension obligations are covered by payments to the ITP plan. The CEO's and certain senior executives have the right to retire at the age of 65–67, depending on their geographical location. Pension benefits, including health insurance, shall be premium defined, to the extent that the executive is not covered by a defined benefit pension in accordance with mandatory collective agreement provisions. The pension premiums for premium defined pension may amount to a maximum of 25 % of the pensionable income. Pension costs refer to the cost that affected profit for the year.

#### Period of notice and severance pay

According to an agreement between TF Bank AB and the CEO, the period of notice is six months (12 months in the case of termination by the Company). If termination is initiated by the Company, basic salary is payable during the period of notice, however variable remuneration, if agreed before the notice was issued, is not payable. Severance pay is adjusted according to the salary that the CEO receives from a new employer.

#### Compensation to the Board of Directors

Compensation to the members of the Board of Directors, as indicated above, is determined by the Annual General Meetings and refers to annual fees from Annual General Meeting to Annual General Meeting for the years respectively. Board compensation consists of fixed compensation for board work as well as fixed compensation for any committee work. The Board of Directors have established three committees: the Audit Committee, the Remuneration Committee, and the Risk and Compliance Committee. The Bank does not have any pension entitlements for Board members.

#### GENDER DISTRIBUTION BOARD MEMBERS AND SENIOR EXECUTIVES

SEK thousand	2024		2023	
	Number on reporting date	Of which women (%)	Number on reporting date	Of which women (%)
Board members	6	17	6	17
CEO and other senior executives	3	0	3	0

**NOTE G12 Goodwill**

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Cost, opening balance</b>	<b>12,753</b>	<b>12,753</b>
<i>Change during the year</i>		
Additions	7,258	-
<b>Cost, closing balance</b>	<b>20,011</b>	<b>12,753</b>
<b>Depreciations, opening balance</b>	-	-
<i>Change during the year</i>		
<b>Depreciations, closing balance</b>	-	-
<b>Carrying amount</b>	<b>20,011</b>	<b>12,753</b>

Goodwill partly stems from the acquisition of the Norwegian subsidiary BB Bank ASA which in early 2020 was transformed into a branch through a merger with TF Bank AB. In December 2024, the Group carried out a business acquisition of operations under the Paynova brand within the Ecommerce Solutions segment. The acquisition calculation is presented in Note G35.

An impairment test of goodwill was performed prior to the year-end, which resulted in no need for impairment. A change in the assumptions concerning growth rate and discount rate of +/- 1 percentage point would not result in a need to recognise impairment Losses. TF Bank's judgement is that there is room for a reasonable change in both the growth rate assumption and the discount factor.

**NOTE G13 Intangible assets**

SEK thousand	2024			2023		
	Internally developed software	Ongoing development	Total	Internally developed software	Ongoing development	Total
Cost, opening balance	214,658	28,918	243,576	160,351	37,914	198,265
Additions		51,652	51,652		46,670	46,670
Reclassification	49,416	-49,416		55,756	-55,756	
Sales and disposals						
Exchange rate differences	-2,012	278	-1,734	-1,449	90	-1,359
<b>Cost, closing balance</b>	<b>262,062</b>	<b>31,432</b>	<b>293,494</b>	<b>214,658</b>	<b>28,918</b>	<b>243,576</b>
Amortisations, opening balance	-150,488		-150,488	-111,485		-111,485
Amortisations for the year	-48,758		-48,758	-40,293		-40,293
Sales and disposals						
Exchange rate differences	3,324		3,324	1,290		1,290
<b>Amortisations, closing balance</b>	<b>-195,922</b>		<b>-195,922</b>	<b>-150,488</b>		<b>-150,488</b>
<b>Carrying amount</b>	<b>66,140</b>	<b>31,432</b>	<b>97,572</b>	<b>64,170</b>	<b>28,918</b>	<b>93,088</b>

**NOTE G14 Tangible assets**

SEK thousand	2024			2023		
	Equipment	Leases	Total	Equipment	Leases	Total
Cost, opening balance	20,507	81,417	101,924	14,496	42,188	56,684
Additions	2,356	28,948	31,304	5,891	48,207	54,098
Sales and disposals		-8,117	-8,117		-8,978	-8,978
Exchange rate differences	411		411	120		120
<b>Cost, closing balance</b>	<b>23,274</b>	<b>102,248</b>	<b>125,522</b>	<b>20,507</b>	<b>81,417</b>	<b>101,924</b>
Amortisations, opening balance	-12,737	-29,172	-41,909	-9,917	-19,147	-29,064
Amortisations for the year	-3,276	-16,368	-19,644	-2,762	-17,410	-20,172
Sales and disposals		7,576	7,576		7,385	7,385
Exchange rate differences	-175		-175	-58		-58
<b>Amortisations, closing balance</b>	<b>-16,188</b>	<b>-37,964</b>	<b>-54,152</b>	<b>-12,737</b>	<b>-29,172</b>	<b>-41,909</b>
<b>Carrying amount</b>	<b>7,086</b>	<b>64,284</b>	<b>71,370</b>	<b>7,770</b>	<b>52,245</b>	<b>60,015</b>

**NOTE G15 Other operating expenses**

SEK thousand	2024	2023
Marketing expenses	-44,232	-64,359
<b>Total</b>	<b>-44,232</b>	<b>-64,359</b>

**NOTE G16 Net loan losses**

SEK thousand	2024	2023
Change in provision for sold non-performing loans	-1,019,868	-148,960
Realised loan losses	-52,885	-56,031
Recovered from previous write-offs	392	337
Change in provision for expected loan losses, stage 1-3	252,755	-452,197
<b>Net loan losses</b>	<b>-819,606</b>	<b>-656,851</b>

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

**NOTE G17 Items affecting comparability**

SEK thousand	2024	2023
Gain on sale of shares	146,989	-
Fair value effect of remaining shares	28,096	-
Interest expenses	15,657	-
Consultancy expenses	-7,569	-
Net loan losses	-80,089	-
<b>Items affecting comparability</b>	<b>103,084</b>	<b>-</b>

Items affecting comparability relate to the transfer agreement regarding the sale of 80.1 % of the shares in Rediem Capital AB, which was completed on 20 December 2024.

**NOTE G18 Tax on profit for the year**

SEK thousand	2024	2023
Current tax on profit for the year	-89,417	-161,362
Provision for tax surcharge	-11,723	-
Other taxes	-747	-499
Deferred tax	-53,753	48,962
<b>Tax on profit for the year<sup>1</sup></b>	<b>-155,640</b>	<b>-112,899</b>
Reconciliation of tax on profit for the year		
Profit before tax	787,989	509,599
Tax according to applicable tax rate	-162,326	-109,054
Tax effect of non-deductible expenses	-28,579	-52,496
Tax effect of non-taxable income	44,127	48,998
Tax effect of expenses that are not included in the recognised profit or loss	3,933	-
Provision for tax surcharge	-11,723	-
Other taxes	-747	-499
Deviating tax rates in other countries	-325	152
<b>Tax on profit for the year recognised in the income statement</b>	<b>-155,640</b>	<b>-112,899</b>

**NOTE G19 Classification of financial assets and liabilities**

31 Dec 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					
<b>Assets</b>						
Cash and balances with central banks			18,563			18,563
Treasury bills eligible for refinancing, etc.			1,792,652			1,792,652
Loans to credit institutions			2,447,869			2,447,869
Loans to the public			20,265,458			20,265,458
Shares	117,309					117,309
Derivatives	59,435			786		60,221
Other assets					367,533	367,533
<b>Total assets</b>	<b>176,744</b>		<b>24,524,542</b>	<b>786</b>	<b>367,533</b>	<b>25,069,605</b>
<b>Liabilities</b>						
Deposits and borrowings from the public			21,197,981			21,197,981
Subordinated liabilities			345,509			345,509
Derivatives	21,954					21,954
Other liabilities					731,481	731,481
<b>Total liabilities</b>	<b>21,954</b>		<b>21,543,490</b>		<b>731,481</b>	<b>22,296,925</b>

<sup>1</sup> The weighted average tax rate was 19.8 % (22.2).

Note G19 cont.

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					
<b>Assets</b>						
Cash and balances with central banks			18,916			18,916
Treasury bills eligible for refinancing, etc.			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
<b>Total assets</b>	<b>1,341</b>		<b>23,614,750</b>	<b>1,258</b>	<b>329,409</b>	<b>23,946,758</b>
<b>Liabilities</b>						
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
<b>Total liabilities</b>	<b>227,708</b>		<b>20,999,906</b>		<b>558,230</b>	<b>21,785,844</b>

#### NOTE G20 Financial assets and liabilities at 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 Dec 2024 SEK thousand	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and balances with central banks			18,563	18,563
Treasury bills eligible for refinancing	1,785,666			1,785,666
Loans to credit institutions			2,447,869	2,447,869
Loans to the public			25,597,265	25,597,265
Shares		117,309		117,309
Derivatives		60,221		60,221
<b>Total assets</b>	<b>1,785,666</b>	<b>177,530</b>	<b>28,063,697</b>	<b>30,026,893</b>
<b>Liabilities</b>				
Deposits and borrowings from the public			21,197,981	21,197,981
Subordinated liabilities		345,509		345,509
Derivatives		21,954		21,954
<b>Total liabilities</b>		<b>367,463</b>	<b>21,197,981</b>	<b>21,565,444</b>

Note G20 cont.

31 Dec 2023 SEK thousand	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
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
<b>Total assets</b>	<b>3,629,343</b>	<b>2,599</b>	<b>21,738,793</b>	<b>25,370,735</b>
<b>Liabilities</b>				
Deposits and borrowings from the public			20,652,997	20,652,997
Subordinated liabilities		346,909		346,909
Derivatives		227,708		227,708
<b>Total liabilities</b>		<b>574,617</b>	<b>20,652,997</b>	<b>21,227,614</b>

*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 information. An instrument is classified as Level 2 if all significant inputs required for fair value measurement of 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 forward rates at the balance sheet date.

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 Dec 2024 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/ Fair value loss (-)
<b>Assets</b>			
Cash and balances with central banks	18,563	18,563	
Treasury bills eligible for refinancing, etc.	1,792,652	1,785,666	-6,986
Loans to credit institutions	2,447,869	2,447,869	
Loans to the public	20,265,458	25,597,265	5,331,807
Shares	117,309	117,309	
Derivatives	60,221	60,221	
<b>Total assets</b>	<b>24,702,072</b>	<b>30,026,893</b>	<b>5,324,821</b>
<b>Liabilities</b>			
Deposits and borrowings from the public	21,197,981	21,197,981	
Subordinated liabilities	345,509	345,509	
Derivatives	21,954	21,954	
<b>Total liabilities</b>	<b>21,565,444</b>	<b>21,565,444</b>	

Note G20 cont.

31 Dec 2023 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/ Fair value loss (-)
<b>Assets</b>			
Cash and balances with central banks	18,916	18,916	
Treasury bills eligible for refinancing, etc.	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	
<b>Total assets</b>	<b>23,617,349</b>	<b>25,370,735</b>	<b>1,753,386</b>
<b>Liabilities</b>			
Deposits and borrowings from the public	20,652,997	20,652,997	
Subordinated liabilities	346,909	346,909	
Derivatives	227,708	227,708	
<b>Total liabilities</b>	<b>21,227,614</b>	<b>21,227,614</b>	

#### NOTE G21 Treasury bills eligible for refinancing

SEK thousand	31 Dec 2024	31 Dec 2023
Treasury bills eligible for refinancing - EU-commission	858,318	1,322,471
Government securities eligible for refinancing - Norway	527,901	246,800
Treasury bills eligible for refinancing - Sweden	406,433	1,129,677
Treasury bills eligible for refinancing - Finland	-	495,926
Treasury bills eligible for refinancing - Netherlands	-	440,823
<b>Total treasury bills eligible for refinancing, etc.</b>	<b>1,792,652</b>	<b>3,635,697</b>

#### NOTE G22 Loans to credit institutions

SEK thousand	31 Dec 2024	31 Dec 2023
Accounts receivable Swedish currency	948,593	1,127,247
Accounts receivable foreign currency	1,499,276	962,257
<b>Total loans to credit institutions</b>	<b>2,447,869</b>	<b>2,089,504</b>

**NOTE G23 Loans to the public**

SEK thousand	31 Dec 2024	31 Dec 2023
Loans to the household sector	19,779,471	17,766,169
Loans to the corporate sector <sup>1</sup>	485,987	104,464
<b>Total loans to the public</b>	<b>20,265,458</b>	<b>17,870,633</b>
<b>Loans to the household sector</b>		
Stage 1, gross	19,258,023	16,505,116
Stage 2, gross	1,037,063	711,193
Stage 3, gross <sup>2</sup>	282,577	1,604,567
<b>Total loans to the household sector, gross</b>	<b>20,577,663</b>	<b>18,820,876</b>
<b>Provisions for expected loan losses, household sector</b>		
Stage 1	-368,179	-261,935
Stage 2	-225,748	-115,109
Stage 3 <sup>2</sup>	-204,265	-677,663
<b>Total provisions for expected loan losses, household sector</b>	<b>-798,192</b>	<b>-1,054,707</b>
<b>Loans to the household sector</b>		
Stage 1, net	18,889,844	16,243,181
Stage 2, net	811,315	596,084
Stage 3, net <sup>2</sup>	78,312	926,904
<b>Total loans to the household sector, net</b>	<b>19,779,471</b>	<b>17,766,169</b>
<b>Loans to the corporate sector</b>		
Loans, net	485,987	104,464
<b>Total loans to the corporate sector, net</b>	<b>485,987</b>	<b>104,464</b>

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Geographical distribution of net loans:</b>		
Germany	7,030,609	4,784,548
Norway	4,229,526	4,245,890
Finland	3,142,408	3,478,514
Sweden	1,736,303	1,485,643
Latvia	1,131,108	988,664
Lithuania	1,044,378	885,922
Estonia	968,250	1,066,304
Austria	433,274	291,619
Denmark	230,049	176,249
Poland	197,074	314,539
Spain	118,867	152,741
Italy	3,612	-
<b>Total loans to the public</b>	<b>20,265,458</b>	<b>17,870,633</b>

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

<sup>2</sup> 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 G23 cont.

## MACROECONOMIC SCENARIOS

Scenario	2024			2023		
	Probability of occurring	Impact on provisions (stage 1)	Probability weighted outcome	Probability of occurring	Impact on provisions (stage 1)	Probability weighted outcome
Adverse	15.9 %	10.2 % increase		1 %	50 % increase	
Positive	19.5 %	9.4 % decrease	97.5 %	20 %	10 % decrease	98.5%
Base	64.6 %	3.5 % decrease		79 %	Neutral	

Effect on provisions for each segment related to expected loan losses in Stage 1.

SEK thousand	31 Dec 2024	31 Dec 2023
Credit Cards	11,910	1,394
Ecommerce Solutions	309	312
Consumer Lending	2,882	1,558
<b>Total</b>	<b>15,101</b>	<b>3,264</b>

### Sensitivity analysis:

The ECL macroeconomic component relies on ECB macroeconomic projections and EBA stress tests conducted by European banks in 2024. The primary factor influencing the impact on ECL is the HICP inflation rate. Significant deviations between the observed and projected HICP inflation rates, upon realisation, will lead to changes in the likelihood of scenarios and the total weighted impact on ECL.

Impact of 100 % weighting of scenarios:

*a. Positive scenario*

According to assumed impact on provisions, assigning 100 % probability to positive scenario would lead to multiplication of provisions in Stage 1 by 90.6 % (decrease of provisions by SEK 43.8 million).

*b. Base scenario*

According to assumed impact on provisions, assigning 100 % probability to baseline scenario would lead to multiplication of provisions in Stage 1 by 96.5 % (decrease of provisions by SEK 16.2 million).

*c. Adverse scenario*

According to assumed impact on provisions, assigning 100 % probability to adverse scenario would lead to multiplication of provisions in Stage 1 by 110.2 % (increase of provisions by SEK 47.5 million).

Note G23 cont.

### PROVISIONS

Provision of credit losses during the period were impacted by several different factors, as described below:

- Transfers between Stage 1 and Stage 2 or Stage 3 depending on whether the loan has significantly increased (or decreased) in risk or if it has defaulted during the period and thus transferred between 12 month and full lifetime ECL.
- New loans during the period and also loans removed from the portfolio in the same period. (Increases due to issue and purchase and decline due to derecognition from the statement of financial position).
- Changes in risk factors as Probability of default (PD), Exposure at default (EAD) and Loss given default (LGD), arising because the model has been updated with new amounts.
- Changes in macroeconomic scenarios based on macroeconomic factors.
- Exchange rate differences.

SEK thousand	Non doubtful receivables		Doubtful receivables	Total
	Stage 1	Stage 2	Stage 3	
	12 month expected loan losses	Lifetime expected loan losses	Lifetime expected loan losses	
<b>Loans to the public, gross, opening balance 1 January 2024</b>	<b>16,609,580</b>	<b>711,192</b>	<b>1,604,568</b>	<b>18,925,340</b>
Financial assets added during the year	27,149,250			27,149,250
Repayments	-21,530,098	-217,656	-96,281	-21,844,035
Financial assets sold during the year		-714,954	-2,969,495	-3,684,449
Stage transfers	-2,901,454	1,226,894	1,674,560	
- from 1 to 2	-1,518,637	1,518,637		
- from 1 to 3	-1,565,754		1,565,754	
- from 2 to 1	182,937	-182,937		
- from 2 to 3		-108,806	108,806	
- from 3 to 2				
Exchange rate differences	416,732	31,587	69,225	517,544
<b>Loans to the public, gross, closing balance 31 December 2024</b>	<b>19,744,010</b>	<b>1,037,063</b>	<b>282,577</b>	<b>21,063,650</b>
<b>Provision for expected loan losses, opening balance 1 January 2024</b>	<b>-261,935</b>	<b>-115,109</b>	<b>-677,663</b>	<b>-1,054,707</b>
<b>Changes reported as net loan losses</b>				
Financial assets added during the year	-391,652			-391,652
Repayments	295,829	104,180	208,889	608,898
Financial assets sold during the year		57,322	476,565	533,887
Stage transfers	20,838	-249,819	-164,700	-393,681
- from 1 to 2	21,296	-312,100		-290,804
- from 1 to 3	2,352		-90,468	-88,116
- from 2 to 1	-2,810	28,049		25,239
- from 2 to 3		34,232	-74,232	-40,000
- from 3 to 2				
Exchange rate differences	-31,259	-22,322	-47,356	-100,937
<b>Provision for expected loan losses, closing balance 31 December 2024</b>	<b>-368,179</b>	<b>-225,748</b>	<b>-204,265</b>	<b>-798,192</b>

Note G23 cont.

SEK thousand	Non doubtful receivables		Doubtful receivables	Total
	Stage 1	Stage 2	Stage 3	
	12 month expected loan losses	Lifetime expected loan losses	Lifetime expected loan losses	
<b>Loans to the public, gross, opening balance 1 January 2023</b>	<b>14,003,086</b>	<b>495,257</b>	<b>763,649</b>	<b>15,261,992</b>
Financial assets added during the year	22,046,078			22,046,078
Repayments	-17,331,432	-53,641	-175,874	-17,560,947
Financial assets sold during the year		-417,532	-7,665	-425,197
Stage transfers	-1,794,117	710,697	1,083,420	
- from 1 to 2	-923,385	923,385		
- from 1 to 3	-990,766		990,766	
- from 2 to 1	120,034	-120,034		
- from 2 to 3		-92,654	92,654	
- from 3 to 2				
Exchange rate differences	-314,035	-23,589	-58,962	-396,586
<b>Loans to the public, gross, closing balance 31 December 2023</b>	<b>16,609,580</b>	<b>711,192</b>	<b>1,604,568</b>	<b>18,925,340</b>
<b>Provision for expected loan losses, opening balance 1 January 2023</b>	<b>-194,506</b>	<b>-77,474</b>	<b>-335,639</b>	<b>-607,619</b>
<b>Changes reported as net loan losses</b>				
Financial assets added during the year	-154,557			-154,557
Repayments	36,885	38,650	16,794	92,329
Financial assets sold during the year		28,310	9,534	37,844
Stage transfers	25,877	-122,177	-411,227	-507,527
- from 1 to 2	17,617	-154,327		-136,710
- from 1 to 3	9,903		-381,572	-371,669
- from 2 to 1	-1,643	14,462		12,819
- from 2 to 3		17,688	-29,655	-11,967
- from 3 to 2				
Exchange rate differences	24,366	17,582	42,875	84,823
<b>Provision for expected loan losses, closing balance 31 December 2023</b>	<b>-261,935</b>	<b>-115,109</b>	<b>-677,663</b>	<b>-1,054,707</b>

#### NOTE G24 Shares

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Opening balance of holdings in unlisted shares</b>	<b>144</b>	<b>154</b>
<i>Changes during the year</i>		
Reclassification	89,200	-
Change in fair value	28,096	-
Translation differences	-131	-10
<b>Closing balance of holdings in unlisted shares</b>	<b>117,309</b>	<b>144</b>
<b>Total shares</b>	<b>117 309</b>	<b>144</b>

**NOTE G25 Other assets**

SEK thousand	31 Dec 2024	31 Dec 2023
Tax account	67,556	9,365
Derivatives	60,221	2,455
Accounts receivable	4,115	34,547
Other assets	13,304	5,738
<b>Total other assets</b>	<b>145,196</b>	<b>52,105</b>

**NOTE G26 Deferred tax**

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Deferred tax assets</b>		
Deferred taxes attributable to unrealised derivatives		46,402
Deferred tax attributable to loss carryforwards		4,975
Deferred tax attributable to acquisitions of shares in subsidiary	5,264	383
Deferred tax attributable to branches	2,395	2,517
<b>Deferred tax assets</b>	<b>7,659</b>	<b>54,277</b>
<b>Deferred tax liabilities</b>		
The difference between the income tax recognised in the income statement and income tax on operations comprises:		
Deferred tax attributable to ongoing tax audit	11,723	
Deferred taxes attributable to unrealised derivatives	7,883	
<b>Deferred tax on temporary differences</b>	<b>19,606</b>	
The deferred tax liabilities are expected to be settled as follows:		
Within 12 months	7,883	
Later than 12 months	11,723	
	<b>19,606</b>	
The gross change in deferred tax is as follows:		
Opening balance	54,277	2,928
Effect of changed branch taxation	2,259	2,387
Recognised in the income statement	-68,483	48,962
Recognised in other comprehensive income		
<b>Closing balance</b>	<b>-11,947</b>	<b>54,277</b>

**NOTE G27 Deposits and borrowings from the public**

SEK thousand	31 Dec 2024	31 Dec 2023
Germany	16,825,163	19,275,720
Netherlands	2,781,360	162,800
Ireland	614,673	103,291
Finland	334,850	326,736
Spain	309,363	29,888
Norway	180,870	559,370
Sweden	151,702	195,192
<b>Total deposits and borrowings from the public</b>	<b>21,197,981</b>	<b>20,652,997</b>

Deposits and borrowings from the public only occur in the household sector and 98 % (98) is covered by a deposit guarantee scheme. Deposits in Sweden, Norway and Germany are payable on demand and on maturity. Deposits in Finland are payable on demand. Deposits with maturity amounts to 70 % (40) of total deposits from the public. Maturities are shown in Note G3.

**CHANGES IN DEPOSITS AND BORROWINGS FROM THE PUBLIC**

SEK thousand	31 Dec 2024	31 Dec 2023
Opening balance	20,652,997	16,108,130
Change for the year	-161,118	4,642,515
Exchange rate differences	706,102	-97,648
<b>Closing balance</b>	<b>21,197,981</b>	<b>20,652,997</b>

**NOTE G28 Other liabilities**

SEK thousand	31 Dec 2024	31 Dec 2023
Debts to ecommerce partners	98,922	104,411
Lease liabilities	67,358	54,443
Derivatives	21,954	227,708
VAT debt	18,382	20,524
Accounts payable	9,540	10,973
Other liabilities	16,372	3,428
<b>Total other liabilities</b>	<b>232,528</b>	<b>421,487</b>

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Maturity analysis regarding lease liabilities</b>		
Remaining term to maturity up to 1 year	16,987	14,062
Remaining term to maturity of more than 1 year but less than 2 years	13,415	12,152
Remaining term to maturity of more than 2 year but less than 3 years	9,053	8,172
Remaining term to maturity of more than 3 year but less than 4 years	9,024	3,548
Remaining term to maturity of more than 4 year but less than 5 years	7,327	3,112
Remaining term to maturity of more than 5 years	11,552	13,397
<b>Total lease liabilities</b>	<b>67,358</b>	<b>54,443</b>

**NOTE G29** Accrued expenses and prepaid income

SEK thousand	31 Dec 2024	31 Dec 2023
Accrued interest on deposits from the public	240,244	107,888
Accrued broker fees	52,537	46,822
Accrued salaries and holiday pay liability	21,760	30,212
Accrued social security costs	24,375	17,045
Accrued interest on loans to the public	10,989	7,500
Other accrued expenses and prepaid income	86,647	46,501
<b>Total accrued expenses and prepaid income</b>	<b>436,552</b>	<b>255,968</b>

**NOTE G30** Subordinated liabilities

SEK thousand	31 Dec 2024	31 Dec 2023
Time-bound subordinated liabilities	345,509	346,909
<b>Total</b>	<b>345,509</b>	<b>346,909</b>

Subordinated loans are subordinated to other liabilities. The table below shows the terms for each bond. The prospectus are available on the Bank's website, [www.tfbankgroup.com](http://www.tfbankgroup.com).

Issuing date	Nominal amount (SEK thousand)	Interest rate terms	Maturity date
27 September 2019 (redeemed 27 September 2024)	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
18 September 2024	100,000	STIBOR 3 months +4.00%	18 September 2034

**NOTE G31** Transactions with related parties

Transactions between Group companies refer to invoicing of services rendered in subsidiaries and interest income linked to intra-group loans to 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, or where TF Bank owns a minor stake. All transactions are priced according to the market.

SEK thousand	31 Dec 2024	31 Dec 2023
The following transactions took place between companies within the Group:		
General administrative expenses	-17,377	-7,671
<b>Total</b>	<b>-17,377</b>	<b>-7,671</b>

SEK thousand	31 Dec 2024	31 Dec 2023
The following transactions have been made with other related parties:		
Interest income (transaction costs)	-36,177	-41,739
Commission income	2,287	2,907
General administrative expenses	-1,729	-1,688
<b>Total</b>	<b>-35,619</b>	<b>-40,520</b>
Acquisition of assets and liabilities from other related parties:		
Ecommerce Solutions	465,019	496,554
<b>Total</b>	<b>465,019</b>	<b>496,554</b>

Note G31 cont.

SEK thousand	31 Dec 2024	31 Dec 2023
<i>Assets and liabilities at the end of the period as a result of transactions with other related parties:</i>		
Loans to credit institutions	54,959	-
Other assets	496	412
Other liabilities	1,807	178

## NOTE G32 Equity

### Shares

The number of shares in the Parent company amounted to 21,500,000 shares with a nominal value of 5 SEK as of the balance sheet date. Nominal value refers to the share capital divided by the number of shares. After the balance sheet date, a directed new share issue of 50,000 shares was carried out on 27 January 2025, at nominal value. The total number of shares then amounts to 21,550,000 shares.

### Translation Reserve

This reserve includes translation differences arising from the consolidation of the Group's foreign operations.

### Retained Earnings

Retained earnings refer to the retained profit from the previous year, reduced by dividend payments and transactions related to the Group's primary capital instruments, such as interest payments or issuance costs. No dividends were paid to shareholders during the year. The proposal for the appropriation of profits for the year 2024 can be found in Note P32.

### Primary Capital Instruments

TF Bank has issued primary capital instruments. The instruments relate to subordinated loans with perpetual maturity, with the first possible redemption after five years. The amount and interest terms are shown in the table below.

Issuing date	Nominal amount (SEK thousand)	Interest rate terms	First possible redemption
7 June 2018 (redeemed 7 June 2023)	100,000	STIBOR 3 months +6.75%	7 June 2023
1 December 2021	100,000	STIBOR 3 months +6.25%	1 December 2026
28 February 2023	150,000	STIBOR 3 months +8.75%	9 June 2028

A specification of changes in equity can be found in the Report on changes in equity on page 28.

### Background

Information about the Bank's capital adequacy includes information in accordance with Chapter 6, Sections 3-4 of the Swedish FSA's 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. 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 which means that 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 supervisory regulation (EU) No 575/2013. To determine the Company's statutory capital requirements, the Special Supervision of Credit Institutions and Securities Companies Act (2014:968), Regulation (EU) No 575/2013, the Capital Buffers Act (2014:966) and the Swedish FSA's regulations and general guidelines (FFFS 2014:12) on prudential requirements and capital buffers apply, as well as the Swedish FSA's memorandum (FI ref. no. 20-20990) on new capital requirements for Swedish banks.

### Own funds

TF Bank's capital base consists of equity attributable to shareholders and issued bonds. Shareholders' equity after regulatory adjustments constitutes Additional Tier 1 capital. Issued bonds constitute of Additional Tier 1 or Tier 2 funds. The bonds are subordinated to the Bank's other creditors and bonds that constitute other core capital could, under certain conditions, be converted into share capital. The Swedish FSA has approved TF Bank's applications to include accrued earnings in its capital base.

### Risk exposure amount

TF Bank's risk exposure amount consists mainly of credit risk and operational risk. The risk exposure amount for credit risk is calculated using the Standardised Approach and the Bank's exposures are weighted on the basis of different percentages set out in Regulation (EU) No 575/2013. The risk exposure amount for operational risk is calculated using the alternative standardised approach under Regulation (EU) No 575/2013.

### Capital requirements

The Pillar 1 regulatory capital requirement requires that total own funds amount to at least 8 % of the risk-weighted exposure amount for credit risk, credit valuation adjustment risk, market risk and operational risk. This is followed by additional capital requirements for the risks that are not covered by Pillar 1, such as concentration risk, exchange rate risk and interest rate risk. The capital requirements for these risks are covered through Pillar 2. In addition, capital is allocated for a capital conservation buffer of 2.5 % of the risk-weighted exposure amount and an institution-specific countercyclical capital buffer weighted on the basis of geographical exposures. As of 31 December 2024, TF Bank's countercyclical capital buffer requirement of 1.2 % 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, 0.75 % for exposures in Germany and 0.5 % for exposures in Latvia.

### Capital planning

The strategies and methods used by TF Bank to measure and maintain capital requirements according to Regulation (EU) No 575/2013 are based on the Bank's risk management. Risk management seeks to identify and analyse the risks inherent in TF Bank's operations and to set appropriate limits for these risks and ensure that necessary controls are in place. Risks are monitored and controls are performed on an ongoing basis to ensure limits are not exceeded. TF Bank has a centralised function for independent risk control which reports directly to the CEO and whose task it is to analyse development of risks and, where required, suggest changes to governing documents and processes, both for overarching risk management and specific areas.

TF Bank has its own internal capital and liquidity adequacy assessment process (ICAAP/ILAAP) to assess whether the internal capital is adequate to serve as the basis for current and future operations and to ensure that the amount and composition of own funds is appropriate. The process is a tool that ensures that the Bank clearly and correctly identifies, measures and manages all the risks to which TF Bank is exposed and makes an assessment of the Bank's internal capital adequacy requirements on the basis of this. As part of the process, TF Bank must have appropriate governing and control functions and risk management systems in place. TF Bank's ICAAP/ILAAP is performed at least once a year.

In TF Bank, the starting point for ICAAP/ILAAP is risk identification and self-assessment workshops with senior executives. Against the background of this risk analysis, each individual risk is analysed and management of the risk is documented. Reference is made to applicable governing documents and policies. The risks are then quantified on the basis of the method that The Bank deems to be appropriate for each type of risk. Each risk type is then assessed to establish if additional capital is required to cover the specific risk type according to Pillar 2. The assessment is based on Pillar 1 capital requirements according to Regulation (EU) No 575/2013 and additional capital is added where necessary for other risks. The ICAAP/ILAAP is then subjected to stress testing to ensure that bank's capital adequacy and liquidity level can be maintained in stressed market conditions. TF Bank uses forward-looking scenarios based on the Company's three-year business plan.

Note G33 cont.

## CAPITAL SITUATION

SEK thousand	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 capital (CET1)	2,354,631	1,817,029
Additional Tier 1 capital (AT1)	250,000	250,000
Tier 2 capital	345,509	346,909
<b>Own funds</b>	<b>2,950,140</b>	<b>2,413,938</b>
<b>Risk exposure amount</b>	<b>17,700,941</b>	<b>15,143,851</b>
- of which: credit risk	16,493,873	14,207,588
- of which: credit valuation adjustment	78,960	12,106
- of which: market risk	-	-
- of which: operational risk	1,128,108	924,157
<b>Capital ratios</b>		
CET1 capital ratio, %	13.3	12.0
Tier 1 capital ratio, %	14.7	13.6
Total capital ratio, %	16.7	15.9

## REGULATORY CAPITAL REQUIREMENTS

SEK thousand	31 Dec 2024		31 Dec 2023	
	Amount	Percent <sup>1</sup>	Amount	Percent <sup>1</sup>
<b>Capital requirement under Pillar 1</b>				
CET1 capital	796,542	4.5	681,473	4.5
Tier 1 capital	1,062,056	6.0	908,631	6.0
Total capital	1,416,075	8.0	1,211,508	8.0
<b>Capital requirement under Pillar 2</b>				
CET1 capital	124,854	0.7	91,531	0.6
Tier 1 capital	166,472	0.9	122,042	0.8
Total capital	221,962	1.3	162,722	1.1
- of which, concentration risk	166,989	0.9	135,850	0.9
- of which, currency risk	4,345	0.0	1,664	0.0
- of which, interest rate risk	50,628	0.3	25,208	0.2
<b>Capital requirement under Pillar 1 and Pillar 2</b>				
CET1 capital	921,396	5.2	773,004	5.1
Tier 1 capital	1,228,528	6.9	1,030,673	6.8
Total capital	1,638,037	9.3	1,374,230	9.1
<b>Institution-specific buffer requirement</b>				
Total buffer requirement	646,085	3.7	555,779	3.7
- of which, capital conservation buffer requirement	442,524	2.5	378,596	2.5
- of which, countercyclical buffer requirement	203,561	1.2	177,183	1.2
<b>Total capital requirement including buffer requirement</b>				
CET1 capital	1,567,480	8.9	1,328,784	8.8
Tier 1 capital	1,874,612	10.6	1,586,452	10.5
Total capital	2,284,122	12.9	1,930,009	12.7

<sup>1</sup> Capital requirements expressed as a percentage of the risk exposure amount.

Note G33 cont.

## OWN FUNDS

SEK thousand	31 Dec 2024	31 Dec 2023
<b>CET1 capital</b>		
Share capital	107,500	107,500
Other reserves	2,194	1,972
Retained earnings including net profit for the period reviewed by the auditor	2,412,986	1,801,442
Adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends <sup>1</sup>	-107,500	-
- IFRS 9 transitional arrangements	-35,101	-35,882
- Intangible assets <sup>2</sup>	-20,011	-12,753
- Goodwill	-	-4,969
- Deferred tax assets that rely on future profitability	-5,437	-40,281
- Insufficient coverage for non-performing exposures <sup>3</sup>		
<b>Total CET1 capital</b>	<b>2,354,631</b>	<b>1,817,029</b>
<b>Tier 1 capital instruments</b>		
Perpetual subordinated loans	250,000	250,000
<b>Tier 2 capital instruments</b>		
Fixed term subordinated loans	345,509	346,909
<b>Own funds</b>	<b>2,950,140</b>	<b>2,413,938</b>

## SPECIFICATION OF RISK EXPOSURE AMOUNT AND CAPITAL REQUIREMENT

SEK thousand	31 Dec 2024		31 Dec 2023	
	Risk exposure amount	Capital requirement 8 %	Risk exposure amount	Capital requirement 8 %
<b>Credit risk under the standardised approach</b>				
Corporate exposures	485,987	38,879	79,920	6,394
Household exposures	14,745,870	1,179,670	12,597,979	1,007,838
Secured by collateral	13,999	1,120	15,891	1,271
Exposures in default	78,313	6,265	926,385	74,111
Exposures to institutions	571,818	45,745	415,622	33,250
Equity exposures	293,126	23,450	144	12
Other items	304,760	24,381	171,647	13,732
<b>Total</b>	<b>16,493,873</b>	<b>1,319,510</b>	<b>14,207,588</b>	<b>1,136,607</b>
<b>Credit valuation adjustment</b>				
Standardised method	78,960	6,317	12,106	968
<b>Total</b>	<b>78,960</b>	<b>6,317</b>	<b>12,106</b>	<b>968</b>
<b>Market risk</b>				
Foreign exchange risk	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operational risk</b>				
Alternative Standardised Approach	1,128,108	90,249	924,157	73,933
<b>Total</b>	<b>1,128,108</b>	<b>90,249</b>	<b>924,157</b>	<b>73,933</b>
<b>Total risk exposure amount and total capital requirement</b>	<b>17,700,941</b>	<b>1,416,075</b>	<b>15,143,851</b>	<b>1,211,508</b>

<sup>1</sup> Deduction of calculated dividend has been made in accordance with the Board of Directors' proposal to the Annual General Meeting at the time for submitting the year-end report 2024.

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

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

**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. On 30 September 2024, the Swedish FSA presented a legal position regarding the management of deposits through digital deposit platforms when calculating the liquidity coverage ratio and stable net funding ratio. TF Bank has applied this interpretation of the regulations since the first quarter of 2023 and the position does not affect the Bank's key figures.

**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.

**LIQUIDITY POSITION**

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Liquidity reserve<sup>1</sup></b>		
Treasury bills eligible for refinancing - EU-commission <sup>2</sup>	858,318	1,322,471
Government securities eligible for refinancing - Norway <sup>2</sup>	527,901	246,800
Treasury bills eligible for refinancing - Sweden <sup>2</sup>	406,433	1,129,677
Treasury bills eligible for refinancing - Finland <sup>2</sup>	-	495,926
Treasury bills eligible for refinancing - Netherlands <sup>2</sup>	-	440,823
<b>Total liquidity reserve</b>	<b>1,792,652</b>	<b>3,635,697</b>
<b>Other available liquidity reserve</b>		
Cash and balances with central banks <sup>3</sup>	6,338	5,968
Loans to credit institutions <sup>3</sup>	2,254,307	1,562,740
<b>Total other available liquidity reserve</b>	<b>2,260,645</b>	<b>1,568,708</b>
<b>Total available liquidity reserve</b>	<b>4,053,297</b>	<b>5,204,405</b>
<b>Sources of financing</b>		
Deposits from the public	21,197,981	20,652,997
Subordinated liabilities	345,509	346,909
Tier 1 capital instrument	250,000	250,000
Equity attributable to shareholders	2,522,680	1,910,914
<b>Total sources of financing</b>	<b>24,316,170</b>	<b>23,160,820</b>
<b>Key figures</b>		
Available liquidity reserve / Deposits from the public	19	25
Liquidity coverage ratio, %	406	354
Net Stable Funding ratio, %	109	128

**REGULATORY LIQUIDITY REQUIREMENTS**

	31 Dec 2024	31 Dec 2023
<b>Key figures</b>		
Liquidity coverage ratio, %	100	100
Net Stable Funding ratio, %	100	100

<sup>1</sup> According to definition in FFFS 2010:7.

<sup>2</sup> Remaining term to maturity for treasury bills is up to 12 months. Maturity date for Norwegian government bonds amounting to NOK 250 million is 19 Februari 2026.

<sup>3</sup> Excluding restricted cash and cash equivalents that are not available the next day.

## NOTE G35 Business combinations

On 1 December 2024, TF Bank AB acquired a business unit operated under the Paynova brand within the Ecommerce Solutions segment. The acquisition was carried out at fair value, and cash corresponding to the agreed purchase price was transferred to the seller on the acquisition date.

The acquired assets and liabilities were as follows:

SEK thousand	Valuation at acquisition
<b>Assets</b>	
Loans to the public	13,047
<b>Total assets</b>	<b>13,047</b>
<b>Liabilities</b>	
Accrued expenses	305
<b>Total liabilities</b>	<b>305</b>
<b>Net identifiable assets and liabilities</b>	<b>12,742</b>
<b>Goodwill</b>	<b>7,258</b>
<b>Net assets and liabilities</b>	<b>20,000</b>
Cash and cash equivalents	20,000
<b>Total purchase consideration</b>	<b>20,000</b>

## NOTE G36 Shares in subsidiaries

	TFB Service UAB	TFB Service GmbH	TFBN Services S.L.U.	TFBN Services Ltd	TF Nordic AB	Avarda AS
Country of registration and operation	Lithuania	Germany	Spain	United Kingdom	Sweden	Norway
Operation	Administration	Administration	Administration	Administration	Financial	Administration
Number of shares	1	25,000	3,000	1	25,000	33,000
Percentage of shares owned by TF Bank, %	100	100	100	100	100	100
Carrying amount as at 31 December 2024	25	264	31	0	25	924
Operating income 2024	8,060	18,821	14,735	0	0	5,703
Profit before tax 2024	184	160	446	-2,486	0	1,021
Tax on profit 2024	-48	-69	-108	0	0	-474
Employees (FTE) 2024	13	14	13	1	0	3

Note G36 cont.

Parent Company	TFB Service UAB	TFB Service GmbH	TFBN Services S.L.U.	TFBN Services Ltd	TF Nordic AB	Avarda AS	Rediem Capital AB (former Avarda AB)
<b>Carrying amount as at 1 January 2023</b>	<b>25</b>	<b>264</b>	<b>31</b>				<b>25</b>
Share issuance							1,614,213
<b>Carrying amount as at 31 December 2023</b>	<b>25</b>	<b>264</b>	<b>31</b>				<b>1,614,238</b>
<b>Carrying amount as at 1 January 2024</b>	<b>25</b>	<b>264</b>	<b>31</b>				<b>1,614,238</b>
Shares issuance				0	25		213,000
Impairment							-1,451,500
Sale of shares in subsidiaries							-300,966
Reclassification							-74,772
Acquisition						924	
<b>Carrying amount as at 31 December 2024</b>	<b>25</b>	<b>264</b>	<b>31</b>	<b>0</b>	<b>25</b>	<b>924</b>	<b>0</b>

#### NOTE G37 Pledged assets, contingent liabilities and commitments

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Pledged assets</b>		
Restricted bank deposits <sup>1</sup>	12,225	12,948
<b>Total</b>	<b>12,225</b>	<b>12,948</b>

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Commitments</b>		
Unutilised credit limits	10,050,350	5,983,885
<b>Total</b>	<b>10,050,350</b>	<b>5,983,885</b>

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

#### NOTE G38 Events after 31 December 2024

On 27 January 2025, a directed new share issue of 50,000 shares was carried out at nominal value. The total number of shares then amounts to 21,550,000 shares, and the share capital amounts to 107,750,000 SEK.

On 17 February 2025, it was announced that Rasmus Rolén, effective 1 March 2025, has taken on the role of Chief Commercial Officer, replacing Espen Johannesen as a senior executive in the Parent company.

No other significant events have occurred after the balance sheet date.

<sup>1</sup> Restricted bank deposits refers to minimum reserve requirements at central banks in Finland and Poland.

# FINANCIAL INFORMATION AND NOTES - PARENT COMPANY



## FIVE-YEAR OVERVIEW - PARENT COMPANY

SEK thousand	2024	2023	2022	2021	2020
<b>Income statement</b>					
Operating income	3,822,223	1,887,910	1,412,801	1,055,287	876,070
Operating expenses	-746,320	-763,019	-611,229	-442,165	-340,755
Net loan losses	-832,359	-631,231	-367,569	-260,564	-272,676
Operating profit	792,044	493,660	434,003	352,558	262,639
Profit for the year	654,315	384,501	340,805	277,206	202,719
<b>Balance sheet</b>					
Loans to the public	20,265,458	15,424,259	14,654,373	10,872,285	7,922,448
Deposit from the public	21,197,981	20,652,996	16,108,130	11,504,749	8,714,032
<b>Key figures</b>					
CET1 capital ratio, %	13.4	12.2	12.3	12.3	12.8
Tier 1 capital ratio, %	14.8	13.9	13.9	14.3	14.2
Total capital ratio, %	16.7	16.2	15.6	16.2	17.4
Employees (FTE)	322	322	290	236	187

See separate section with definitions, page 109.

## INCOME STATEMENT - PARENT COMPANY

SEK thousand	Note	2024	2023
<b>Operating income</b>	P1,p2		
Interest income according to the effective interest rate method		2,830,390	2,252,604
Other interest income		29,526	40,667
<b>Interest income</b>	P3,P31	<b>2,859,916</b>	<b>2,293,271</b>
Interest expense	P4	-804,374	-547,971
<b>Net interest income</b>		<b>2,055,542</b>	<b>1,745,300</b>
Fee and commission income		281,456	246,847
Fee and commission expense		-177,684	-103,335
<b>Net fee and commission income</b>	P5	<b>103,772</b>	<b>143,512</b>
Dividends received	P6	1,451,500	-
Net results from financial transactions	P7	41,885	-902
Other operation income	P8	169,524	-
<b>Total operating income</b>		<b>3,822,223</b>	<b>1,887,910</b>
<b>Operating expenses</b>			
General administrative expenses	P9,P10,P11,P31	-669,710	-661,489
Depreciation and amortisation of tangible and intangible assets	P12,P13,P14	-34,671	-37,668
Other operating expenses	P15	-41,939	-63,862
<b>Total operating expenses</b>		<b>-746,320</b>	<b>-763,019</b>
<b>Profit before loan losses</b>		<b>3,075,903</b>	<b>1,124,891</b>
Net loan losses	P16	-832,359	-631,231
Impairment of financial non-current assets	P17	-1,451,500	-
<b>Operating profit</b>		<b>792,044</b>	<b>493,660</b>
Tax on profit for the year	P18	-137,729	-109,159
<b>Profit for the year</b>		<b>654,315</b>	<b>384,501</b>

## STATEMENT OF OTHER COMPREHENSIVE INCOME - PARENT COMPANY

SEK thousand	2024	2023
<b>Profit for the year</b>	<b>654,315</b>	<b>384,501</b>
<b>Other comprehensive income</b>		
<b>Items that may subsequently be reclassified to the income statement</b>		
Gross exchange rate differences	50	-1,173
Tax on exchange rate differences in the period	-	260
<b>Other comprehensive income for the year</b>	<b>50</b>	<b>-913</b>
<b>Total comprehensive income for the year</b>	<b>654,365</b>	<b>383,588</b>

## BALANCE SHEET - PARENT COMPANY

SEK thousand	Note	31 Dec 2024	31 Dec 2023
	P1,P2,P19,P20		
<b>ASSETS</b>			
Cash and balances with central banks		18,563	18,916
Treasury bills eligible for refinancing, etc.	P21	1,792,652	3,536,570
Loans to credit institutions	P22,P31	2,442,923	2,994,041
Loans to the public	P23	20,265,458	15,424,259
Shares	P24	117,309	144
Shares in subsidiaries	G36	1,244	1,614,558
Goodwill	P12	26,593	7,652
Intangible assets	P13	97,572	39,216
Tangible assets	P14	5,784	6,514
Other assets	P25,P31	145,736	13,644
Deferred tax assets	P26	2,395	55,285
Prepaid expenses and accrued income		85,668	53,286
<b>TOTAL ASSETS</b>		<b>25,001,897</b>	<b>23,764,085</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits and borrowings from the public	P27	21,197,981	20,652,996
Other liabilities	P28,P31	163,030	295,421
Current tax liabilities		61,917	94,075
Accrued expenses and prepaid income	P29	432,908	217,527
Deferred tax liabilities	P26	19,606	-
Provisions		1,574	11,158
Subordinated liabilities	P30	345,509	346,909
<b>Total liabilities</b>		<b>22,222,525</b>	<b>21,618,086</b>
<b>Equity</b>	P32		
<b>Restricted equity</b>			
Share capital		107,500	107,500
Statutory reserve		1,000	1,000
Development costs fund		97,572	39,215
<b>Total restricted equity</b>		<b>206,072</b>	<b>147,715</b>
<b>Non-restricted equity</b>			
Tier 1 capital instrument		250,000	250,000
Foreign currency reserve		-1,227	-1,277
Retained earnings		1,670,212	1,365,060
Profit for the year		654,315	384,501
<b>Total non-restricted equity</b>		<b>2,573,300</b>	<b>1,998,284</b>
<b>Total equity</b>		<b>2,779,372</b>	<b>2,145,999</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>25,001,897</b>	<b>23,764,085</b>

## STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

SEK thousand	Restricted equity			Non-restricted equity				Total equity
	Share capital	Statutory reserve	Development costs fund	Tier 1 capital instrument	Foreign currency reserve	Retained earnings	Profit for the year	
<b>Equity as at 1 Jan 2023</b>	<b>107,500</b>	<b>1,000</b>	<b>86,780</b>	<b>200,000</b>	<b>-364</b>	<b>999,057</b>	<b>340,805</b>	<b>1,734,778</b>
Profit for the year							384,501	384,501
Other comprehensive income for the year					-913			-913
Transfer of previous year's profit						340,805	-340,805	
Capitalisation of development costs			-84,243			84,243		
Amortisation of capitalised development costs			36,678			-36,678		
Interest Tier 1 capital						-19,847		-19,847
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
<b>Equity as at 31 Dec 2023</b>	<b>107,500</b>	<b>1,000</b>	<b>39,215</b>	<b>250,000</b>	<b>-1,277</b>	<b>1,365,060</b>	<b>384,501</b>	<b>2,145,999</b>
<b>Equity as at 1 Jan 2024</b>	<b>107,500</b>	<b>1,000</b>	<b>39,215</b>	<b>250,000</b>	<b>-1,277</b>	<b>1,365,060</b>	<b>384,501</b>	<b>2,145,999</b>
Profit for the year							654,315	654,315
Other comprehensive income for the year					50			50
Transfer of previous year's profit						384,501	-384,501	
Capitalisation of development costs			95,043			-95,043		
Amortisation of capitalised development costs			-36,686			36,686		
Interest Tier 1 capital						-29,129		-29,129
Share-based remunerations						8,137		8,137
<b>Equity as at 31 Dec 2024</b>	<b>107,500</b>	<b>1,000</b>	<b>97,572</b>	<b>250,000</b>	<b>-1,227</b>	<b>1,670,212</b>	<b>654,315</b>	<b>2,779,372</b>

## CASH FLOW STATEMENT - PARENT COMPANY

SEK thousand	2024	2023
<b>Operating activities</b>		
Operating profit	792,044	493,660
<i>Adjustment for items not included in cash flow</i>		
Depreciation and amortisation of tangible and intangible assets	34,671	37,668
Accrued interest income and expense	132,709	90,203
Other non-cash items	-1,343	336
Paid income tax	-169,887	-51,039
<b>Cash flows from operations before changes in working capital</b>	<b>788,194</b>	<b>570,828</b>
Increase/decrease in loans to the public	-4,828,458	-769,886
Increase/decrease in other short-term receivables	-51,827	-19,857
Increase/decrease in deposits and borrowings from the public	544,985	4,544,866
Increase/decrease in other short-term liabilities	-28,970	166,959
<b>Cash flow from operating activities</b>	<b>-3,576,076</b>	<b>4,492,910</b>
<b>Investing activities</b>		
Investments in tangible assets	-2,054	-5,370
Investments in intangible assets	-95,043	-40,058
Disposal of tangible assets	-	342
Disposal of intangible assets	-	54,630
Business acquisitions	-34,013	-
Investments in subsidiaries	-213,000	-1,614,187
Sale of shares in subsidiaries	105,700	-
<b>Cash flow from investing activities</b>	<b>-238,410</b>	<b>-1,604,643</b>
<b>Financing activities</b>		
Redemption of Tier 2 capital	-100,000	-
Issue of Tier 2 capital	100,000	150,000
Redemption of Tier 1 capital	-	-100,000
Issue of Tier 1 capital	-	150,000
Interest on Tier 1 capital	-29,129	-19,847
Transaction costs, issue of Tier 1 capital	-	-3,138
Tax effect, transaction costs issue of Tier 1 capital	-	618
Dividends received	1,451,500	-
Dividend to shareholders	-	-
<b>Cash flow from financing activities</b>	<b>1,422,371</b>	<b>177,633</b>
<b>Cash flow for the year</b>	<b>-2,392,115</b>	<b>3,065,900</b>
Cash and cash equivalents at the beginning of the year	6,549,527	3,526,364
Exchange rate difference in cash and cash equivalents	96,726	-42,737
<b>Cash and cash equivalents at the end of the year</b>	<b>4,254,138</b>	<b>6,549,527</b>
<i>Cash flow from operating activities includes interest expenses paid and interest payments received</i>		
Interest expenses paid	674,255	460,591
Interest payments received	2,622,446	2,206,820
<b>Components of cash and cash equivalents</b>		
Cash and balances with central banks	18,563	18,916
Treasury bills eligible for refinancing	1,792,652	3,536,570
Loans to credit institutions	2,442,923	2,994,041
<b>Total cash and cash equivalents</b>	<b>4,254,138</b>	<b>6,549,527</b>

# NOTES

## NOTE P1 Accounting Policies

The Parent company prepares financial reports in accordance with the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559) and of the Swedish FSA 's accounting regulation FFFS 2008:25. So-called statutory IFRS means that IFRS, as approved by the EU, are applicable to the preparation of the financial statements, with the limitations and additions that follow from RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board, and FFFS 2008:25. This means that the Parent company, with the exception of what is stated below, has applied the same accounting principles as the Group as shown in Note G2

### Shares in subsidiaries

Shares and participations in subsidiaries are recognised at cost plus transaction costs after deduction of any impairment losses. Where there is an indication that shares have become impaired, an estimate is made of the recoverable amount. If this is lower than the carrying amount, an impairment loss is recognised. Impairment losses are recognised under the items Gains/losses on participations in subsidiaries.

### Goodwill

Goodwill has an indefinite useful life and RFR 2 states that such intangible assets are to be amortised in accordance with Chapter 4. Section 4 of the Annual Accounts Act in legal entities. If the useful life cannot be determined with a reasonable degree of certainty, it shall be deemed to be five years. The Bank's assessment is that, in the light of the impairment test carried out in connection with the merger, it can be demonstrated that the useful life is significantly longer than five years. Based on this, TF Bank applies a depreciation period of ten years in the Parent company.

### Tangible assets

The Parent company has made use of the exemption in RFR 2 regarding IFRS 16 Leases and only reports it at Group level.

Leasing fees are recognised as an expense on a straight-line basis over the lease term, even if the payments are distributed differently. Lease agreements that include one or more lease components are accounted for as a single lease component. The Parent company's leasing fees are related to rental agreements. Information about leasing fees can be found in Note P35.

### Business combinations

Intra-group business acquisitions are made at book values, as far as possible, in accordance with the applicable tax legislation at the time.

### Dividend

Dividends paid to TF Bank's shareholders are reported as liabilities in the Company's financial statements in the period when the dividend is approved by TF Bank's shareholders.

## NOTE P2 Financial risks and financial risk management

The Parent company has applied the same principles for risks and risk management as the Group, as outlined in Note G3. Below is specific information regarding the Parent company's tables related to the various risks; otherwise, the same principles apply as for the Group.

### Credit Risk

The credit quality of fully performing gross receivables in Stages 1 and 2 (see Note P23), classified according to low, medium, or high risk, is presented in the table below.

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Household sector</b>		
Low risk	14,484,441	10,845,317
Moderate risk	3,880,696	2,143,384
High risk	1,929,949	1,827,956
<b>Total</b>	<b>20,295,086</b>	<b>14,816,657</b>

The age distribution of loans to the public is shown below.

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Household, gross</b>		
Between 0-29 days	19,258,023	14,267,850
Between 30-89 days	1,037,063	548,807
90 days or more	282,577	1,466,518
<b>Total</b>	<b>20,577,663</b>	<b>16,283,175</b>

Note P2 cont.

The credit quality of cash and cash equivalents according to Standard & Poor's rating is specified below:

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Cash and balances with central banks</b>		
AA+	7,916	7,647
AA-	-	8
A+	7	7
A-	10,640	11,254
<b>Total</b>	<b>18,563</b>	<b>18,916</b>
<b>Treasury bills eligible for refinancing</b>		
AAA	934,334	1,718,173
AA+	858,318	1,818,397
<b>Total</b>	<b>1,792,652</b>	<b>3,536,570</b>
<b>Loans to credit institutions</b>		
A-1+	1,400,562	997,351
A-1	731,182	498,357
A-2	134,185	32,746
Unrated	176,994	1,465,587
<b>Total</b>	<b>2,442,923</b>	<b>2,994,041</b>

#### Market risk

##### (i) Currency Risk

TF Bank AB assesses the additional capital requirement for Pillar 2 for currency risk by stressing its net positions in foreign currency as of the balance sheet date. As of 31 December 2024, TF Bank has chosen a currency movement of 8.3 % (8.4). The outcome of the stress test as of 31 December 2024, implies an additional capital requirement for currency risk in Pillar 2 of SEK 4 million (1), excluding tax effect.

#### CURRENCY EXPOSURES AGAINST THE BANK'S TRANSACTION CURRENCIES

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Assets in EUR:</b>		
Cash and balances with central banks	7,923	7,663
Treasury bills eligible for refinancing, etc.	858,319	2,259,220
Loans to credit institutions	1,527,411	1,014,817
Loans to the public	13,369,379	10,095,167
Other assets	68,434	27,230
<b>Total assets</b>	<b>15,831,466</b>	<b>13,404,097</b>
<b>Liabilities in EUR:</b>		
Deposits and borrowings from the public	-20,865,409	-19,898,435
Other liabilities	-386,007	-153,324
<b>Total liabilities</b>	<b>-21,251,416</b>	<b>-20,051,759</b>
Currency forward contracts	5,453,107	6,637,088
<b>Total</b>	<b>33,157</b>	<b>-10,574</b>
Impact on equity (excl. tax) in the event of a weakening of the Swedish krona of 8.3 % (8.4)	2,739	-891

Note P2 cont.

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Assets in NOK:</b>		
Treasury bills eligible for refinancing, etc.	527,901	246,800
Loans to credit institutions	426,876	579,178
Loans to the public	4,226,007	3,924,588
Other assets	6,587	6,856
<b>Total assets</b>	<b>5,187,371</b>	<b>4,757,422</b>
<b>Liabilities in NOK:</b>		
Deposits and borrowings from the public	-180,870	-559,370
Other liabilities	-71,407	-62,698
<b>Total liabilities</b>	<b>-252,277</b>	<b>-622,068</b>
Currency forward contracts	-4,930,874	-4,135,949
<b>Total</b>	<b>4,220</b>	<b>-595</b>
Impact on equity (excl. tax) in the event of a weakening of the Swedish krona of 8.3 % (8.4)	349	-50

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Assets in PLN:</b>		
Cash and balances with central banks	10,640	11,253
Loans to credit institutions	13,972	16,439
Loans to the public	196,878	314,500
Other assets	2,462	3,685
<b>Total assets</b>	<b>223,952</b>	<b>345,877</b>
<b>Liabilities in PLN:</b>		
Other liabilities	-6,854	-5,483
<b>Total liabilities</b>	<b>-6,854</b>	<b>-5,483</b>
Currency forward contracts	-220,818	-342,638
<b>Total</b>	<b>-3,720</b>	<b>-2,244</b>
Impact on equity (excl. tax) in the event of a weakening of the Swedish krona of 8.3 % (8.4)	-307	-188

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Assets in DKK:</b>		
Loans to credit institutions	29,262	31,676
Loans to the public	223,499	163,557
Other assets	322	-
<b>Total assets</b>	<b>253,083</b>	<b>195,233</b>
<b>Liabilities in DKK:</b>		
Other liabilities	-5,161	-1,986
<b>Total liabilities</b>	<b>-5,161</b>	<b>-1,986</b>
Currency forward contracts	-246,368	-193,544
<b>Total</b>	<b>1,554</b>	<b>-297</b>
Impact on equity (excl. tax) in the event of a weakening of the Swedish krona of 8.3 % (8.4)	128	-25

Note P2 cont.

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Assets in USD:</b>		
Loans to credit institutions	152,700	96,642
<b>Total assets</b>	<b>152,700</b>	<b>96,642</b>
Currency forward contracts	-148,476	-95,395
<b>Total</b>	<b>4,224</b>	<b>1,247</b>
Impact on equity (excl. tax) in the event of a weakening of the Swedish krona of 8.3 % (8.4)	349	105

TF Bank has the following hedged net investments in foreign operations and hedging instruments as of the balance sheet date:

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Hedge net assets</b>		
Net investments in branches in EUR	1,311,472	1,061,712
Net investments in branch in NOK	85,861	387,143
Net investments in branch in PLN	-96,213	-96,448
<b>Total</b>	<b>1,301,120</b>	<b>1,352,407</b>
<b>Hedging instruments</b>		
Deposit from the public in EUR as hedge investments	-1,317,690	-1,060,068
Other liability related to currency forward contracts in NOK for hedging purposes (nominal amount)	-82,253	-374,068
Other asset in PLN as hedge investments	113,215	93,603
<b>Total</b>	<b>-1,286,728</b>	<b>-1,340,533</b>

The effects of hedge accounting for the impact of currency risks on the financial position and results are shown below:

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Derivative instrument NOK</b>		
Carrying amount	494	1,292
Nominal amount NOK thousand	-84,824	-378,956
Maturity date	02/01/2025	02/01/2024
Hedge ratio	SEK 0,975517 : 1 NOK	SEK 0,9494 : 1 NOK
Forward rate	11	11
<b>Hedging instrument deposit EUR</b>		
Carrying amount	-1,317,690	-1,060,068
Nominal amount EUR thousand	-114,716	95,536
Hedge ratio	11	11
<b>Hedging instrument other asset PLN</b>		
Carrying amount	113,215	93,603
Carrying amount PLN thousand	42,042	36,607
Hedge ratio	11	11

All derivatives used in hedge accounting mature within one month.

The full market value of the hedging instrument is used to account for hedge ineffectiveness. The source of inefficiency concerning hedging foreign net investments occurs if losses are made in the branches within a month that are not captured by the hedge. No hedge ineffectiveness has occurred during the years, and if it does, it is reported in the net result of financial transactions.

Note P2 cont.

(ii) *Interest rate risk*

TF Bank assesses the additional capital requirement for interest rate risk in Pillar 2 by calculating the economic value of a parallel shift in the yield curve by 200 basis points (2 %). As of December 31, 2024, the additional capital requirement for interest rate risk in Pillar 2 amounted to SEK 51 million (20), excluding tax effect.

SEK thousand	31 Dec 2024	31 Dec 2023
Fixed interest of up to 3 months	18,563	18,916
<b>Cash and balances with central banks</b>	<b>18,563</b>	<b>18,916</b>
Fixed interest of up to 3 months	954,300	2,738,741
Remaining term to maturity of more than 3 months but less than 1 year	598,397	551,029
More than 1 year but less than 5 years	239,955	246,800
<b>Treasury bills eligible for refinancing</b>	<b>1,792,652</b>	<b>3,536,570</b>
Fixed interest less than 1 month	2,442,923	2,994,041
<b>Loans to credit institutions</b>	<b>2,442,923</b>	<b>2,994,041</b>
Fixed interest of up to 3 months	14,718,071	10,727,820
Remaining term to maturity of more than 3 months but less than 1 year	2,416,767	2,527,364
Remaining term to maturity of more than 1 year but less than 5 years	3,102,532	1,957,146
Remaining term to maturity of more than 5 years	28,088	211,929
<b>Loans to the public</b>	<b>20,265,458</b>	<b>15,424,259</b>
Fixed interest of up to 3 months	36,940	2,455
Remaining term to maturity of more than 3 months but less than 1 year	23,281	-
<b>Other assets</b>	<b>60,221</b>	<b>2,455</b>
Fixed interest of up to 3 months	9,530,069	14,042,233
Remaining term to maturity of more than 3 months but less than 1 year	8,759,029	4,757,997
Remaining term to maturity of more than 1 year but less than 5 years	2,908,883	1,852,766
<b>Deposits and borrowings from the public</b>	<b>21,197,981</b>	<b>20,652,996</b>
Fixed interest of up to 3 months	345,509	346,909
<b>Subordinated liabilities</b>	<b>345,509</b>	<b>346,909</b>
Fixed interest of up to 3 months	1,101	120,780
Remaining term to maturity of more than 3 months but less than 1 year	20,853	149,421
<b>Other liabilities</b>	<b>21,954</b>	<b>270,201</b>

Note P2 cont.

### Liquidity risk

TF Bank also maintains a substantial liquidity reserve to manage uneven liquidity flows. As of the balance sheet date, TF Bank's available liquidity reserve amounted to SEK 4,048 million (4,686), which represents 19 % (23) of the Bank's deposits from the public. For more information about the Parent company's liquidity situation, see Note P34.

SEK thousand	31 Dec 2024	31 Dec 2023
Payable on demand	6,338	5,968
Without maturity	12,225	12,948
<b>Cash and balances with central banks</b>	<b>18,563</b>	<b>18,916</b>
Remaining term to maturity of up to 3 months	962,464	2,755,880
Remaining term to maturity of more than 3 months but less than 1 year	601,895	554,800
More than 1 year but less than 5 years	246,561	258,585
<b>Treasury bills eligible for refinancing</b>	<b>1,810,920</b>	<b>3,569,265</b>
Payable on demand	2,249,361	1,142,992
Remaining term to maturity of more than 3 months but less than 1 year	-	103,625
Remaining term to maturity of more than 1 year but less than 5 years	-	1,324,370
Without maturity	193,562	423,054
<b>Loans to credit institutions</b>	<b>2,442,923</b>	<b>2,994,041</b>
Remaining term to maturity of up to 3 months	9,127,396	5,664,221
Remaining term to maturity of more than 3 months but less than 1 year	372,128	504,699
Remaining term to maturity of more than 1 year but less than 5 years	7,968,704	6,749,407
Remaining term to maturity of more than 5 years	7,368,018	6,151,589
<b>Loans to the public</b>	<b>24,836,246</b>	<b>19,069,916</b>
Remaining term to maturity of up to 3 months	36,940	2,455
Remaining term to maturity of more than 3 months but less than 1 year	23,281	-
<b>Other assets</b>	<b>60,221</b>	<b>2,455</b>
Payable on demand	6,413,170	12,648,404
Remaining term to maturity of up to 3 months	3,126,639	1,399,057
Remaining term to maturity of more than 3 months but less than 1 year	8,841,145	4,820,446
More than 1 year but less than 5 years	3,090,688	1,968,563
<b>Deposits and borrowings from the public</b>	<b>21,471,642</b>	<b>20,836,470</b>
Remaining term to maturity of more than 5 years	571,089	610,231
<b>Subordinated liabilities</b>	<b>571,089</b>	<b>610,231</b>
Remaining term to maturity of up to 3 months	1,101	120,780
Remaining term to maturity of more than 3 months but less than 1 year	20,853	149,421
<b>Other liabilities</b>	<b>21,954</b>	<b>270,201</b>
Payable on demand	10,050,350	6,659,511
<b>Commitments</b>	<b>10,050,350</b>	<b>6,659,511</b>

The amounts stated in the table are contractual, undiscounted cash flows and include both interest and amortisations and therefore the amounts cannot be directly linked to the balance sheet.

Note P2 cont.

TF Banks derivatives are covered by offsetting agreements. The Bank reports these derivatives with gross amounts in the balance sheet. In the table, the Bank shows how it would have appeared if the Bank had netted the derivatives in the balance sheet.

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Financial assets</b>		
Derivatives	60,221	2,455
<b>Total financial assets for offsetting</b>	<b>60,221</b>	<b>2,455</b>
<b>Financial liabilities</b>		
Derivatives	-21,954	-227,708
<b>Total financial liabilities for offsetting</b>	<b>-21,954</b>	<b>-227,708</b>
Paid(-)/received(+) cash collateral	-14,160	274,151
<b>Net amount</b>	<b>24,107</b>	<b>48,898</b>

### NOTE P3 Interest income

SEK thousand	2024	2023
<b>Interest income according to the effective interest rate method</b>		
Interest income from loans to the public	2,611,284	2,137,869
Interest income, treasury bills eligible for refinancing	89,297	67,779
Interest income from loans to credit institutions	127,679	44,313
Other interest income according to effective interest rate method	2,130	2,643
<b>Total interest income according to effective interest rate method</b>	<b>2,830,390</b>	<b>2,252,604</b>
<b>Other interest income</b>		
Interest income from non-performing loans	25,085	29,692
Other interest income	4,441	10,975
<b>Total other interest income</b>	<b>29,526</b>	<b>40,667</b>
<b>Total interest income</b>	<b>2,859,916</b>	<b>2,293,271</b>

SEK thousand	2024	2023
<b>Geographical breakdown of interest income:</b>		
Germany	1,116,041	692,272
Norway	545,806	428,707
Finland	320,160	372,827
Sweden	221,622	204,504
Estonia	181,821	166,397
Latvia	178,810	156,125
Lithuania	120,527	110,366
Austria	69,445	40,035
Denmark	26,474	17,317
Poland	25,056	41,379
Spain	13,871	13,682
Netherlands	8,638	3,900
The rest of Europe	31,645	45,760
<b>Total interest income</b>	<b>2,859,916</b>	<b>2,293,271</b>

**NOTE P4 Interest expense**

SEK thousand	2024	2023
Interest expense from deposits from the public	-682,901	-437,344
Costs for deposit guarantee and resolution fee	-44,067	-34,428
Interest expense from subordinated liabilities	-33,447	-30,392
Deposit fees to credit institutions	-172	-1,591
Other financial expenses	-43,787	-44,216
<b>Total interest expense</b>	<b>-804,374</b>	<b>-547,971</b>
<i>- of which interest expenses according to the effective interest rate method</i>	<i>-775,964</i>	<i>-513,543</i>

**NOTE P5 Net fee and commission income**

SEK thousand	2024	2023
<b>Fee and commission income</b>		
Reminder fees	60,330	96,578
Insurance premiums	144,588	97,514
Credit card commissions	65,337	37,242
Transaction fees	11,079	15,120
Other fee and commission income	122	393
<b>Total fee and commission income</b>	<b>281,456</b>	<b>246,847</b>
<b>Fee and commission expense</b>		
Credit card transaction costs	-98,795	-29,860
Payment protection insurance expense	-58,443	-12,521
Travel insurance expense	-19,556	-60,954
Other fee and commission expense	-890	-
<b>Total fee and commission expense</b>	<b>-177,684</b>	<b>-103,335</b>
<b>Net fee and commission income</b>	<b>103,772</b>	<b>143,512</b>

SEK thousand	2024	2023
<b>Geographical breakdown of fee and commission income:</b>		
Norway	109,828	104,929
Germany	103,586	37,141
Sweden	27,289	49,066
Finland	24,776	38,802
Estonia	4,965	5,893
Denmark	3,485	4,041
Latvia	3,093	4,048
Poland	2,446	1,880
Spain	873	363
Austria	576	296
Lithuania	457	388
Italy	82	-
<b>Total fee and commission income</b>	<b>281,456</b>	<b>246,847</b>

**NOTE P6 Received dividends**

TSEK	2024	2023
Dividend received from shares in subsidiaries	1,451,500	-
<b>Total dividends received</b>	<b>1,451,500</b>	<b>-</b>

**NOTE P7 Net results from financial transactions**

SEK thousand	2024	2023
Exchange rate fluctuations	-639	-902
Results from investments in shares	42,524	-
<b>Total net results from financial transactions</b>	<b>41,885</b>	<b>-902</b>

**NOTE P8 Other operating income**

TSEK	2024	2023
Gain on sale of shares in subsidiaries	169,524	-
<b>Other operating income</b>	<b>169,524</b>	<b>-</b>

**NOTE P9 General administrative expenses**

SEK thousand	2024	2023
<b>Staff costs</b>		
Salaries and fees	-185,195	-192,257
Social security costs	-47,625	-46,805
Pension costs	-12,633	-12,067
Other staff costs	-7,080	-7,804
<b>Total staff costs</b>	<b>-252,533</b>	<b>-258,933</b>
<b>Other general administrative expenses</b>		
Informations services and customer communication expenses	-131,617	-137,248
IT-expenses	-71,121	-75,959
Card issuing costs	-28,708	-16,786
Postage and telephone expenses	-26,399	-29,691
Bank fees	-25,884	-28,782
Debt collection expenses	-20,273	-25,374
Rent and property expenses	-18,387	-18,627
Consulting costs	-11,064	-7,405
Auditor's remuneration	-5,878	-3,855
Travel expenses	-5,387	-5,504
Consumables	-5,367	-2,652
Lawyer fees	-3,237	-2,782
Recruitment expenses	-1,353	-3,389
Other expenses	-62,502	-44,502
<b>Total other general administrative expenses</b>	<b>-417,177</b>	<b>-402,556</b>
<b>Total general administrative expenses</b>	<b>-669,710</b>	<b>-661,489</b>

**NOTE P10 Auditors' remuneration**

SEK thousand	2024	2023
<b>KPMG</b>		
Audit assignment	4,791	3,176
Audit services in addition to the audit assignment	638	610
Tax advices	-	-
Other services	449	69
<b>Total auditors' remuneration</b>	<b>5,878</b>	<b>3,855</b>

The amount for 2024 includes the audit fee to KPMG AB of SEK 3,953 thousand, allocated as follows: audit assignment SEK 2,867 thousand, audit-related services SEK 638 thousand, and other services SEK 449 thousand.

**NOTE P11 Average number of employees, salaries, other remuneration and social security costs**
**AVERAGE NUMBER OF EMPLOYEES, DISTRIBUTED BETWEEN WOMEN AND MEN, BY COUNTRY:**

2024	Women	Men	Total
Poland	66	59	<b>125</b>
Sweden	43	53	<b>96</b>
Norway	21	14	<b>35</b>
Estonia	23	6	<b>29</b>
Latvia	11	6	<b>17</b>
Finland	10	5	<b>15</b>
Lithuania	4	1	<b>5</b>
<b>Total</b>	<b>178</b>	<b>144</b>	<b>322</b>

2023	Women	Men	Total
Sweden	50	60	<b>110</b>
Poland	46	46	<b>92</b>
Norway	27	18	<b>45</b>
Finland	16	11	<b>27</b>
Estonia	25	6	<b>31</b>
Latvia	11	6	<b>17</b>
<b>Total</b>	<b>175</b>	<b>147</b>	<b>322</b>

**SALARIES AND REMUNERATION:**

SEK thousand	2024	2023
Board of Directors and CEO	15,710	15,861
Other staff	169,485	176,396
<b>Total salaries and remuneration</b>	<b>185,195</b>	<b>192,257</b>
Social costs pursuant to legislation and agreements	47,625	46,805
Pension costs	12,633	12,067
<b>Total salaries, remuneration, social security costs and pension costs</b>	<b>245,453</b>	<b>251,129</b>

Note P11 cont.

**SALARIES AND REMUNERATION FOR BOARD MEMBERS AND SENIOR EXECUTIVES:**

SEK thousand	2024	2023
<b>Chairman of the Board: John Brehmer</b>		
Board fees <sup>1</sup>	1,400	1,400
Other benefits	-	-
Pension costs	-	-
<b>Total Chairman of the Board</b>	<b>1,400</b>	<b>1,400</b>
<b>Fees <sup>1</sup> other Board members:</b>		
Arti Zeighami	475	475
Fredrik Oweson	575	575
Michael Lindengren	625	625
Niklas Johansson	625	625
Sara Mindus	475	475
<b>Total</b>	<b>2,775</b>	<b>2,775</b>
<b>CEO: Joakim Jansson</b>		
Basic salary	4,769	2,820
Variable remuneration	-	-
Other benefits	160	89
Pension costs	1,164	602
<b>Total</b>	<b>6,093</b>	<b>3,511</b>
<b>CEO: Mattias Carlsson</b>		
Basic salary	-	1,781
Variable remuneration	-	-
Other benefits	-	60
Pension costs	-	403
<b>Total</b>	<b>-</b>	<b>2,244</b>
<b>Deputy CEO: Mikael Meomuttel</b>		
Basic salary	3,185	3,280
Variable remuneration	-	-
Other benefits	165	153
Pension costs	808	707
<b>Total</b>	<b>4,158</b>	<b>4,140</b>
<b>COO: Espen Johannesen</b>		
Basic salary	3,032	2,954
Variable remuneration	-	-
Other benefits	223	221
Pension costs	133	142
<b>Total</b>	<b>3,388</b>	<b>3,317</b>

<sup>1</sup> Remuneration in accordance with the resolution at the AGM's in 2024 and 2023, and include remuneration that will be paid until the AGM during the subsequent year.

Note P11 cont.

#### Remuneration of senior executives

In accordance with the disclosure requirements in FFFS 2011:1, information about remuneration systems is presented on the Bank's website [www.tfbankgroup.com](http://www.tfbankgroup.com). Salaries and other remuneration to the CEO and other senior executives consist of fixed salary, variable remuneration, commission-based remuneration, other benefits and pension.

#### Commission-based compensation

Commission-based compensation during the year amounted to SEK 0 thousand (0). The size of the commission-based compensation is related to the achievement of individually determined financial targets for the financial year. TF Bank has ensured that all targets for variable compensation can be measured in a reliable manner. The commission-based compensation is paid to senior executives within the Bank and is not pensionable.

#### Pensions

The Company's pension obligations are covered by payments to the ITP plan. The CEO's and certain senior executives have the right to retire at the age of 65–67, depending on their geographical location. Pension benefits, including health insurance, shall be premium defined, to the extent that the executive is not covered by a defined benefit pension in accordance with mandatory collective agreement provisions. The pension premiums for premium defined pension may amount to a maximum of 25 % of the pensionable income. Pension costs refer to the cost that affected profit for the year.

#### Period of notice and severance pay

According to an agreement between TF Bank AB and the CEO, the period of notice is six months (12 months in the case of termination by the Company). If termination is initiated by the Company, basic salary is payable during the period of notice, however variable remuneration, if agreed before the notice was issued, is not payable. Severance pay is adjusted according to the salary that the CEO receives from a new employer.

#### Compensation to the Board of Directors

Compensation to the members of the Board of Directors, as indicated above, is determined by the Annual General Meetings and refers to annual fees from Annual General Meeting to Annual General Meeting for the years respectively. Board compensation consists of fixed compensation for board work as well as fixed compensation for any committee work. The Board of Directors have established three committees: the Audit Committee, the Remuneration Committee, and the Risk and Compliance Committee. The Bank does not have any pension entitlements for Board members.

#### GENDER DISTRIBUTION BOARD MEMBERS AND SENIOR EXECUTIVES

SEK thousand	2024		2023	
	Number on reporting date	Of which women (%)	Number on reporting date	Of which women (%)
Board members	6	17	6	17
CEO and other senior executives	3	0	3	0

**NOTE P12 Goodwill**

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Cost, opening balance</b>	<b>12,753</b>	<b>12,753</b>
<i>Change during the year</i>		
Additions	21,272	-
<b>Cost, closing balance</b>	<b>34,025</b>	<b>12,753</b>
<b>Amortisations and depreciations, opening balance</b>	<b>-5,101</b>	<b>-3,826</b>
<i>Change during the year</i>		
Amortisations according to plan	-2,326	-1,275
Exchange rate differences	-5	-
<b>Amortisations and depreciations, closing balance</b>	<b>-7,432</b>	<b>-5,101</b>
<b>Carrying amount</b>	<b>26,593</b>	<b>7,652</b>

Goodwill partly stems from the acquisition of the Norwegian subsidiary BB Bank ASA which was transformed into a branch through a merger with TF Bank AB in early 2020. On September 1, 2024, a corporate restructuring was implemented within the Group, in which TF Bank AB acquired the Nordic e-commerce business operated under the brand Avarda from the former subsidiary Rediem Capital AB (formerly Avarda AB). The resulting goodwill is attributable to the Finnish operations, and the acquisition calculation is detailed in Note G36. In December 2024, TF Bank AB carried out a business acquisition of operations under the brand Paynova within the Ecommerce Solutions segment, with the acquisition calculation detailed in Note G35.

An impairment test of goodwill was performed prior to the year-end, which resulted in no need for impairment. A change in the assumptions concerning growth rate and discount rate of +/- 1 percentage point would not result in any impairment. Therefore, it is TF Bank's assessment that there is room for a reasonable adjustment to both the growth rate assumption and the discount factor.

**NOTE P13 Intangible assets**

SEK thousand	2024			2023		
	Internally developed software	Ongoing development	Total	Internally developed software	Ongoing development	Total
Cost, opening balance	109,933	12,001	121,934	160,351	37,914	198,265
Additions	34,593	54,769	89,362		40,058	40,058
Reclassification	35,371	-35,371		55,311	-55,311	
Sales and disposals				-106,453	-11,028	-117,481
Exchange rate differences	789	33	822	724	368	1,092
<b>Cost, closing balance</b>	<b>180,686</b>	<b>31,432</b>	<b>212,118</b>	<b>109,933</b>	<b>12,001</b>	<b>121,934</b>
Amortisations, opening balance	-82,718		-82,718	-111,485		-111,485
Amortisations for the year	-29,562		-29,562	-33,856		-33,856
Sales and disposals				62,851		62,851
Exchange rate differences	-2,266		-2,266	-228		-228
<b>Amortisations, closing balance</b>	<b>-114,546</b>		<b>-114,546</b>	<b>-82,718</b>		<b>-82,718</b>
<b>Carrying amount</b>	<b>66,140</b>	<b>31,432</b>	<b>97,572</b>	<b>27,215</b>	<b>12,001</b>	<b>39,216</b>

**NOTE P14 Tangible assets**

SEK thousand	2024		2023	
	Equipment	Total	Equipment	Total
Cost, opening balance	17,986	17,986	13,603	13,603
Additions	1,957	1,957	5,370	5,370
Sales and disposals			-1,142	-1,142
Exchange rate differences	278	278	155	155
<b>Cost, closing balance</b>	<b>20,221</b>	<b>20,221</b>	<b>17,986</b>	<b>17,986</b>
Amortisations, opening balance	-11,472	-11,472	-9,648	-9,648
Amortisations for the year	-2,784	-2,784	-2,542	-2,542
Sales and disposals			800	800
Exchange rate differences	-181	-181	-82	-82
<b>Amortisations, closing balance</b>	<b>-14,437</b>	<b>-14,437</b>	<b>-11,472</b>	<b>-11,472</b>
<b>Carrying amount</b>	<b>5,784</b>	<b>5,784</b>	<b>6,514</b>	<b>6,514</b>

**NOTE P15 Other operating expenses**

SEK thousand	2024	2023
Marketing expenses	-41,939	-63,862
<b>Total</b>	<b>-41,939</b>	<b>-63,862</b>

**NOTE P16 Net loan losses**

SEK thousand	2024	2023
Change in provision for sold non-performing loans	-1,035,743	-143,242
Realised loan losses	-47,537	-53,643
Recovered from previous write-offs	360	310
Change in provision for expected loan losses, stage 1-3	250,561	-434,656
<b>Net loan losses</b>	<b>-832,359</b>	<b>-631,231</b>

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

**NOTE P17 Impairment of financial non-current assets**

TSEK	2024	2023
Impairment of shares in subsidiaries	-1,451,500	-
<b>Impairment of financial non-current assets</b>	<b>-1,451,500</b>	<b>-</b>

**NOTE P18 Tax on profit for the year**

SEK thousand	2024	2023
Current tax on profit for the year	-62,229	-161,061
Provision for tax surcharge	-11,723	-
Other taxes	-747	-457
Deferred tax	-63,030	52,359
<b>Tax on profit for the year<sup>1</sup></b>	<b>-137,729</b>	<b>-109,159</b>
Reconciliation of tax on profit for the year		
Profit before tax	792,044	493,660
Tax according to applicable tax rate	-163,161	-101,694
Tax effect of non-deductible expenses	-10,044	-59,383
Tax effect of non-taxable income	44,013	52,375
Tax effect of expenses that are not included in the recognised profit or loss	3,933	-
Provision for tax surcharge	-11,723	-
Other taxes	-747	-457
<b>Tax on profit for the year recognised in the income statement</b>	<b>-137,729</b>	<b>-109,159</b>

**NOTE P19 Classification of financial assets and liabilities**

31 Dec 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					
<b>Assets</b>						
Cash and balances with central banks			18,563			18,563
Treasury bills eligible for refinancing, etc.			1,792,652			1,792,652
Loans to credit institutions			2,442,923			2,442,923
Loans to the public			20,265,458			20,265,458
Shares	117,309					117,309
Derivatives	59,435			786		60,221
Other assets					304,771	304,771
<b>Total assets</b>	<b>176,744</b>		<b>24,519,596</b>	<b>786</b>	<b>304,771</b>	<b>25,001,897</b>
<b>Liabilities</b>						
Deposits and borrowings from the public			21,197,981			21,197,981
Subordinated liabilities			345,509			345,509
Derivatives	21,954					21,954
Other liabilities					657,081	657,081
<b>Total liabilities</b>	<b>21,954</b>		<b>21,543,490</b>		<b>657,081</b>	<b>22,222,525</b>

<sup>1</sup> The weighted average tax rate was 17.4 % (22.1).

Note P19 cont.

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					
<b>Assets</b>						
Cash and balances with central banks			18,916			18,916
Treasury bills eligible for refinancing, etc.			3,536,570			3,536,570
Loans to credit institutions			2,994,041			2,994,041
Loans to the public			15,424,259			15,424,259
Shares	144					144
Derivatives	1,197			1,258		2,455
Other assets					1,787,700	1,787,700
<b>Total assets</b>	<b>1,341</b>		<b>21,973,786</b>	<b>1,258</b>	<b>1,787,700</b>	<b>23,764,085</b>
<b>Liabilities</b>						
Deposits and borrowings from the public			20,652,996			20,652,996
Subordinated liabilities			346,909			346,909
Derivatives	270,201					270,201
Other liabilities					347,980	347,980
<b>Total liabilities</b>	<b>270,201</b>		<b>20,999,905</b>		<b>347,980</b>	<b>21,618,086</b>

#### NOTE P20 Financial assets and liabilities at 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 Dec 2024 SEK thousand	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and balances with central banks			18,563	18,563
Treasury bills eligible for refinancing	1,785,666			1,785,666
Loans to credit institutions			2,442,923	2,442,923
Loans to the public			25,597,265	25,597,265
Shares		117,309		117,309
Derivatives		60,221		60,221
<b>Total assets</b>	<b>1,785,666</b>	<b>177,530</b>	<b>28,058,751</b>	<b>30,021,947</b>
<b>Liabilities</b>				
Deposits and borrowings from the public			21,197,981	21,197,981
Subordinated liabilities		345,509		345,509
Derivatives		21,954		21,954
<b>Total liabilities</b>		<b>367,463</b>	<b>21,197,981</b>	<b>21,565,444</b>

Note P20 cont.

31 Dec 2023 SEK thousand	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and balances with central banks			18,916	18,916
Treasury bills eligible for refinancing	3,530,185			3,530,185
Loans to credit institutions			2,994,041	2,994,041
Loans to the public			17,183,999	17,183,999
Shares		144		144
Derivatives		2,455		2,455
<b>Total assets</b>	<b>3,530,185</b>	<b>2,599</b>	<b>20,196,956</b>	<b>23,729,740</b>
<b>Liabilities</b>				
Deposits and borrowings from the public			20,652,996	20,652,996
Subordinated liabilities		346,909		346,909
Derivatives		270,201		270,201
<b>Total liabilities</b>		<b>617,110</b>	<b>20,652,996</b>	<b>21,270,106</b>

*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 information. An instrument is classified as Level 2 if all significant inputs required for fair value measurement of 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 forward rates at the balance sheet date.

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 Dec 2024 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/ Fair value loss (-)
<b>Assets</b>			
Cash and balances with central banks	18,563	18,563	
Treasury bills eligible for refinancing, etc.	1,792,652	1,785,666	-6,986
Loans to credit institutions	2,442,923	2,442,923	
Loans to the public	20,265,458	25,597,265	5,331,807
Shares	117,309	117,309	
Derivatives	60,221	60,221	
<b>Total assets</b>	<b>24,697,126</b>	<b>30,021,947</b>	<b>5,324,821</b>
<b>Liabilities</b>			
Deposits and borrowings from the public	21,197,981	21,197,981	
Subordinated liabilities	345,509	345,509	
Derivatives	21,954	21,954	
<b>Total liabilities</b>	<b>21,565,444</b>	<b>21,565,444</b>	

Note P20 cont.

31 Dec 2023 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/ Fair value loss (-)
<b>Assets</b>			
Cash and balances with central banks	18,916	18,916	
Treasury bills eligible for refinancing, etc.	3,536,570	3,530,185	-6,385
Loans to credit institutions	2,994,041	2,994,041	
Loans to the public	15,424,259	17,183,999	1,759,740
Shares	144	144	
Derivatives	2,455	2,455	
<b>Total assets</b>	<b>21,976,385</b>	<b>23,729,740</b>	<b>1,753,355</b>
<b>Liabilities</b>			
Deposits and borrowings from the public	20,652,996	20,652,996	
Subordinated liabilities	346,909	346,909	
Derivatives	270,201	270,201	
<b>Total liabilities</b>	<b>21,270,106</b>	<b>21,270,106</b>	

#### NOTE P21 Treasury bills eligible for refinancing

SEK thousand	31 Dec 2024	31 Dec 2023
Treasury bills eligible for refinancing - EU-commission	858,318	1,322,471
Government securities eligible for refinancing - Norway	527,901	246,800
Treasury bills eligible for refinancing - Sweden	406,433	1,030,550
Treasury bills eligible for refinancing - Finland	-	495,926
Treasury bills eligible for refinancing - Netherlands	-	440,823
<b>Total treasury bills eligible for refinancing, etc.</b>	<b>1,792,652</b>	<b>3,536,570</b>

#### NOTE P22 Loans to credit institutions

SEK thousand	31 Dec 2024	31 Dec 2023
Accounts receivable Swedish currency	948,593	2,330,601
Accounts receivable foreign currency	1,494,330	663,440
<b>Total loans to credit institutions</b>	<b>2,442,923</b>	<b>2,994,041</b>

**NOTE P23 Loans to the public**

SEK thousand	31 Dec 2024	31 Dec 2023
Loans to the household sector	19,779,471	15,319,795
Loans to the corporate sector <sup>1</sup>	485,987	104,464
<b>Total loans to the public</b>	<b>20,265,458</b>	<b>15,424,259</b>
<b>Loans to the household sector</b>		
Stage 1, gross	19,258,023	14,267,850
Stage 2, gross	1,037,063	548,807
Stage 3, gross <sup>2</sup>	282,577	1,466,518
<b>Total loans to the household sector, gross</b>	<b>20,577,663</b>	<b>16,283,175</b>
<b>Provisions for expected loan losses, household sector</b>		
Stage 1	-368,179	-235,989
Stage 2	-225,748	-104,258
Stage 3 <sup>2</sup>	-204,265	-623,133
<b>Total provisions for expected loan losses, household sector</b>	<b>-798,192</b>	<b>-963,380</b>
<b>Loans to the household sector</b>		
Stage 1, net	18,889,844	14,031,861
Stage 2, net	811,315	444,549
Stage 3, net <sup>2</sup>	78,312	843,385
<b>Total loans to the household sector, net</b>	<b>19,779,471</b>	<b>15,319,795</b>
<b>Loans to the corporate sector</b>		
Loans, net	485,987	104,464
<b>Total loans to the corporate sector, net</b>	<b>485,987</b>	<b>104,464</b>
<b>SEK thousand</b>		
<b>Geographical distribution of net loans:</b>		
Germany	7,030,609	4,784,548
Norway	4,229,526	3,921,359
Finland	3,142,408	2,287,004
Sweden	1,736,303	562,596
Latvia	1,131,108	988,664
Lithuania	1,044,378	885,922
Estonia	968,250	1,066,304
Austria	433,274	291,619
Denmark	230,049	168,963
Poland	197,074	314,539
Spain	118,867	152,741
Italy	3,612	-
<b>Total loans to the public</b>	<b>20,265,458</b>	<b>15,424,259</b>

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

<sup>2</sup> 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 P23 cont.

## MACROECONOMIC SCENARIOS

Scenario	2024			2023		
	Probability of occurring	Impact on provisions (stage 1)	Probability weighted outcome	Probability of occurring	Impact on provisions (stage 1)	Probability weighted outcome
Adverse	15,9 %	10,2 % increase		1 %	50 % increase	
Positive	19,5 %	9,4 % decrease	97,5 %	20 %	10 % decrease	98,5 %
Base	64,6 %	3,5 % decrease		79 %	neutral	

Effect on provisions for each segment related to expected loan losses in Stage 1.

SEK thousand	31 Dec 2024	31 Dec 2023
Credit Cards	11,910	1,394
Ecommerce Solutions	309	55
Consumer Lending	2,882	1,558
<b>Total</b>	<b>15,101</b>	<b>3,007</b>

### Sensitivity analysis:

The ECL macroeconomic component relies on ECB macroeconomic projections and EBA stress tests conducted by European banks in 2024. The primary factor influencing the impact on ECL is the HICP inflation rate. Significant deviations between the observed and projected HICP inflation rates, upon realisation, will lead to changes in the likelihood of scenarios and the total weighted impact on ECL.

Impact of 100 % weighting of scenarios:

- a. *Positive scenario*  
According to assumed impact on provisions, assigning 100 % probability to positive scenario would lead to multiplication of provisions in Stage 1 by 90,6 % (decrease of provisions by SEK 43,8 million).
- b. *Base scenario*  
According to assumed impact on provisions, assigning 100 % probability to baseline scenario would lead to multiplication of provisions in Stage 1 by 96,5 % (decrease of provisions by SEK 16,2 million).
- c. *Adverse scenario*  
According to assumed impact on provisions, assigning 100 % probability to adverse scenario would lead to multiplication of provisions in Stage 1 by 110,2 % (increase of provisions by SEK 47,5 million).

Note P23 cont.

### PROVISIONS

Provision of credit losses during the period were impacted by several different factors, as described below:

- Transfers between Stage 1 and Stage 2 or Stage 3 depending on whether the loan has significantly increased (or decreased) in risk or if it has defaulted during the period and thus transferred between 12 month and full lifetime ECL.
- New loans during the period and also loans removed from the portfolio in the same period. (Increases due to issue and purchase and decline due to derecognition from the statement of financial position).
- Changes in risk factors as Probability of default (PD), Exposure at default (EAD) and Loss given default (LGD), arising because the model has been updated with new amounts.
- Changes in macroeconomic scenarios based on macroeconomic factors.
- Exchange rate differences.

SEK thousand	Non doubtful receivables		Doubtful receivables	Total
	Stage 1	Stage 2	Stage 3	
	12 month expected loan losses	Lifetime expected loan losses	Lifetime expected loan losses	
<b>Loans to the public, gross, opening balance 1 January 2024</b>	<b>14,372,314</b>	<b>548,807</b>	<b>1,466,518</b>	<b>16,387,639</b>
Financial assets added during the year	27,149,250			27,149,250
Repayments	-19,292,891	-55,271	-26,281	-19,374,443
Financial assets sold during the year		-714,954	-2,901,387	-3,616,341
Stage transfers	-2,901,395	1,226,894	1,674,501	
- from 1 to 2	-1,518,637	1,518,637		
- from 1 to 3	-1,565,695		1,565,695	
- from 2 to 1	182,937	-182,937		
- from 2 to 3		-108,806	108,806	
- from 3 to 2				
Exchange rate differences	416,732	31,587	69,226	517,545
<b>Loans to the public, gross, closing balance 31 December 2024</b>	<b>19,744,010</b>	<b>1,037,063</b>	<b>282,577</b>	<b>21,063,650</b>
<b>Provision for expected loan losses, opening balance 1 January 2024</b>	<b>-235,988</b>	<b>-104,259</b>	<b>-623,133</b>	<b>-963,380</b>
<b>Changes reported as net loan losses</b>				
Financial assets added during the year	-340,224			-340,224
Repayments	218,454	93,330	19,022	330,806
Financial assets sold during the year		57,322	611,902	669,224
Stage transfers	20,839	-249,819	-164,700	-393,680
- from 1 to 2	21,297	-312,100		-290,803
- from 1 to 3	2,352		-90,468	-88,116
- from 2 to 1	-2,810	28,049		25,239
- from 2 to 3		34,232	-74,232	-40,000
- from 3 to 2				
Exchange rate differences	-31,260	-22,322	-47,356	-100,938
<b>Provision for expected loan losses, closing balance 31 December 2024</b>	<b>-368,179</b>	<b>-225,748</b>	<b>-204,265</b>	<b>-798,192</b>

Note P23 cont.

SEK thousand	Non doubtful receivables		Doubtful receivables	Total
	Stage 1	Stage 2	Stage 3	
	12 month expected loan losses	Lifetime expected loan losses	Lifetime expected loan losses	
<b>Loans to the public, gross, opening balance 1 January 2023</b>	<b>14,003,086</b>	<b>495,257</b>	<b>763,649</b>	<b>15,261,992</b>
Financial assets added during the year	20,161,627			20,161,627
Repayments	-13,354,297	-50,747	-63,069	-13,468,113
Financial assets sold during the year	-4,384,147	-600,381	-257,291	-5,241,819
Stage transfers	-1,794,285	724,747	1,069,538	
- from 1 to 2	-897,856	897,856		
- from 1 to 3	-990,766		990,766	
- from 2 to 1	94,337	-94,337		
- from 2 to 3		-78,772	78,772	
- from 3 to 2				
Exchange rate differences	-259,670	-20,069	-46,309	-326,048
<b>Loans to the public, gross, closing balance 31 December 2023</b>	<b>14,372,314</b>	<b>548,807</b>	<b>1,466,518</b>	<b>16,387,639</b>
<b>Provision for expected loan losses, opening balance 1 January 2023</b>	<b>-194,506</b>	<b>-77,474</b>	<b>-335,639</b>	<b>-607,619</b>
<b>Changes reported as net loan losses</b>				
Financial assets added during the year	-152,974			-152,974
Repayments	13,542	44,402	8,966	66,910
Financial assets sold during the year	51,563	44,210	56,826	152,599
Stage transfers	25,347	-117,743	-381,237	-473,633
- from 1 to 2	16,828	-147,332		-130,504
- from 1 to 3	9,904		-311,572	-301,668
- from 2 to 1	-1,385	13,706		12,321
- from 2 to 3		15,883	-69,665	-53,782
- from 3 to 2				
Exchange rate differences	21,040	2,346	27,951	51,337
<b>Provision for expected loan losses, closing balance 31 December 2023</b>	<b>-235,988</b>	<b>-104,259</b>	<b>-623,133</b>	<b>-963,380</b>

#### NOTE P24 Shares

TSEK	31 Dec 2024	31 Dec 2023
<b>Opening balance of holdings in unlisted shares</b>	<b>144</b>	<b>154</b>
<i>Changes during the year</i>		
Reclassification	74,772	-
Change in fair value	42,524	-
Translation differences	-131	-10
<b>Closing balance of holdings in unlisted shares</b>	<b>117,309</b>	<b>144</b>
<b>Total shares</b>	<b>117,309</b>	<b>144</b>

**NOTE P25 Other assets**

SEK thousand	31 Dec 2024	31 Dec 2023
Tax account	67,556	5,560
Derivatives	60,221	2,455
Accounts receivable	4,115	-
Other assets	13,844	5,629
<b>Total other assets</b>	<b>145,736</b>	<b>13,644</b>

**NOTE P26 Deferred tax**

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Deferred tax assets</b>		
Deferred taxes attributable to unrealised derivatives		55,155
Deferred tax attributable to loss carryforwards		
Deferred tax attributable to acquisitions of shares in subsidiary		
Deferred tax attributable to branches	2,395	130
<b>Deferred tax assets</b>	<b>2,395</b>	<b>55,285</b>
<b>Deferred tax liabilities</b>		
The difference between the income tax recognised in the income statement and income tax on operations comprises:		
Deferred tax attributable to ongoing tax audit	11,723	
Deferred taxes attributable to unrealised derivatives	7,883	
<b>Deferred tax on temporary differences</b>	<b>19,606</b>	
The deferred tax liabilities are expected to be settled as follows:		
Within 12 months	7,883	
Later than 12 months	11,723	
	<b>19,606</b>	
The gross change in deferred tax is as follows:		
Opening balance	55,285	2,928
Effect of changed branch taxation	2,259	
Recognised in the income statement	-74,755	52,357
<b>Closing balance</b>	<b>-17,211</b>	<b>55,285</b>

**NOTE P27 Deposits and borrowings from the public**

SEK thousand	31 Dec 2024	31 Dec 2023
Germany	16,825,163	19,275,720
Netherlands	2,781,360	162,800
Ireland	614,673	103,291
Finland	334,850	326,736
Spain	309,363	29,888
Norway	180,870	559,370
Sweden	151,702	195,191
<b>Total deposits and borrowings from the public</b>	<b>21,197,981</b>	<b>20,652,996</b>

Deposits and borrowings from the public only occur in the household sector and 98 % (98) is covered by a deposit guarantee scheme. Deposits in Sweden, Norway and Germany are payable on demand and on maturity. Deposits in Finland are payable on demand. Deposits with maturity amounts to 70 % (40) of total deposits from the public. Maturities are shown in Note P2.

**CHANGES IN DEPOSITS AND BORROWINGS FROM THE PUBLIC**

SEK thousand	31 Dec 2024	31 Dec 2023
Opening balance	20,652,996	16,108,130
Change for the year	-161,117	4,642,514
Exchange rate differences	706,102	-97,648
<b>Closing balance</b>	<b>21,197,981</b>	<b>20,652,996</b>

**NOTE P28 Other liabilities**

SEK thousand	31 Dec 2024	31 Dec 2023
Debts to ecommerce partners	98,922	2,606
Derivatives	21,954	270,201
VAT debt	18,382	14,623
Accounts payable	9,494	4,070
Other liabilities	14,278	3,921
<b>Total other liabilities</b>	<b>163,030</b>	<b>295,421</b>

**NOTE P29 Accrued expenses and prepaid income**

SEK thousand	31 Dec 2024	31 Dec 2023
Accrued interest on deposits from the public	238,368	107,888
Accrued broker fees	52,537	30,914
Accrued social security costs	24,085	12,658
Accrued salaries and holiday pay liability	21,173	22,485
Accrued interest on loans to the public	10,989	7,500
Other accrued expenses and prepaid income	85,756	36,082
<b>Total accrued expenses and prepaid income</b>	<b>432,908</b>	<b>217,527</b>

## NOTE P30 Subordinated liabilities

SEK thousand	31 Dec 2024	31 Dec 2023
Time-bound subordinated liabilities	345,509	346,909
<b>Total</b>	<b>345,509</b>	<b>346,909</b>

Subordinated loans are subordinated to other liabilities. The table below shows the terms for each bond. The prospectus are available on the Bank's website, [www.tfbankgroup.com](http://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
18 September 2024	100,000	STIBOR 3 months +4.00%	18 September 2034

## NOTE P31 Transactions with related parties

Transactions between Group companies refer to invoicing of services rendered in subsidiaries and interest income linked to intra-group loans to 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, or where TF Bank owns a minor stake. All transactions are priced according to the market. On 1 September 2024, TF Bank AB acquired the Nordic e-commerce business of its subsidiary Rediem Capital AB (formerly Avarda AB), see Note P36 for more information.

SEK thousand	31 Dec 2024	31 Dec 2023
The following transactions took place between companies within the Group:		
Interest income	-	16,600
General administrative expenses	-37,937	-31,611
<b>Total</b>	<b>-37,937</b>	<b>-15,011</b>

SEK thousand	31 Dec 2024	31 Dec 2023
The following transactions have been made with other related parties:		
Interest income (transaction costs)	-10,633	-32,104
Interest income (loans to credit institutions)	74,388	-
Interest expenses	-3,970	-
Commission income	578	2,266
General administrative expenses	-472	-1,258
<b>Total</b>	<b>59,891</b>	<b>-31,096</b>
Acquisition of assets and liabilities from other related parties:		
Ecommerce Solutions	115,679	372,742
<b>Total</b>	<b>115,679</b>	<b>372,742</b>

SEK thousand	31 Dec 2024	31 Dec 2023
<i>Assets and liabilities at the end of the period as a result of transactions with group companies:</i>		
Loans to credit institutions	-	1,324,374
Other liabilities	201	-

Note P31 cont.

SEK thousand	31 Dec 2024	31 Dec 2023
<i>Assets and liabilities at the end of the period as a result of transactions with other related parties:</i>		
Loans to credit institutions	54,959	-
Other assets	496	-
Other liabilities	1,807	-

## NOTE P32 Equity

### Shares

The number of shares in the Parent company amounted to 21,500,000 shares with a nominal value of 5 SEK as of the balance sheet date. Nominal value refers to the share capital divided by the number of shares. After the balance sheet date, a directed new share issue of 50,000 shares was carried out on 27 January 2025, at nominal value. The total number of shares then amounts to 21,550,000 shares.

### Restricted Equity

Restricted equity includes, in addition to share capital, reserve funds and development expenditure funds. Due to the new share issue that took place on 27 January 2025, the share capital at the time of the annual report's publication amounts to SEK 107,750,000.

### Unrestricted Equity

Unrestricted equity includes Tier 1 capital instruments, translation reserve, retained earnings, and profit for the year. For more information about the Bank's Tier 1 capital instruments, see Note G32

A specification of changes in equity can be found in the parent company's Statement of Changes in Equity on page 76.

### Proposal for appropriation of profits

#### The following earnings are at the disposal of the Annual General Meeting in the Parent company

SEK	31 Dec 2024
Tier 1 capital instrument	250,000,000
Fair value fund	-1,227,422
Retained earnings	1,670,212,174
Profit for the year	654,315,458
	<b>2,573,300,210</b>

#### The Board of Directors proposes that the earnings be allocated in the following manner:

SEK	31 Dec 2024
to distribute a dividend of SEK 5 per share (21,550,000 shares)	107,750,000
to be transferred to new account	2,465,550,210
<b>Summa</b>	<b>2,573,300,210</b>

**NOTE P33 Capital adequacy**

For information on the principles for the Bank's capital adequacy analysis, see Note G33.

**CAPITAL SITUATION**

SEK thousand	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 capital (CET1)	2,354,741	1,829,184
Additional Tier 1 capital (AT1)	250,000	250,000
Tier 2 capital	345,509	346,909
<b>Own funds</b>	<b>2,950,250</b>	<b>2,426,093</b>
<b>Risk exposure amount</b>	<b>17,635,872</b>	<b>14,942,035</b>
- of which: credit risk	16,428,804	14,050,361
- of which: credit valuation adjustment	78,960	14,508
- of which: market risk	-	-
- of which: operational risk	1,128,108	877,166
<b>Capital ratios</b>		
CET1 capital ratio, %	13.4	12.2
Tier 1 capital ratio, %	14.8	13.9
Total capital ratio, %	16.7	16.2

**REGULATORY CAPITAL REQUIREMENTS**

SEK thousand	31 Dec 2024		31 Dec 2023	
	Amount	Percent <sup>1</sup>	Amount	Percent <sup>1</sup>
<b>Capital requirement under pillar 1</b>				
CET1 capital	793,614	4.5	672,392	4.5
Tier 1 capital	1,058,152	6.0	896,522	6.0
Total capital	1,410,870	8.0	1,195,363	8.0
<b>Capital requirement under pillar 2</b>				
CET1 capital	124,247	0.7	84,641	0.6
Tier 1 capital	165,662	0.9	112,855	0.8
Total capital	220,883	1.3	150,473	1.0
- of which, concentration risk	166,377	0.9	128,880	0.9
- of which, currency risk	3,878	0.0	1,261	0.0
- of which, interest rate risk	50,628	0.3	20,332	0.1
<b>Total capital requirement under pillar 1 and pillar 2</b>				
CET1 capital	917,861	5.2	757,033	5.1
Tier 1 capital	1,223,815	6.9	1,009,377	6.8
Total capital	1,631,753	9.3	1,345,836	9.0
<b>Institution-specific buffer requirement</b>				
Total buffer requirement	643,710	3.7	564,809	3.8
- of which, capital conservation buffer requirement	440,897	2.5	373,551	2.5
- of which, countercyclical buffer requirement	202,813	1.2	191,258	1.3
<b>Total capital requirement including buffer requirement</b>				
CET1 capital	1,561,571	8.9	1,321,842	8.8
Tier 1 capital	1,867,524	10.6	1,574,186	10.5
Total capital	2,275,463	12.9	1,910,645	12.8

<sup>1</sup> Capital requirements expressed as a percentage of the risk exposure amount.

Note P33 cont.

## OWN FUNDS

SEK thousand	31 Dec 2024	31 Dec 2023
<b>CET1 capital</b>		
Share capital	107,500	107,500
Other reserves	97,345	38,938
Retained earnings including net profit for the period reviewed by the auditor	2,324,527	1,749,561
Adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends <sup>1</sup>	-107,500	-
- Intangible assets <sup>2</sup>	-35,101	-18,965
- Goodwill	-26,593	-7,652
- Insufficient coverage for non-performing exposures <sup>3</sup>	-5,437	-40,198
<b>Total CET1 capital</b>	<b>2,354,741</b>	<b>1,829,184</b>
<b>Additional Tier 1 capital</b>		
Perpetual subordinated loans	250,000	250,000
<b>Tier 2 capital</b>		
Fixed term subordinated loans	345,509	346,909
<b>Own funds</b>	<b>2,950,250</b>	<b>2,426,093</b>

## SPECIFICATION OF RISK EXPOSURE AMOUNT AND CAPITAL REQUIREMENT

SEK thousand	31 Dec 2024		31 Dec 2023	
	Risk exposure amount	Capital requirement 8 %	Risk exposure amount	Capital requirement 8 %
<b>Credit risk under the standardised approach</b>				
Corporate exposures	485,987	38,879	79,920	6,394
Household exposures	14,745,870	1,179,670	10,822,202	865,776
Secured by collateral	13,999	1,120	15,891	1,271
Exposures in default	78,313	6,265	847,714	67,817
Exposures to institutions	570,829	45,666	598,944	47,916
Equity exposures	294,370	23,550	1,614,702	129,176
Other items	239,436	19,155	70,988	5,679
<b>Total</b>	<b>16,428,804</b>	<b>1,314,304</b>	<b>14,050,361</b>	<b>1,124,029</b>
<b>Credit valuation adjustment</b>				
Standardised method	78,960	6,317	14,508	1,161
<b>Total</b>	<b>78,960</b>	<b>6,317</b>	<b>14,508</b>	<b>1,161</b>
<b>Market risk</b>				
Foreign exchange risk	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operational risk</b>				
Alternative Standardised Approach	1,128,108	90,249	877,166	70,173
<b>Total</b>	<b>1,128,108</b>	<b>90,249</b>	<b>877,166</b>	<b>70,173</b>
<b>Total risk exposure amount and total capital requirement</b>	<b>17,635,872</b>	<b>1,410,870</b>	<b>14,942,035</b>	<b>1,195,363</b>

<sup>1</sup> Deduction of calculated dividend has been made in accordance with the Board of Directors' proposal to the Annual General Meeting at the time for submitting the year-end report 2024.

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

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

**NOTE P34 Liquidity coverage**

For information on the principles for the Bank's liquidity coverage analysis, see Note G34.

**LIQUIDITY POSITION**

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Liquidity reserve <sup>1</sup></b>		
Treasury bills eligible for refinancing - EU-commission <sup>2</sup>	858,318	1,322,471
Government securities eligible for refinancing - Norway <sup>2</sup>	527,901	246,800
Treasury bills eligible for refinancing - Sweden <sup>2</sup>	406,433	1,030,550
Treasury bills eligible for refinancing - Finland <sup>2</sup>	-	495,926
Treasury bills eligible for refinancing - Netherlands <sup>2</sup>	-	440,823
<b>Total liquidity reserve <sup>2</sup></b>	<b>1,792,652</b>	<b>3,536,570</b>
<b>Other available liquidity reserve</b>		
Cash and balances with central banks <sup>3</sup>	6,338	5,968
Loans to credit institutions <sup>3</sup>	2,249,324	1,142,989
<b>Total other available liquidity reserve</b>	<b>2,255,662</b>	<b>1,148,957</b>
<b>Total available liquidity reserve</b>	<b>4,048,314</b>	<b>4,685,527</b>
<b>Sources of financing</b>		
Deposits from the public	21,197,981	20,652,996
Subordinated liabilities	345,509	346,909
Tier 1 capital instrument	250,000	250,000
Equity attributable to shareholders	2,529,372	1,895,999
<b>Total sources of financing</b>	<b>24,322,862</b>	<b>23,145,904</b>
<b>Key figures</b>		
Available liquidity reserve / Deposits from the public	19	23
Liquidity coverage ratio, %	406	231
Net Stable Funding ratio, %	109	129

**REGULATORY LIQUIDITY REQUIREMENTS**

	31 Dec 2024	31 Dec 2023
<b>Key figures</b>		
Liquidity coverage ratio, %	100	100
Net Stable Funding ratio, %	100	100

<sup>1</sup> According to definition in FFFS 2010:7.

<sup>2</sup> Remaining term to maturity for treasury bills is up to 12 month. Maturity date for Norwegian government bonds amounting to NOK 250 million is 19 Februari 2026.

<sup>3</sup> Excluding restricted cash and cash equivalents that are not available the next day.

**NOTE P35 Leasing**

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Paid lease payments</b>		
Lease payments	15,242	15,406
<b>Total</b>	<b>15,242</b>	<b>15,406</b>

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Lease agreements</b>		
Total minimum lease payments for non-cancellable agreements	46,274	45,341
<b>Total</b>	<b>46,274</b>	<b>45,341</b>

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Maturity analysis of non-cancellable lease agreements</b>		
Less than one year	9,730	9,565
More than one year but less than two years	8,121	8,851
More than two years but less than three years	5,746	5,994
More than three years but less than four years	5,433	3,680
More than four years but less than five years	5,393	3,371
More than five years	11,851	13,880
<b>Total</b>	<b>46,274</b>	<b>45,341</b>

**NOTE P36 Business combinations**

On 1 September 2024, TF Bank AB acquired the Nordic e-commerce business of its subsidiary Rediem Capital AB (formerly Avarda AB). The acquisition was carried out based on the carrying amounts, but with consideration of Finnish tax legislation, which required a fair valuation of the Finnish business. The difference between the carrying amount and the fair value has been recognised as goodwill.

The acquired assets and liabilities were as follows:

SEK thousand	Carrying amount at acquisition
<b>Assets</b>	
Loans to credit institutions	352,982
Loans to the public	2,118,070
Intangible non-current assets	57,571
Tangible non-current assets	280
Other assets	1,670
Prepaid expenses and accrued income	1,978
<b>Total assets</b>	<b>2,532,551</b>
<b>Liabilities</b>	
Other liabilities	114,423
Accrued expenses	44,691
<b>Total liabilities</b>	<b>159,114</b>
<b>Net identifiable assets and liabilities</b>	<b>2,373,437</b>
<b>Goodwill</b>	<b>14,014</b>
<b>Net assets and liabilities</b>	<b>2,387,451</b>
Settlement against utilised credit facility	2,387,451
<b>Total purchase consideration</b>	<b>2,387,451</b>

On 1 December 2024, TF Bank AB completed a business acquisition related to the Paynova brand. The acquisition calculation is presented in Note G35.

**NOTE P37 Pledged assets, contingent liabilities and commitments**

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Pledged assets</b>		
Restricted bank deposits <sup>1</sup>	12,225	12,948
<b>Total</b>	<b>12,225</b>	<b>12,948</b>

SEK thousand	31 Dec 2024	31 Dec 2023
<b>Commitments</b>		
Unutilised credit limits	10,050,350	6,659,511
Future total minimum lease payments for non-cancellable operating leases	46,274	45,341
<b>Total</b>	<b>10,096,624</b>	<b>6,704,852</b>

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

<sup>1</sup> Restricted bank deposits refers to minimum reserve requirements at central banks in Finland and Poland.

# 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 users 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 Alternative Performance Measures are shown below.

## **ACTIVE CREDIT CARDS, QUANTITY**

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

## **ADJUSTED EARNINGS PER SHARE**

Adjusted earnings for the year attributable to the Parent company shareholders divided by average number of outstanding shares.

## **ADJUSTED RETURN ON EQUITY <sup>1</sup>**

Adjusted earnings for the year attributable to parent company shareholders divided by average equity attributable to parent company shareholders.

## **ADJUSTED RETURN ON ASSETS <sup>1</sup>**

Adjusted earnings for the year attributable to parent company shareholders divided by average assets.

## **ADJUSTED RETURN ON LOANS TO THE PUBLIC <sup>1</sup>**

Adjusted earnings for the year attributable to parent company shareholders divided by average lending to the public.

## **CET1 CAPITAL RATIO**

CET1 capital as a percentage of total risk exposure amount.

## **COST/INCOME RATIO (C/I)**

Operating expenses divided by operating income.

## **EARNINGS PER SHARE**

Net profit for the year 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.

## **LIQUIDITY COVERAGE RATIO**

Total net liquidity outflows divided by total high-quality liquid assets.

## **NET LOAN LOSS RATIO <sup>1</sup>**

Net loan losses for the year divided by average loans to the public.

## **NEW LENDING**

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

## **OPERATING INCOME MARGIN <sup>1</sup>**

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

## **RETURN ON ASSETS <sup>1</sup>**

Profit for the year attributable to the Parent company's shareholders divided by average assets.

## **RETURN ON EQUITY <sup>1</sup>**

Net profit for the year 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 <sup>1</sup>**

Net profit for the year 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.

## **STABLE NET FINANCING RATIO**

Total available stable funding divided by total stable funding needs.

## **TIER 1 CAPITAL RATIO**

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

## **TRANSACTION VOLUME**

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

## **TOTAL CAPITAL RATIO**

The capital base divided by the risk exposure amount.

<sup>1</sup> From 2021, the denominator in the key figure is calculated as the year's opening balance plus closing balance, divided by two. The key figure was previously presented based on rolling 12 months. The change has been implemented to increase clarity regarding the current period's financial development and to follow the practice that has been developed by comparable banks listed on Nasdaq Stockholm. The comparative figures in this report have been restated according to the new presentation format.

# RECONCILIATION TABLES

## KEY FIGURES

SEK thousand	2024	2023	2022	2021	2020
<b>Income statement</b>					
Earnings per share, SEK	28.06	17.53	15.26	12.65	9.13
Net profit for the year attributable to the shareholder's of the Parent company	603,220	376,853	328,099	272,072	196,195
Average number of outstanding shares, thousands	21,500	21,500	21,500	21,500	21,500
<b>Key figures <sup>1</sup></b>					
Operating income margin, %	12.8	12.3	11.1	11.2	12.1
Total operating income	2,438,516	1,998,121	1,412,324	1,054,654	875,523
Average loans to the public <sup>2</sup>	19,068,046	16,262,503	12,763,329	9,397,367	7,209,114
Net loan loss ratio, %	4.3	4.0	2.9	2.8	3.8
Net loan losses	819,606	656,851	367,569	260,564	272,676
Average loans to the public <sup>2</sup>	19,068,046	16,262,503	12,763,329	9,397,367	7,209,114
Cost/Income ratio, %	38.3	41.6	43.1	41.6	38.8
Total operating expenses	934,005	831,671	609,026	439,219	339,731
Total operating income	2,438,516	1,998,121	1,412,324	1,054,654	875,523
Return on equity, %	27.2	21.9	23.7	24.6	22.1
Net profit for the year attributable to the shareholder's of the Parent company	603,220	376,853	328,099	272,072	196,195
Average equity attributable to the shareholder's of the Parent company <sup>2</sup>	2,216,797	1,724,757	1,385,668	1,108,140	889,306
Return on loans to the public, %	3.2	2.3	2.6	2.9	2.7
Net profit for the year attributable to the shareholder's of the Parent company	603,220	376,853	328,099	272,072	196,195
Average loans to the public <sup>2</sup>	19,068,046	16,262,503	12,763,329	9,397,367	7,209,114
Return on assets, %	2.5	1.8	2.1	2.3	2.1
Net profit for the year attributable to the shareholder's of the Parent company	603,220	376,853	328,099	272,072	196,195
Average total assets <sup>2</sup>	24,508,182	21,161,608	15,895,316	11,815,570	9,342,607
<b>Adjusted income statement <sup>3</sup></b>					
Adjusted earnings per share, SEK	23.23	17.53	15.26	12.65	9.13
Adjusted profit for the period attributable to the shareholders of the Parent company	499,481	376,853	328,099	272,072	196,195
Average number of outstanding shares, thousands	21,500	21,500	21,500	21,500	21,500
<b>Adjusted key figures <sup>3</sup></b>					
Adjusted return on equity, %	22.5	21.9	23.7	24.6	22.1
Adjusted profit for the period attributable to the shareholders of the Parent company, annualised	499,481	376,853	328,099	272,072	196,195
Average equity attributable to the shareholder's of the Parent company <sup>2</sup>	2,216,797	1,724,757	1,385,668	1,108,140	889,306
Adjusted return on loans to the public, %	2.6	2.3	2.6	2.9	2.7
Adjusted profit for the period attributable to the shareholders of the Parent company, annualised	499,481	376,853	328,099	272,072	196,195
Average loans to the public <sup>2</sup>	19,068,046	16,262,503	12,763,329	9,397,367	7,209,114
Adjusted return on assets, %	2.0	1.8	2.1	2.3	2.1
Adjusted profit for the period attributable to the shareholders of the Parent company, annualised	499,481	376,853	328,099	272,072	196,195
Average total assets <sup>2</sup>	24,508,182	21,161,608	15,895,316	11,815,570	9,342,607

<sup>1</sup> Calculation of capital and liquidity ratios is shown in Note G33 and G34.

<sup>2</sup> The average has been calculated as opening balance plus closing balance, divided by two.

<sup>3</sup> Adjusted for items affecting comparability in 2024 related to transactions according to the Share Purchase Agreement with Alektum Holding AB and Erik Selin Fastigheter AB regarding the transfer of 80.1 percent of the shares in the subsidiary Rediem Capital AB.

# 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	Group		Parent Company		
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	
<b>Available own funds</b>					
1	Common Equity Tier 1 capital (CET1)	2,354,631	1,817,029	2,354,741	1,829,184
2	Tier 1 capital	2,604,631	2,067,029	2,604,741	2,079,184
3	Total capital	2,950,140	2,413,938	2,950,250	2,426,093
<b>Risk-weighted exposure amount</b>					
4	Total risk exposure amount	17,700,941	15,143,851	17,635,872	14,942,035
<b>Capital ratios (% of risk-weighted exposure amount)</b>					
5	Common Equity Tier 1 ratio, %	13.3	12.0	13.4	12.2
6	Tier 1 ratio, %	14.7	13.6	14.8	13.9
7	Total capital ratio, %	16.7	15.9	16.7	16.2
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (% of risk-weighted exposure amount)</b>					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage, %	1.3	1.1	1.3	1.0
EU 7b	- of which, to be made up of CET1 capital, %	0.7	0.6	0.7	0.6
EU 7c	- of which, to be made up of Tier 1 capital, %	0.9	0.8	0.9	0.8
EU 7d	Total SREP own funds requirements, %	9.3	9.1	9.3	9.0
<b>Combined buffer and overall capital requirement (% of risk-weighted exposure amount)</b>					
8	Capital conservation buffer, %	2.5	2.5	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	N/A	N/A
9	Institution specific countercyclical capital buffer, %	1.2	1.2	1.2	1.3
EU 9a	Systemic risk buffer, %	N/A	N/A	N/A	N/A
10	Global Systemically Important Institution buffer, %	N/A	N/A	N/A	N/A
EU 10a	Other Systemically Important Institution buffer, %	N/A	N/A	N/A	N/A
11	Combined buffer requirement, %	3.7	3.7	3.7	3.8
EU 11a	Overall capital requirements, %	12.9	12.7	12.9	12.8
12	CET1 available after meeting the total SREP own funds requirements, %	8.1	6.9	8.2	7.1
<b>Leverage ratio</b>					
13	Total exposure measure	26,262,931	24,150,038	26,188,735	24,102,610
14	Leverage ratio, %	9.9	8.6	9.9	8.6
<b>Additional own funds requirements to address risks of excessive leverage (% of leverage ratio total exposure amount)</b>					
EU 14a	Additional own funds requirements to address the risk of excessive leverage, %	N/A	N/A	N/A	N/A
EU 14b	- of which, to be made up of CET1 capital, %	N/A	N/A	N/A	N/A
EU 14c	Total SREP leverage ratio requirements, %	3.0	3.0	3.0	3.0
<b>Leverage ratio buffer and overall leverage ratio requirement (% of total exposure measure)</b>					
EU 14d	Total SREP leverage ratio requirements, %	N/A	N/A	N/A	N/A
EU 14e	Overall leverage ratio requirements, %	3.0	3.0	3.0	3.0
<b>Liquidity Coverage Ratio</b>					
15	Total high-quality liquid assets (Weighted value – average)	1,798,991	3,641,665	1,798,991	3,542,538
EU 16a	Cash outflows – Total weighted value	1,771,891	2,070,091	1,771,891	2,248,998
EU 16b	Cash inflows – Total weighted value	1,328,918	1,042,366	1,328,918	714,735
16	Total net cash outflows (adjusted value)	442,973	1,027,725	442,973	1,534,263
17	Liquidity coverage ratio, %	406	354	406	231
<b>Net Stable Funding Ratio</b>					
18	Total available stable funding	17,626,638	18,626,082	17,626,751	18,638,335
19	Total required stable funding	16,206,901	14,553,355	16,140,406	14,472,386
20	NSFR ratio, %	109	128	109	129

# ASSURANCE BY THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and the Managing Director certify that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated financial statements have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated accounts, respectively, give a true and fair view of the financial position and results of operations of the Parent company and the Group. The Directors' Report for the Parent company and the Group, respectively, gives a true and fair view of the development of the Parent company's and the Group's operations, financial position and results and describes the significant risks and uncertainties faced by the Parent company and the companies included in the Group.

Borås, 21 March 2025

John Brehmer  
*Chairman*

Niklas Johansson

Michael Lindengren

Sara Mindus

Fredrik Oweson

Arti Zeighami

Joakim Jansson  
*CEO and President*

We submitted our Auditor's Report on 21 March 2025.

KPMG AB

Dan Beitner  
*Authorised Public Accountant  
Auditor in Charge*

# AUDITOR'S REPORT

To the general meeting of the shareholders of TF Bank AB (publ), corp. id 556158-1041

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of TF Bank AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 12-112 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation

(537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### Provisions for loan losses

See disclosure G3, G16, P16, G22 and P23 as well as the accounting principles on pages 30 and 31-33 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter	Response in the audit
TF Bank AB (publ)'s and its subsidiary's (the Group) lending comprises of non collateral loans to private individuals. Loans are granted in several countries through the Group's three business segments Consumer Lending, Ecommerce Solutions and Credit Cards. The Group's loans to the public amounted to SEK 20,265 (17,871) million on 31 December 2024, corresponding to 81 (75) % of the Group's total assets. The Group's reserves for loan losses in the loan portfolio amounted to SEK 798 (1,055) million.	We have tested the Group's key controls in the lending process and the process for loan loss provisions. Controls tested included both manual controls and automatic controls in the Application system. We also tested general IT controls including authorisation Management for the relevant systems.
TF Bank's loans to the public amounted to SEK 20,265 (15,424) million corresponding to 81.1 (64.9) % of the Bank's assets. The banks reserves for loan losses in the loan portfolio amounted to SEK 798 (963) million.	We have assessed the Group's interpretation of the IFRS 9 accounting standard in order to see that they have interpreted it in a reasonable way. We have tested the Group's key controls related to the loan loss provision process. We have also tested samples of the indata that goes into the Group's models and the reasonableness of the calculations and assumptions being made by the Group's management when computing the size of the loan loss provision. In our audit we have used our own credit modelling experts to assist us in the various audit procedures that we have performed.
The reserves for loan losses in the Group's loan portfolio correspond to corporate management's best estimate of potentially occurring losses in the loan portfolio as per the balance-sheet date. For the Group there are complex calculations including critical judgements and estimates that are being made by management regarding the provisions for loan losses. This is the reason to why we believe that this is a key audit matter.	In addition we have assessed that the information presented in the annual report regarding the provisions for loan losses include enough information to provide the reader an understanding of the Group's estimates in this area.

### **Other Information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-11 and 118-144. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Auditor's audit of the administration and the proposed appropriations of profit or loss**

#### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the admini-

nistration of the Board of Directors and the Managing Director of TF Bank AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### **Basis for Opinions**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### **Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess

with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

## **The auditor's examination of the Esef report**

### **Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for TF Bank AB (publ) for year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### **Basis for opinion**

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of TF Bank AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of TF Bank AB (publ) by the general meeting of the shareholders on the 2 May 2024. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2021.

Stockholm 21 March 2025  
KPMG AB

Dan Beitner  
*Authorised Public Accountant*  
*Auditor in Charge*

The background image shows a modern urban building with a curved facade on the left and a brick building on the right. A series of vertical pipes, some silver and some black, run up the side of the building. An orange banner is at the top.

# CORPORATE GOVERNANCE REPORT

# CORPORATE GOVERNANCE REPORT

TF Bank AB (publ), corporate identity number 556158-1041

**Good corporate governance is the foundation of a well-functioning company where shareholders, employees and other stakeholders in the Bank's operating environment could have confidence in the Bank. Good corporate governance is about ensuring that the Bank's strategies and values are managed as efficiently and responsibly as possible, with good internal controls and tools for fair risk management.**

## INTRODUCTION

TF Bank AB (publ) is a Swedish public limited company whose shares have been listed on Nasdaq Stockholm's main market since 14 June 2016. TF Bank is licensed by the Swedish Financial Supervisory Authority to conduct banking operations and has its registered office in Borås, Sweden. Lending and/or deposit activities are conducted in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland, the Netherlands and Italy in accordance with the Swedish Banking and Financing Business Act.

TF Bank has six subsidiaries: TF Nordic AB, TFB Service UAB, TFB Service GmbH and TFBN Services S.L.U., TFBN Services Ltd and Avarda AS. TF Nordic AB is licensed by the Swedish Financial Supervisory Authority to conduct financing business but has not utilised the license in 2024.

TF Bank conducts banking operations and is under the supervision of the Swedish Financial Supervisory Authority. TF Bank complies with several laws and regulations pertaining to good corporate governance and control of the business, such as the Swedish Banking and Financing Business Act (2004:297), the Consumer Credit Act (2010:1846), the Swedish Companies Act (2005:551), the Annual Accounts Act (1995:1554), Act (1995:1559) on Annual Accounts in Credit Institutions and Securities Companies Act, the Swedish Corporate Governance Code ("the Code"), Nasdaq's rulebook for issuers and International Financial Reporting Standards. TF Bank also adheres to several regulations and general guidelines issued by the Swedish Financial Supervisory and the European Banking Authority (EBA).

TF Bank has prepared this Corporate Governance Report in accordance with the Annual Accounts Act and the Code.

## OWNERSHIP

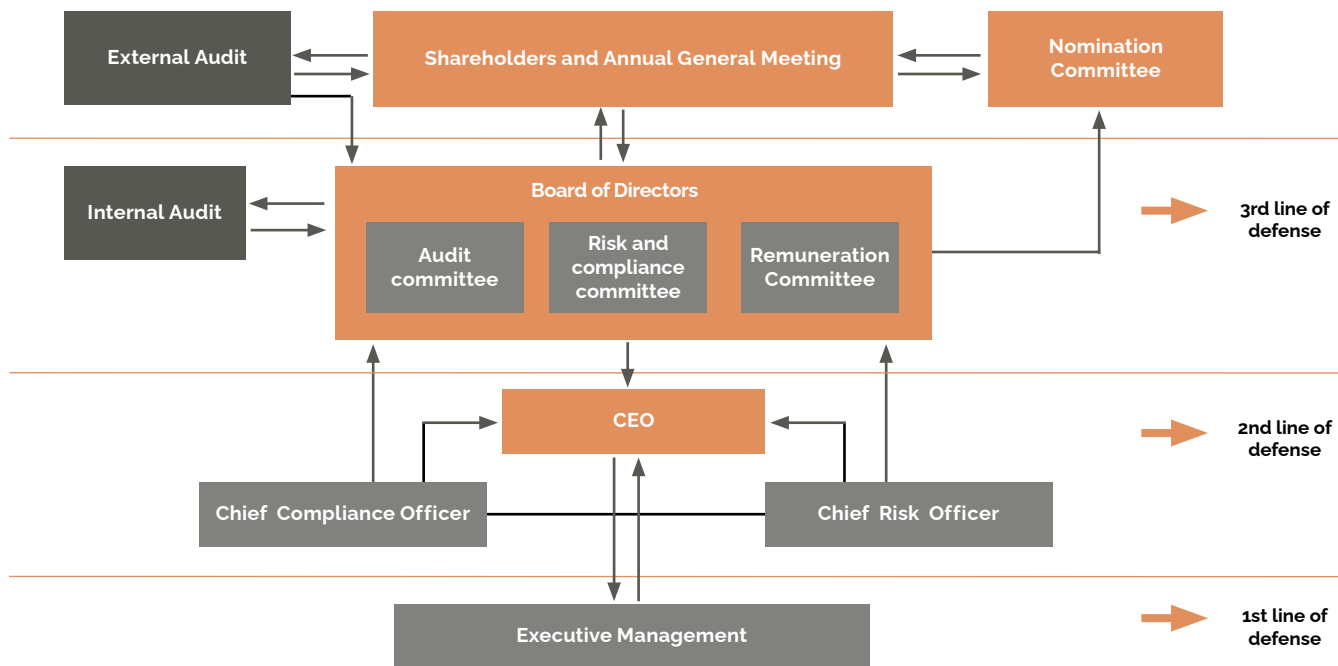
Ownership structure 31 December 2024:

	Owner	Number of shares	Share of equity, %
1	TFB Holding AB	6,517,375	30.31
2	Tiberon AB	3,239,291	15.07
3	Erik Selin Fastigheter AB	2,739,800	12.74
4	Proventus Aktiebolag	1,166,371	5.42
5	Nordnet Pensionsförsäkring AB	1,065,083	4.95
6	Carnegie Fonder AB	967,877	4.50
7	Jack Weil	838,510	3.90
8	Goldman Sachs International	535,995	2.49
9	Bank Julius Baer & CO Ltd	287,500	1.34
10	Försäkringsbolaget Avanza Pension	250,097	1.16
11	Anders Klein	247,842	1.15
12	Skandia livförsäkring	214,591	1.00
13	The Bank of New York Mellon	209,825	0.98
14	Nordea Funds AB	205,326	0.96
15	Skandia Fonder AB	188,546	0.88
16	AB Monarda	156,000	0.73
17	Handelsbanken Fonder AB	128,629	0.60
18	SEB Investment Management AB	122,762	0.57
19	P&CS Invest AB	88,000	0.41
20	Futur Pension	87,391	0.41
	Other shareholders	2,243,189	10.43
	<b>Total</b>	<b>21,500,000</b>	<b>100.00</b>

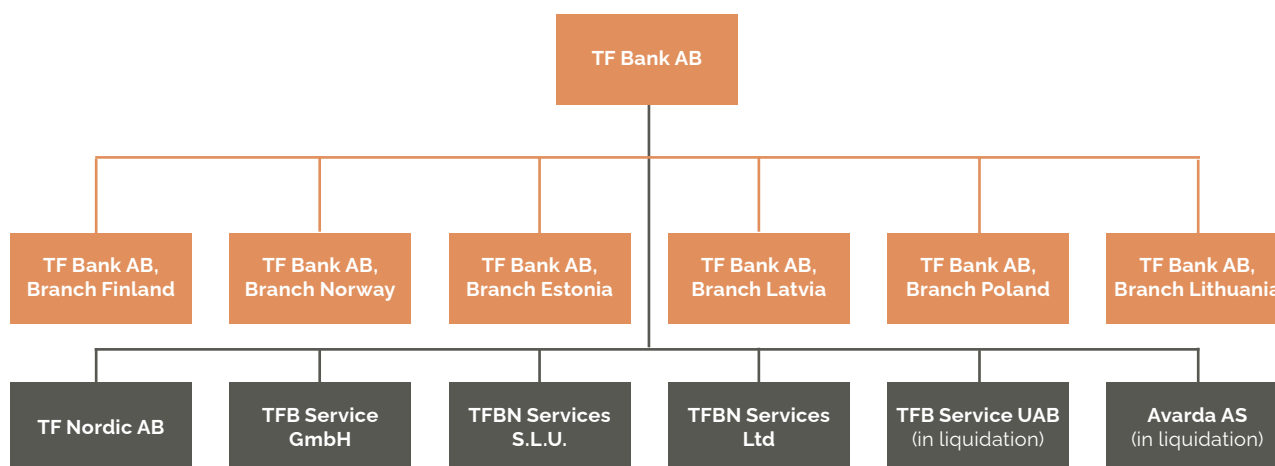
Source: Euroclear

The largest owner, TFB Holding AB, with a total holding of 30.31 % as at 31 December 2024, is represented on the Nomination Committee through Paul Källenius.

## CORPORATE GOVERNANCE AND RISK MANAGEMENT IN TF BANK



## COMPANY STRUCTURE



List of companies included in consolidation for accounting and supervisory purposes:

Parent Company	Subsidiaries	Corporate identity number	Interest	Consolidation (supervisory/consolidation)
TF Bank AB		556158-1041		
	TF Nordic AB	559476-6379	100%	Full/full
	TFB Service GmbH	HRB 208869 B	100%	Full/full
	TFBN Services S.L.U.	B10781789	100%	Full/full
	TFBN Services Ltd	931 481 169	100%	Full/full
	TFB Service UAB	304785170	100%	Full/full
	Avarda AS	931 481 169	100%	Full/full

## ARTICLES OF ASSOCIATION

The Articles of Association are adopted by the AGM and contain mandatory information on the basic nature of TF Bank's operations. The Articles of Association, which are available on the Company's website [www.tfbankgroup.com](http://www.tfbankgroup.com), set out, inter alia, the kind of business to be conducted by the Company, the limits for the share capital, share classes and number of votes per share, as well as the number of Board members. The Articles of Association do not contain any provisions on the appointment or dismissal of Board members or on amendments to the Articles of Association.

## GENERAL MEETING OF SHAREHOLDERS

TF Bank's shareholders can exercise their decision-making rights at the General Meeting of Shareholders. According to the Swedish Companies' Act, the General Meeting is the Company's highest decision-making body. The General Meeting of Shareholders takes decisions as amendments to the Articles of Association, discharge from liability, adoption of balance sheets and income statements, dividends, election of board members and auditors and fees to board members and auditors. The Companies Act and Articles of Association contain rules governing the General Meeting and what this should include.

## Annual General Meeting 2024

The Annual General Meeting (AGM) was held on 2 May 2024 in Stockholm, Sweden, and voting could be done either in person or by post. The AGM voted in accordance with the proposals presented on all items. Among other things, the AGM resolved not to pay any dividend for the financial year 2023 and that unappropriated earnings of SEK 1,998,284,434 should be carried forward. The AGM also discharged the members of the Board of Directors and the CEO from liability for the financial year 2023.

The AGM resolved that the Board should consist of six members. The AGM resolved to re-elect John Brehmer, Sara Mindus, Michael Lindengren, Niklas Johansson, Fredrik Oweson and Arti Zeighami as members of the Board of Directors. John Brehmer was re-elected as Chairman of the Board. KPMG AB was re-elected as auditor for the period until the end of the 2025 AGM, with the authorised public accountant Dan Beitner as auditor in charge.

The AGM resolved to authorise the Board, on one or more occasions, to decide on new share issues, with or without deviation from shareholders' preferential rights, until the next AGM. The number of

shares issued pursuant to the authorisation may not exceed an increase of twenty percent of the share capital based on the share capital of the Company at the time of the AGM 2024. It was also resolved to authorise the Board of Directors, to decide on the acquisition and transfer of own shares. A maximum of so many shares may be acquired that the Company's holdings, including shares that have otherwise been acquired and held, will not exceed five percent of all shares in the Company.

The AGM resolved to adopt Share programme 2024 in accordance with the Board of Directors' proposal. The programme has a three-year term and means that senior executives, certain other directors, key persons and specialists, in aggregate up to 30 persons, conditional upon that that certain terms are met, may receive up to a total of 46,000 shares in TF Bank provided that they have acquired a corresponding number of shares themselves.

The full Articles of Association as well as minutes and information regarding the 2024 AGM are available at [www.tfbankgroup.com](http://www.tfbankgroup.com).

### **NOMINATION COMMITTEE**

According to a resolution by the 2021 AGM on the appointment of the Nomination Committee, the three largest shareholders in terms of voting power who wish to participate in the Nomination Committee will have the right to appoint one member each. The member representing the largest shareholder should be appointed Chairman of the Nomination Committee. The members of the Nomination Committee were appointed on the basis of the ownership structure as at 31 August 2024.

The Nomination Committee shall prepare proposals in the following matters to be submitted to the AGM:

- Proposal for a Chairman for the general meeting;
- Proposal for the Board of Directors;
- Proposal for Chairman of the Board;
- Proposals for Board fees with the distribution between the Chairman and other Board members, and fees for Committee work;
- Proposals for auditors; and
- Proposal for remuneration to the Company's auditors

The Nomination Committee shall apply Regulation 4.1 of the Code for the preparation of a proposal for the Board of Directors, in order to achieve a balanced Board composition in terms of broad range of qualifications.

The Nomination Committee ahead of the AGM in 2025 comprises:

- Paul Källenius, representing TFB Holding AB
- Erik Selin, representing Erik Selin Fastigheter AB
- Jonas Weil, representing Proventus Aktiebolag
- John Brehmer, Chairman of the Board of TF Bank AB

Paul Källenius has been appointed Chairman of the Nomination Committee

Tiberon AB, the second largest shareholder, declined to be represented in the Nomination Committee. However, Tiberon AB's board member John Brehmer is a member of the Nomination Committee in his capacity as Chairman of TF Bank.

The composition of the Nomination Committee was disclosed through a press release and on the Company's website on 6 December 2024.

### **BOARD OF DIRECTORS**

The Board of Directors has the ultimate responsibility for TF Bank's organisation and management. In addition, the Board shall supervise the CEO and ensure that TF Bank's financial position is examined in a satisfactory manner. The decisions taken by the Board should seek to promote shareholders' interests with respect to value generation and returns. The Board's duties and working methods are governed by the Companies Act, the Articles of Association and the Board's Rules of Procedure. The duties and work of the Board of TF Bank as a regulated company are also governed by the Banking and Financing Business Act.

The responsibilities and duties of the Board of Directors include establishing objectives and strategies for the Company's operations, striving to ensure that the organisation and operations of the Company's business are characterised by internal governance and control, preparing internal regulations on risk management and risk control and regularly following up compliance, ensuring that there is an audit function and monitoring the Company's financial position. Furthermore, it is the task of the Board of Directors to appoint the CEO, adopt instructions for the CEO's work and monitor the outcome of this work. The Board of Directors receives regular reports from internal and external auditors and from the CEO and CFO.

The Board of Directors is responsible for considering TF Bank's risk-taking and has established rules for a resolution's procedure, financial reporting and financing. There are also guidelines for work in other areas such as: environment, ethics, quality, information, staff, IT and security monitoring and communication.

The Board's work follows annually established rules of procedure which comprise the matters to be dealt with

by the Board at each ordinary meeting and the division of duties within the Board, with special commitments for the Chairman. The rules of procedure also set out rules for financial reporting to the Board and more detailed rules for the responsibilities and powers of the CEO.

According to the Articles of Association, the Board of Directors should comprise not less than three and not more than ten ordinary members. Information about the Board representatives is available at [www.tfbankgroup.com](http://www.tfbankgroup.com) and on page 143.

### Significant matters

In 2024, the Board held 15 meetings, of which nine were ordinary meetings and six extra meetings. Five meetings were held in person, and ten were held remotely.

Date	Significant matters raised at the board meetings
2024-01-18	Decision to approve the interim report for October to December 2023
2024-03-14	Decision to approve the annual report for 2023 and decision on the notice for the Annual General Meeting
2024-04-15	Decision to approve the interim report for January to March 2024 and decision to approve ICAAP
2024-05-02 (constituent)	Election of members to committees and decision on the signing authority
2024-06-16-2024-06-17	Strategic decisions
2024-07-11	Decision to approve the interim report for April to June 2024
2024-08-13	Strategic decisions
2024-08-30	Strategic decisions
2024-09-02	Strategic decisions
2024-09-18	Strategic decisions
2024-09-20	Strategic decisions
2024-09-25	Decision to adopt ICAAP for TF Bank consolidated situation
2024-09-27	Strategic decisions
2024-10-14	Decision to approve the interim report for July to September 2024
2024-12-16	Decision to approve the annual plans for control functions

Board attendance was as follows:

Board member	Independent of major shareholders	Attendance
John Brehmer (Chairman)	No	15 of 15
Sara Mindus	Yes	15 of 15
Michael Lindengren	Yes	15 of 15
Niklas Johansson	Yes	15 of 15
Fredrik Oweson	Yes	14 of 15
Arti Zeighami	Yes	15 of 15

The Bank's CEO and CFO have participated in all meetings.

### Reporting to the Board of Directors and Board committees

The Board of Directors receives a monthly financial report, including balance sheet and income statements as well as information on the Company's capital and liquidity situation. Additionally, the CEO, CFO and the risk control, compliance and credit risk functions report directly to the Board of Directors.

The overarching responsibilities of the Board of Directors cannot be delegated but the Board of Directors is assisted by three committees: The Remuneration Committee, the Audit Committee and the Risk and Compliance Committee.

### Remuneration Committee

The Remuneration Committee's main role is to support the Board in its work to ensure that risks associated with TF Bank's remuneration system are measured, managed and reported. The Remuneration Committee is also responsible for assisting the Board in establishing standards and principles for decisions on remuneration of TF Bank's staff and Executive Management and in ensuring that the remunerations systems are compatible with applicable laws and regulations. The Board of Directors decides on remuneration of the CEO, Deputy CEO, Compliance Officer and Chief Risk Officer following the preparatory work of the Remuneration Committee.

The Remuneration Committee shall prepare a remuneration policy for the Company and present it to the Board of Directors for approval. At least once a year, the Board of Directors must adopt a remuneration policy covering all TF Bank staff in accordance with the Swedish Financial Supervisory Authority's regulations on remuneration systems in credit institutions and investment firms. Adoption of the remuneration policy is based on an analysis that is performed annually in order to identify employees whose work has had a significant impact on TF Bank's risk profile.

The remuneration policy stipulates that remuneration, and other benefits must be competitive in order to promote TF Bank's long-term interests and to discourage excessive risk-taking. A more detailed description of remuneration paid in 2023 can be found on TF Bank's website: [www.tfbankgroup.com](http://www.tfbankgroup.com). The Remuneration Committee shall meet at least twice a year and otherwise when required. Minutes shall be taken at each meeting and shall be provided to all board members.

At the Board meeting on 2 May, the Board of Directors appointed the Remuneration Committee by re-electing John Brehmer and Fredrik Oweson.

Board member Fredrik Oweson was appointed Chairman of the Remuneration Committee.

In 2024, the Remuneration Committee held two minuted meetings. Attendance at Committee meetings was as follows:

Board member	Attendance
Fredrik Oweson (Chairman)	2 of 2
John Brehmer	2 of 2

### Audit Committee

The Audit Committee is responsible for the preparation of the Board's work on quality assurance of the Company's financial reporting, internal control and risk management. The Audit Committee carries out the preparatory work by looking at critical accounting issues and the financial reports submitted by the Company.

In addition, the Audit Committee shall meet with the Company's auditor on a regular basis to monitor adherence to accounting policies, obtain information about changes in current regulations as well as information about the focus and scope of the audit, and to discuss coordination of the external and internal audit and the view of the Company's risks. The Audit Committee shall also review and monitor

the impartiality and independence of the auditor, paying particular attention to whether the auditor provides the Company with services other than audit services.

The Audit Committee shall also evaluate the work carried out by the auditor and inform the Company's Nomination Committee of the outcome of the evaluation and assist the Nomination Committee in the preparation of proposals for auditor and setting the fee for the audit work. The Audit Committee shall meet at least four times per financial year and otherwise as required. Minutes must be taken at each meeting and be distributed to all Board members.

At the Board meeting held on 2 May, the Board

of Directors appointed the Audit Committee by re-electing John Brehmer, Michael Lindengren and Niklas Johansson.

Board member Michael Lindengren was re-elected as Chairman of the Audit Committee.

In 2024, the Audit Committee held six minuted meetings. Attendance at Committee meetings was as follows:

Board member	Attendance
Michael Lindengren (Chairman)	6 of 6
John Brehmer	6 of 6
Niklas Johansson	6 of 6

The Bank's CEO, CFO and Head of Group Accounting have participated in all meetings. Head of Internal Control and auditor- in charge from KPMG have participated in most meetings.

### Risk and Compliance Committee

The Risk and Compliance Committee is responsible for preparing and following up issues concerning risk management, regulatory compliance, capitalisation and liquidity management. The Committee shall address the Company's overall current and future risk appetite and risk strategy and assist the Board when it monitors the executive management's implementation of the strategy.

The Risk and Compliance Committee shall ensure that the products that the Company offers its customers take into account the Company's business model and risk strategy. If the prices do not correctly reflect the risks in accordance with the business model and the risk strategy, the Risk and Compliance Committee shall draw up an action plan for the Board.

The Risk and Compliance Committee shall meet at least four times a year and otherwise as required. Minutes shall be drawn up at each meeting and shall be sent to all board members.

At the Board meeting on 2 May, it was decided to elect all Board members as Board members of the Risk and Compliance Committee and Niklas Johansson was re-elected as Chairman of the Committee.

During 2024, the Risk and Compliance Committee had four minuted meetings. The participation in the committee work has been as follows:

Board member	Attendance
Niklas Johansson (Chairman)	4 of 4
John Brehmer	4 of 4
Sara Mindus	4 of 4
Fredrik Oweson	4 of 4
Michael Lindengren	4 of 4
Arti Zeighami	3 of 4

The Bank's CEO, CFO, Chief Compliance Officer and Chief Risk Officer have participated in all meetings.

### Remuneration of Board members

The 2024 AGM resolved on the following remuneration for Board members:

- Chairman of the Board SEK 1,200,000,
- Other members of the Board SEK 400,000,
- Chairman of the Audit Committee SEK 150,000,
- Other members of the Audit Committee SEK 75,000,
- Chairman of the Remuneration Committee SEK 100,000,
- Other members of the Remuneration Committee SEK 50,000,
- Chairman of the Risk and Compliance Committee SEK 150,000,
- Other members of the Risk and Compliance Committee SEK 75,000.

### Evaluation of the Board's work

The Board of Directors regularly performs a systematic evaluation where Board members are offered the opportunity to provide their views on working methods, Board materials, their own and other members' contributions to the Board's work in order to develop the work performed by the Board, and to provide the Nomination Committee with relevant information required for decisions ahead of the AGM. The results of the evaluation, which was conducted ahead of the 2025 AGM, have been presented to the Board of Directors and Nomination Committee.

### CEO AND EXECUTIVE MANAGEMENT

The CEO is responsible for the management of the Company in accordance with the Swedish Companies Act and the instructions of the Board of Directors. The CEO is responsible for keeping the Board informed about the Company's operations and for ensuring that the Board is provided with as true and accurate information as possible as basis for decisions.

As at December 31, 2024, TF Bank's Executive Management comprised of Joakim Jansson (CEO), Mikael Meomuttel (CFO) and Espen Johannesen (COO).

Further information about Executive Management representatives is available at [www.tfbankgroup.com](http://www.tfbankgroup.com) and on page 144.

### Remuneration of senior executives

The guidelines for remuneration of senior executives comprise CEO, CFO and other members of the Executive Management. The guidelines shall be applied on remuneration which has been agreed upon, and changes made to already agreed remuneration, after the guidelines have been adopted by the AGM. The

AGM in 2021 adopted the following guidelines for remuneration of TF Bank's senior executives:

### **Guidelines for promoting the Bank's business strategy, long-term interests and sustainability**

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. Lending and/or deposit activities are conducted in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland, the Netherlands and Italy through subsidiary, branch, or cross-border banking with the support of the Swedish banking license. The operations are divided into three segments: Credit Cards, Ecommerce Solutions and Consumer Lending.

The business is divided into three segments: Credit Cards, Ecommerce Solutions and Consumer Lending. The target group for all services is creditworthy private individuals and the loan amounts are relatively small with short repayment terms. TF Bank also offers deposit products in several markets.

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

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

### **The forms of remuneration, etc.**

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

The fulfilment of criteria for variable cash remuneration must be measurable over a time period of one or several years. The variable cash remuneration may amount to a maximum of 100 % of the total fixed salary during the measurement period.

Furthermore, the following applies in accordance with the regulations in place with regards to remuneration in banks. Variable remuneration can be emanated in the form of shares, and there shall be a limit to the maximum result. Payment of variable remuneration shall be postponed and be made conditional on that the criteria on which the remuneration is based was shown to be sustainable in the long-term and on that

the Bank's position has not declined substantially. If the conditions for payment are not met, the remuneration shall be cancelled in whole or in part.

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

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

#### **Termination of employment**

In the event of termination of employment by the Bank, the notice period may not exceed 12 months. Fixed salary during the notice period and severance pay may not, in total, exceed an amount corresponding to the fixed salary for 6-12 months. In the event of termination by the executive, the notice period may not exceed six months, and there will be no right to receive severance pay.

Furthermore, compensation for any commitment to restrict competition may be received. Such remuneration shall compensate for any loss of income and shall only be paid to the extent that the former executive has no right to severance pay. The remuneration shall be based on the fixed salary at the time of termination and shall be paid during the period subject to the restriction of competition, which shall not exceed 6-12 months after termination of employment.

#### **Criteria for distributing variable remuneration**

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

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

#### **Salary and terms of employment for the employees**

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

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

The Board of Directors shall establish proposals for new guidelines when there is a need for significant changes, at least every four years. The proposals shall be submitted for the resolution at the AGM. The guidelines shall apply until new guidelines have been adopted by the AGM. The board shall also follow and evaluate programs for variable remuneration for the executives, the application of guidelines for remuneration senior executives, as well as current remuneration structures and remuneration levels in the Bank. The CEO and other members of executive management shall not attend board meeting when decisions are being made about remuneration-related issues, insofar as they are affected by the issues.

#### **Deviations from the guidelines**

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

#### **Commission-based compensation for senior executives**

In 2024, commission-based compensation amounted to SEK 0 thousand (0). Additional commission-based compensation is paid on the basis of individual attainment of financial targets established for the year. TF Bank has ensured that all targets related to commission-based compensation can be measured in a reliable way. None of the commission-based compensation payments are qualifying payments for pension purposes.

#### **INTERNAL GOVERNING DOCUMENTS**

In addition to laws, ordinances, regulations, etc. TF Bank has a number of internal governing documents relating to daily management. These have been adopted by the Board of Directors, CEO or other managers and include the Articles of Association, the Board of Directors' Rules of Procedure, instructions for the Board's three committees, instructions for the CEO and financial reporting to the Board, insider policy, risk

management policy, credit policy, remuneration policy, management of ethical issues and conflicts of interest (code of conduct), outsourcing, business continuity, liquidity management, financial policy, capital policy, governing documents for risk control, compliance and internal audit, handling of complaints and anti-money laundering and terrorist financing policy. All governing documents are available on the intranet.

### **EXTERNAL AUDITORS**

The Company's external auditors are appointed by the AGM. It is the responsibility of the external auditors to review the Annual Report and the financial statements, as well as the work of the Board of Directors and the CEO. In 2024, KPMG AB was appointed auditor of the Company with Authorised Public Accountant Dan Beitner as auditor in charge.

Information about fees and reimbursement of expenses for the auditors is presented in Note G10 and P10.

### **INTERNAL CONTROL AND RISK MANAGEMENT**

#### **First line of defence**

Group management sets the framework how the business should be organised to be as efficient as possible from both a risk management and profitability perspective. Based on the needs of the Group's three business areas, Credit Cards, Ecommerce Solutions and Consumer Lending, Group Management appoints functions and controls to secure data and inform decisions.

Risk management is based on business areas and includes all employees. Unit/function managers in the first line of defence are responsible for day-to-day risk management and regulatory compliance, as well as for taking appropriate action in the event of deviations. Reporting is done to the immediate manager, the Compliance function, risk control or the CEO.

#### **Second line of defence - Compliance and Risk Control**

The independent control functions Compliance and Risk Control examine, evaluate and report to the Executive Management and the Board of Directors regarding risks and compliance. The work of the two functions is governed by instructions established by the Board of Directors. The control functions in the second line of defence are responsible for reviewing risk management and compliance in the first line of defence but should also provide support for the latter.

An independent review of compliance with external and internal regulations is carried out by the Compliance function in accordance with applicable laws and regulations in the countries where TF Bank has operations, as well as the Swedish Financial Supervisory Authority's (or equivalent) regulations and general guidelines on governance and control in credit

institutions. The Compliance function is organised under the CEO and reports directly to the Board of Directors and is regularly reviewed by the internal audit function. TF Bank's Chief Compliance Officer is Magnus Wahlkvist. The Compliance function is independent of all business units and support functions.

Independent risk control and monitoring of risk management in TF Bank is carried out by the internal independent Risk Control function in accordance with current risk practice, the Swedish Financial Supervisory Authority's regulations and general guidelines on governance, risk management and control in credit institutions as well as applicable guidelines and recommendations issued by the EBA. The Risk Control function is also organised under the CEO and reports directly to the Board of Directors and is regularly reviewed by the internal audit function. Reporting to the Board of Directors covers the Company's capital position, liquidity risk, credit risk, market risk and operational risk, including any incidents.

TF Bank's Chief Risk Officer is Jonas Danielsson. The Risk Control function seeks to ensure that all risks in the business are identified and highlighted. The function's responsibilities include independent monitoring and analysis of how risks at an aggregate level develop over time, and to report on these to the Board of Directors and management. The function's responsibilities also include contributing to the development of risk management processes, for instance by providing methods for identification, measurement, analysis and reporting of risks. The Risk Control function works independently of all business units and support functions.

#### **Third line of defence - Internal audit**

TF Bank's internal audit is an independent audit function, reporting directly to the Board of Directors. The internal audit is primarily responsible for providing the Board of Directors with reliable and objective evaluation of risk management, financial reporting and control and governance processes in

order to reduce the occurrence of risks and improve the control structure. TF Bank's internal audit is carried out by Advisense AB and the person principally responsible for the task was Tomas Munkby. The audits are performed according to an audit plan adopted by the Board of Directors.

The internal audit function reviews and assesses whether systems, internal controls and procedures are appropriate and effective and issues recommendations and monitors adherence to the recommendations. In 2024, the internal audit review included, in addition to the mandatory areas, TF Bank's deposit system, risk control and measures against money laundering and the financing of terrorism.

The Board of Directors issues and revises all the policies that form the framework for the business at least once a year.

**INFORMATION IN ACCORDANCE WITH CHAPTER 6, SECTION 2 OF THE ACT (2014:968) ON SPECIAL SUPERVISION OF CREDIT INSTITUTIONS AND INVESTMENT FIRMS AND CHAPTER 8, SECTION 2 OF THE FINANCIAL SUPERVISORY AUTHORITY'S REGULATIONS ON PRUDENTIAL REQUIREMENTS AND CAPITAL BUFFERS (FFFS 2014:12)**

TF Nordic AB, TFB Service UAB, TFB Service GmbH, TFBN Services S.L.U., TFBN Services Ltd and Avarða AS are 100% owned by TF Bank. All companies are wholly owned subsidiaries and as the sole shareholder, TF Bank is able to control the companies by exercising its voting rights at the AGM. Through its shareholding, TF Bank is also able to determine the board that is elected at each company's AGM.

**THE BOARD OF DIRECTORS' DESCRIPTION OF INTERNAL CONTROL AND RISK MANAGEMENT RELATING TO FINANCIAL REPORTING**

The Board of Directors is responsible for the internal control of TF Bank AB and its subsidiaries according to the Swedish Companies Act and the Swedish Annual Accounts Act.

Internal control relating to financial reporting is a process designed to provide reasonable assurance regarding the reliability of external financial reporting and whether the financial statements are prepared in accordance with generally accepted accounting principles, applicable laws and regulations and other requirements for companies whose negotiable debt instruments are admitted to trading on a regulated market. The internal regulatory framework of policies, instructions and procedure and process descriptions constitutes the primary tool for safeguarding financial reporting. The effectiveness and practicality of control mechanisms are reviewed on an annual basis by the control functions and internal audit function.

The internal control activities form part of TF Bank's administrative procedures. TF Bank's internal control is based on a control environment that covers values and management culture, follow-up, a clear and transparent organisational structure, segregation of duties, the duality principle and quality and efficiency of internal communications. The basis for internal control of financial reporting also comprises a control environment covering organisation, decision-making pathways, powers and responsibilities that are documented and communicated in governing documents and job descriptions for control functions.

TF Bank takes a proactive approach to risk management, focusing on ongoing controls and training. Risk management is an integral part of the business. The control activities include both general and detailed controls intended to prevent and detect errors and discrepancies so that these can be rectified. The control activities are developed and documented at company and departmental level, at an appropriate level based on the risk of errors and the effect of such errors. The executive management appoints managers responsible for each function who in the first instance are responsible for managing the risks associated with the activities and financial reporting processes of their department (so-called "first line of defence").

The procedures and processes relating to financial reporting are also controlled by TF Bank's Risk Control function ("second line of defence"). The control consists of an assessment of whether existing procedures and processes are adequate and of spot checks.

Monthly financial reports are submitted to the Board of Directors and the financial position of the Company is discussed each board meeting. The Board of Directors receives a report from the Risk Control function and the Compliance function prior all scheduled meetings.

**FURTHER INFORMATION**

Further information regarding corporate governance in TF Bank is available at [www.tfbankgroup.com](http://www.tfbankgroup.com).

## **AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT**

*To the Annual General Meeting of TF Bank AB (publ), corporate identity number 556158-1041.*

The Board of Directors is responsible for that the corporate governance statement on pages 119-128 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm 21 March 2025  
KPMG AB

Dan Beitner  
*Authorised Public Accountant*  
*Auditor in Charge*

A photograph of a wooden staircase leading down a hillside. The stairs are made of weathered wood and have wooden railings on both sides. The path leads down towards a body of water, likely a lake, in the background. There are many trees, including evergreens and deciduous trees, surrounding the path. The lighting suggests it might be late afternoon or early morning, with some trees showing a golden glow. An orange banner is overlaid at the top of the image with the text 'SUSTAINABILITY REPORT' in white capital letters.

# SUSTAINABILITY REPORT

# SUSTAINABILITY REPORT

This is TF Bank's statutory Sustainability Report for the financial year 2024. The report comprises the Parent company TF Bank AB (publ) corporate identity number 556158-1041 including subsidiaries.

**At TF Bank, our goal is to contribute to financial inclusion by offering responsible lending. In a functioning economy, responsible lending is a necessary and important product category. We aim to provide our customers the opportunity to access the products and services they need in a sustainable and responsible manner. In December 2020, TF Bank's Board of Directors adopted a sustainability program with four focus areas, which are described in more detail in this report.**

## Business model

TF Bank offers consumer banking services and ecommerce solutions through a proprietary IT platform with a high degree of automation. Our marketing strategy focuses on providing easily accessible, straight-forward credit and deposit products with simple terms and with high availability. We are constantly refining, adapting, and improving our digital processes to support sustainable, organic growth and to ensure we remain accessible to creditworthy individuals.

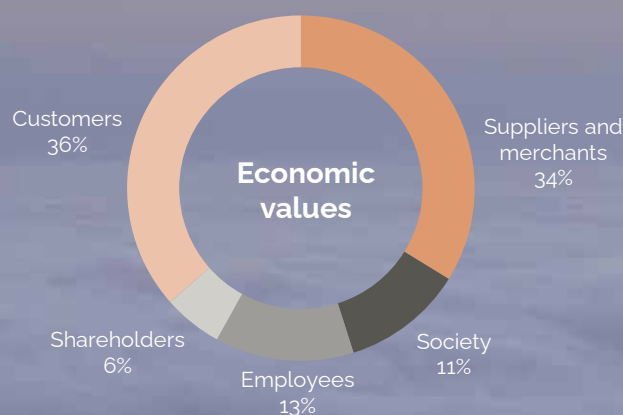
TF Bank operates across the Nordics, the Baltics, Poland, Germany, Austria, Spain, Ireland, the Netherlands and Italy. While maintaining a strong digital presence, we recognise the importance of being able to provide personal service when necessary. TF Bank has local presence in nine of the fourteen countries where we operate.

## Sustainability governance

The Board of Directors adopts the sustainability policy and approves the Sustainability Report and is hence ultimately responsible for the Bank's sustainability work. The CEO decides on the sustainability strategy, including plans, goals and performance indicators, and report these to the Board. The sustainability policy is adopted on a yearly basis and includes all sustainability aspects according to the Swedish Annual Accounts Act: environment, social sustainability, employees, anti-corruption and human rights, and describes our work and governance relating to sustainability. The sustainability policy also describes the importance of integrating sustainability in the operations.

## Significant events during the year:

- The Bank's ESG function has been expanded through the appointment of a Head of ESG.
- During the year, TF Bank prepared a climate report for 2024.
- Through its collaboration with the UN Global Compact, TF Bank conducted a Communication on Progress (CoP) in 2024.
- Steps to prepare for CSRD implementation were initiated in 2024.



TF Bank generates economic values for most of its stakeholder groups: deposit account customers in the form of interest payments, employees in the form of salaries, suppliers and business partners for purchases of services, shareholders in the form of dividends, and society at large in the markets where we are active through taxes and fees.

# TF BANKS SUSTAINABILITY PROGRAM

TF Banks sustainability program aims to integrate sustainability throughout the entire organisation. The sustainability programme includes four sustainability areas: responsible lending, business ethics and governance, attractive employer and climate change. Through a materiality analysis, these areas have been assessed as the most significant in terms of TF Bank's impact on its surroundings. Within each area, there are also a number of measurable key point indicators that illustrate the development over time. In addition to the four focus areas, the Bank engages in selected social partnerships. The diagram below illustrates how TF Bank integrates sustainability and how sustainability efforts are linked to the UN's Sustainable Development Goals. Read more about TF Bank's materiality analysis on page 139.



<sup>1</sup> See UN's Sustainable Development Goals on page 141.

## DEVELOPMENTS IN TF BANK'S SUSTAINABILITY EFFORTS

**Our goal is to create an equitable environment where everyone feels included. In my experience, happy employees are more likely to excel in their roles and contribute to the success of the organisation.**

- We strive to be a company that is valued by both the public and our employees, irrespective of gender, ethnicity or sexuality. Our goal is to create an equitable environment where everyone feels included. In my experience, happy employees are more likely to excel in their roles and contribute to the success of the organisation.

Dalia joined TF Bank in 2022 and has since held various positions. She is Country Manager for Lithuania and was appointed Head of ESG (Environmental, Social, and Governance) in 2024. Sustainability has long been a key interest for Dalia.

- I've always been interested in consumer loans and its regulation, which led me to pursue a role in this field. Sustainability is another area of interest. I began exploring this topic in 2021, following the introduction of new EU regulations on ESG. When the opportunity to work on sustainability at the Bank arose, I saw it as a chance to apply my knowledge and work toward meaningful improvements.

The Bank published its first sustainability report in 2018 and has since been working to improve its sustainability practices and align its operations with the evolving requirements of sustainability legislation.

- The EU's Corporate Sustainability Reporting Directive (CSRD) applies to all businesses. Due to the Bank's size in terms of employees and revenue, we are required to begin reporting in 2026 covering the 2025 financial year. In our ESG efforts we follow three core principles: transparency, accountability, and the "comply or explain" approach. These principles guide us as we establish internal processes for data collection and reporting.



Although certain CSRD legal requirements do not apply to the Bank due to the nature of the services provided, we have proactively addressed the most significant requirements in advance.

- We've already taken steps to reduce several sustainability risks. However, the new legislation encourages us to reassess these risks from new perspectives to ensure we meet the evolving standards.

Responsible lending has been a cornerstone for the Bank since its inception. Moreover, we place great emphasis on fostering a healthy and inclusive work environment where everyone has the equal opportunities to grow and develop in their roles.

*Interview with:  
Dalia Kubiliūtė  
Country Manager Lithuania and Head of ESG*

## TF BANK'S FOCUS AREAS IN SUSTAINABILITY

TF Bank works systematically with four focus areas. The focus areas were chosen by the Board based on the materiality analysis, taking into account our business operations and the risks and opportunities they entail.

Area	Purpose and Relevance	Our promise	Sub-areas	SDG
<b>Responsible lending</b>	Responsible lending activities are business critical and contribute to low loan losses for TF Bank and a well-functioning economy in general.	For every individual application, we ensure accurate credit assessment through our established credit granting process that is continuously being tested, developed and improved.	<ul style="list-style-type: none"> <li>• Growth in a controlled manner</li> <li>• Customer protection</li> <li>• Financial inclusion</li> </ul>	8
<b>Business ethics and governance</b>	Good business ethics and sound corporate governance are basic prerequisites for TF Bank's values and trust from customers, employees and the market, and also contribute to public trust in the financial sector.	We always act responsibly with a clear focus on regulatory compliance and high risk awareness.	<ul style="list-style-type: none"> <li>• Anti-corruption, AML and prevention of terror financing</li> <li>• Data security and customer integrity</li> <li>• Sound corporate governance and efficient risk management</li> </ul>	16
<b>Attractive employer</b>	By attracting talented employees with different experiences and perspectives, we create the innovative climate required for long-term business success.	We offer a physically, mentally and socially healthy and developing workplace for all employees.	<ul style="list-style-type: none"> <li>• Diversity and equality</li> <li>• Safe work environment</li> <li>• Competence development</li> </ul>	5, 8
<b>Climate change</b>	Climate change is the most important societal issue of our time, and despite its small direct environmental impact, TF Bank will contribute to the global goals and to reducing our global footprint on the environment.	We will reduce our own impact and contribute to reduced climate impact through our services.	<ul style="list-style-type: none"> <li>• Reduce own climate impact</li> <li>• Digital processes</li> <li>• Contribute to energy transition</li> </ul>	7

### Responsible lending

KPIs	2024	2023
Loan loss ratio (%)	4.3	4.0
Income from late payments (%)	5.2	6.1
Number of loan applications	11,409,505	12,300,899
- Of which denied	5,809,566	6,260,258
Average loan amount (SEK)	15,194	15,594
Share of markets with local customer service (%)	75	77

#### *Sub-area 1: Growth in a controlled manner*

TF Bank prioritises organic growth in a controlled manner. With well-developed responsible credit assessment processes and relatively low loan amounts and short repayment terms, calculated risks are taken that can be quickly adjusted when the conditions on macro level change. It is inevitable that loan losses in absolute terms increase as the loan portfolio grows. However, our goal is to maintain the net loan loss ratio at a stable level annually. To manage this growth, the Bank regularly reviews and adjusts its risk management strategies, ensuring that it remains agile and responsive to changes in both the macroeconomic environment and customer needs.

TF Bank also places significant emphasis on maintaining a strong capital base and liquidity position to absorb potential macroeconomic crises and continue offering responsible lending solutions to customers, during periods of economic uncertainty.

#### *Sub-area 2: Customer protection*

To become a customer of TF Bank, the applicant must have no payment defaults and must demonstrate financial margins, which is assessed through a calculation of residual income. During the credit assessment process, we also investigate whether taking a loan with us could lead to an unsustainable level of indebtedness for the customer. Additionally, TF Bank is characterised by relatively low loan amounts and short repayment terms, which increases the likelihood that our customers will be able to repay their loans, even if their financial circumstances change.

To further protect our customers against financial changes, we offer insurance options in the Nordics and Germany to cover payment suspension in the event of unemployment or illness, as well as life insurance.

TF Bank is also committed to offering transparent and easily understandable loan terms, helping customers make informed decisions before committing to a loan. This transparency is reinforced by accessible customer service and clear communication at every step of the borrowing process.

Should the customers encounter problems repaying their loan, we are dedicated to helping the customers. TF Bank has specially trained employees who proactively contact customers at an early stage in the event of a late payment to jointly agree on a solution and, when possible, provide advice and support. The Bank's customer support team is trained to offer flexible repayment solutions and collaborate with customers to minimise further financial strain.

### Sub-area 3: Financial inclusion

Responsible lending is a necessary and important financial product category and function in a well-functioning economy. By taking a loan, consumers can spread their expenses over time. TF Bank's products are designed with easy-to-understand terms and high availability, with the ambition of meeting the needs of creditworthy individuals who require a loan. Our lending therefore combines automated processes with manual processing. Our automated credit assessment process allows us to provide customers with efficient credit management while also ensuring an accurate credit assessment.

#### Credit assessment

In 2024, we processed around 11.4 million loan applications (12.3), of which above half were denied credit as a result of our robust credit assessment. In each case, we ensure accurate credit assessment through our established credit assessment process that is continuously being tested, developed and improved. Our long experience in the industry, our various geographical markets and different economic conditions, have given us the know-how and data to be able to develop our models.

At TF Bank, we believe in responsible lending and always prioritise our customers' financial well-being. Every credit assessment is conducted with care, following good lending practices and ensuring that loans are suited to each individual's financial situation. Thanks to our knowledgeable local staff and expertise, we provide a smooth and transparent process by verifying information directly with our customers. When necessary, we may request supporting documents such as pay slips, tax returns, and bank account statements. Depending on local market practices, we use all or some of these sources to ensure accurate assessments. Our goal is to ensure that every customer has the financial capacity to manage their loan comfortably, fostering long-term financial stability and trust.

### Business ethics and governance

KPIs	2024	2023
Number of customer complaints	452	119
Number of reported GDPR breaches	7	0
Number of reports to whistle-blower function	0	0
Tax payments (SEK thousand)	219,828	166,552

#### Sub-area 1: Anti-corruption, AML and prevention of terror financing

Corruption primarily refers to the giving or accepting of a bribe or undue benefit, as well as inappropriate conduct in conflicts of interest. Running operations in a manner that prevents corrupt practices from taking root is essential for maintaining the trust of our customers, employees, and the market. The Bank's anti-corruption efforts are based on the Bank's code of conduct, which encompasses all employees. The code of conduct is reviewed and updated every year, and the updated code is shared with the Bank's employees. Furthermore, anti-corruption training is carried out regularly to give employees guidance on how to act in the best way if they experience uncertainty in a relationship or business relationship. All in all, this contributes to an awareness among all employees that the work with anti-corruption is an ongoing process.

We work proactively to prevent TF Bank from being used for money laundering or terrorist financing both to counteract this societal problem and to protect our customers. The work takes place within the framework of the risk assessment and know your customer (KYC) process carried out on each new customer in the Bank. Thereafter, transactions and activities are continuously monitored. Suspected cases of money laundering or terrorist financing are investigated and reported to the relevant authorities in each market. In addition, the Bank continually updates its monitoring systems to enhance detection capabilities and stay ahead of evolving risks.

To ensure that all employees are equipped with the knowledge and tools to identify and address risks related to corruption, money laundering, and terrorist financing, TF Bank provides comprehensive training programs. These training sessions are mandatory for all employees and are regularly updated to reflect the latest regulatory changes, emerging risks, and best practices. Employees are educated on how to recognise and report suspicious activity and ensure compliance with internal and external regulations.

To maintain a high level of business ethics, TF Bank has a whistleblower function where suspected cases of deviations from the Code of Conduct, violations of internal or external regulations, as well as money laundering and terrorist financing can be reported anonymously. The whistleblower function is available on the Bank's website and is accessible for all stakeholders. TF Bank ensures that reports made through this function are treated with the utmost confidentiality and in accordance with the high standards of integrity.

TF Bank has also adopted the Code of Conduct for Suppliers. The Bank's suppliers are evaluated on the basis of different premises, including their own anti-corruption and AML practices. The Code of Conduct for Suppliers is distributed to suppliers who then will approve our code of conduct for suppliers or demonstrate that they have an internal equivalent code of conduct. The Bank's compliance function ensures that annual follow-ups of suppliers in relation to the code of conduct are conducted.

#### *Sub-area 2: Information security and GDPR*

TF Bank works preventively with systematic information security. We continuously adapt the security measures based on the organisation's needs and risks in accordance with regulatory requirements, good practice and ethical standards.

We also require that persons who process personal data undertake confidentiality through written agreements and strict information security measures. This also applies to our suppliers, which is established in our Code of Conduct for Suppliers.

Personal data is handled by TF Bank in a correct and appropriate way. We work to ensure that the personal data we process is correct, complete and up to date. Personal data is protected by bank secrecy, which means that TF Bank may not disclose personal data to unauthorised persons. The Bank also has extensive routines for processing personal data in accordance with GDPR and related local regulations.

To support these efforts, TF Bank provides ongoing training to employees on information security and data protection. This ensures that all personnel are equipped with the knowledge and awareness necessary to handle personal data securely and responsibly, in line with the Bank's policies and legal obligations.

#### *Sub-area 3: Sound corporate governance and efficient risk management*

TF Bank follows the Swedish Code of Corporate Governance and uses a well-proven model for corporate governance with clear responsibilities, guidelines and policies in all significant areas.

The Company's risk management is based on three lines of defence that start in the ongoing operations, which include all employees. The second line comprises the independent control functions and risk control, which review, evaluate and report to management and the Board of Directors regarding risks and compliance. The third line consists of internal audit, which is an independent audit function directly subordinate to the board. The internal audit is mainly responsible for providing the Board with reliable and objective evaluation of risk management, financial reporting and control and governance processes in order to reduce the presence of risks and improve the control structure.

TF Bank is committed to maintaining a robust governance framework that supports both short-term objectives and long-term sustainable growth. TF Bank continually reviews and refines its governance practices to adapt to changing regulatory requirements and market conditions. Moreover, the Bank ensures transparency and regular communication with stakeholders to foster trust and accountability across all levels of operation.

More information about TF Bank's corporate governance can be found in the corporate governance report on page 118-128.

## Attractive employer

KPIs	2024	2023
Number of employees	417	380
- Of which women	223	210
- Share of women (%)	53	55
Share of female members of Board of Directors and executive management (%)	21	21
- In Board of Directors (%)	17	17
- In operational management (%)	25	25
Number of nationalities in Board of Directors	1	1
Average age of employees	35	33
Sick absence (%)	3	6
Staff turnover rate (%)	25	16
Number of part-time employed students	16	24

### *Sub-area 1: Diversity and equality*

At TF Bank, all shall be treated with respect and dignity in accordance with our business principles. TF Bank strives for long-term business success and believes that employees with diverse experiences and perspectives are a crucial factor in creating the innovative climate required to achieve this. Our success depends on the diversity and competence of our employees, who are our most important asset. The area of diversity and equality is addressed in our Code of Conduct.

We work to ensure that all employees have the same rights, obligations and opportunities in all important areas of life. Important aspects of our gender equality work are to facilitate the opportunities to reconcile work and parenthood, to prevent and deter discrimination, to work for an even gender distribution within our operations and to give all employees equal pay and conditions for equal work. Additionally, TF Bank aims to create an inclusive workplace where individuals from all backgrounds feel valued and have equal career opportunities.

### *Sub-area 2: Safe work environment*

All employees within TF Bank shall have an inspiring and safe work environment, both physically and psychosocially. The physical work environment must be designed to promote health and safety, and all employees must have a good ergonomically designed workplace. Great emphasis is placed on preventive work environment measures, which takes place in close collaboration between management, employees, the safety organisation and occupational health care. TF Bank continuously evaluates its efforts in the work environment area in order to be able to make continuous improvements in the daily work environment. By fostering a supportive work environment, the Bank aims to ensure that all employees feel safe, valued, and empowered to perform at their best.

### *Sub-area 3: Competence development*

A basic principle for TF Bank is to provide all employees with the opportunity for development and training. We continuously train all employees in issues that affect their own work tasks, as well as in broader and business-critical issues such as money laundering and personal data protection. Based on development talks between each employee and the immediate manager, individual goals are set with the opportunity for individual development based on needs and ambitions. The ambition is for all employees to understand their role and the importance of their own work, to be able to influence their work situation, to feel responsible for their tasks and to develop their skills.

### *Subarea 4: Human Rights*

TF Bank respects universal human rights in all countries where the Bank operates. The Bank supports the UN's Universal Declaration of Human Rights and associated conventions. In 2022, TF Bank joined the UN's Global Compact initiative. This collaboration serves as an important factor in TF Bank's active work with human rights. By joining the UN's Global Compact, the Bank commits to communicating its progress (CoP) on their ten principles for human rights, labour rights, environment, and anti-corruption, as well as the SDGs.

As part of its commitment to human rights, TF Bank works with partners, suppliers, and stakeholders to ensure ethical practices are upheld throughout our supply chain. Business operations and collaborations are regularly assessed to identify any potential risks to human rights and take appropriate action to mitigate them. The dedication to protecting human rights is integrated into all aspects of the operations, from recruitment and labour conditions to customer interactions and environmental impact.

The Bank also wants to be a springboard to working life and in several markets there are opportunities for part-time work while studying.

## Climate change

### *Sub-area 1: Reduce own climate impact*

Despite limited direct environmental impact, TF Bank aims to contribute to the SDGs and reduce its environmental footprint. The Bank has a Sustainability policy that is regularly updated. This policy has been adopted by the Board of Directors and is accessible for all employees of the Bank. During the year, the Bank has taken steps to reduce its environmental footprint, including calculating its carbon footprint in collaboration with external consultants.

The indirect environmental impact occurs mainly through scope 3, specifically our suppliers' energy usage. The Bank uses a cloud-based server solution that is considered more secure and is more energy efficient than having own servers. The server hall used is powered by 100% green electricity and is environmentally certified according to ISO 14001.

The calculation is based on the Greenhouse Gas protocol (GHG-protocol) and is estimated using the consolidation method with an operational control approach. The Bank's climate impact has been calculated using the market-based method. Measurements have been made within scope 1 (refrigerants and service vehicles), scope 2 (electricity, district heating, and district cooling), and part of scope 3 (business travel and indirect life cycle emissions related to material emission sources).

TF Bank is also committed to continuously improving its climate impact data and transparency. The Bank plans to regularly update its sustainability efforts and share progress with stakeholders, ensuring continued alignment with legal environmental regulations.

KPIs	2024	2023
Climate impact (t CO <sub>2</sub> e)	577.7	534.9
Climate impact per employee (t CO <sub>2</sub> e / FTE)	1.39	1.41
Climate impact per net sales (t CO <sub>2</sub> e / MSEK)	0.24	0.27
Climate impact per office space (t CO <sub>2</sub> e / m <sup>2</sup> )	0.1	0.02
Energy consumption per office space (kWh / m <sup>2</sup> )	110.41	159.93

As TF Bank's operations are located in several countries, video conferencing opportunities have been prioritised in all branches to reduce the company's environmental impact in the form of travel, and to facilitate meetings between the Bank's various units.

In our offices, we ensure that we have well-functioning recycling procedures. Paper, cartons, toner and electronic equipment are sorted and left for recycling. Our office supplies are mainly purchased from environmentally certified suppliers and we strive to choose environmentally friendly products.

We consider it of utmost importance that our suppliers follow high ethical standards and act responsibly which is why we have adopted our Code of Conduct for Suppliers. The document is distributed to suppliers who then will approve our Code of Conduct for Suppliers or demonstrate that they have an internal equivalent Code of Conduct.

### *Sub-area 2: Digital processes*

TF Bank is on a digitalisation journey continuously monitoring and reviewing new digital solutions that contribute to reducing its environmental footprint while improving the customer experience and making developments to internal processes thereafter. The majority of new lending takes place digitally through loan intermediaries on all channels. By embracing cutting-edge technologies, such as AI and machine learning, the Bank is not only streamlining operations but also ensuring that its products and services remain sustainable. We strive to reduce our paper use through several different initiatives. We encourage our customers to sign loan agreements electronically and have come a long way in this work in all markets. The percentage of invoices sent digitally amounted to 89 % during 2024.

Both in our marketing and in our administration, we use Nordic eco-labelled or FSC-labelled products, both in terms of paper, envelopes and cartons. In the Ecommerce Solutions segment, we offer our partners an AI tool, Avarda Return Optimiser, to reduce their return rates, which in turn contributes to reduced transports.

# MATERIALITY ANALYSIS

TF Bank's operations are both affected by and have an impact on several different stakeholder groups. The Company has an ongoing dialogue with the groups identified as primary stakeholders.

Stakeholders	Type of dialogue / channels	Key issues 2024
Customers (existing and new)	<ul style="list-style-type: none"> <li>- Credit granting process</li> <li>- Customer service contacts</li> <li>- Marketing</li> </ul>	<ul style="list-style-type: none"> <li>- Robust credit assessment</li> <li>- Artificial Intelligence (AI) and automation</li> <li>- Quality of service</li> </ul>
Capital markets (shareholders, investors, analysts)	<ul style="list-style-type: none"> <li>- 1-1 meetings</li> <li>- AGM</li> <li>- Press releases</li> <li>- Interim reports</li> <li>- Website</li> <li>- Materiality analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Development of credit cards and e-commerce solutions</li> <li>- Implementation of CSRD requirements</li> <li>- Responsible lending</li> <li>- Artificial Intelligence (AI) and automation</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Intranet</li> <li>- Employee survey</li> <li>- Development talks</li> <li>- Materiality analysis</li> </ul>	<ul style="list-style-type: none"> <li>- The transformation to becoming at European Bank</li> <li>- Artificial Intelligence (AI) and automation</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>- 1-1 meetings</li> <li>- Negotiations</li> <li>- Materiality analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation of CSRD</li> <li>- Geopolitical and macroeconomic uncertainty</li> </ul>

TF Bank's materiality analysis identifies the most material sustainability areas for the operations and the overall industry. Based on this survey, a selection has been made with the help of selected stakeholders and compiled as follows. This forms the basis for TF Bank's sustainability program, which was adopted in 2020.



The results of the materiality analysis show that certain sustainability aspects, such as responsible lending, business ethics and regulatory compliance, should be given high priority. The Bank has created the focus areas of *responsible lending* as well as *business ethics and governance* in order to be able to actively work with these sustainability issues. The sustainability aspects such as staff development and emissions, etc., are also included in the Bank's sustainability program through the focus areas *attractive employer* and *climate change*.

<sup>1</sup> See UN's Sustainable Development Goals on page 141.  
<sup>2</sup> Initiative prior to the adoption of the sustainability program in 2020

## RISKS RELATED TO SUSTAINABILITY

All our risk categories can include a sustainability perspective. The Board of Directors has the ultimate responsibility for limiting and following up on the sustainability risks. The main principle of the risk management is based on the three lines of defence, the first being the ongoing operations, the second comprising Compliance, Information Security and Risk Management functions and the third comprising the Internal Audit. In addition to the risks being described in Note G3 of the annual report, TF Bank has identified the following specific sustainability risks:

Sustainability risk	Consequence	Management
<b>Excessive indebtedness</b> The risk that TF Bank contributes to excessive indebtedness in society	The trust in TF Bank and the financial sector as a whole may decrease, customers may face financial difficulties	For every individual application, TF Bank ensures accurate credit assessment through our established credit granting process that is continuously being tested, developed and improved.
<b>Compliance</b> The risk that TF Bank fails to comply with current regulations in its markets	The trust in TF Bank and the financial sector as a whole may decrease, TF Bank may impose sanction fees or, in a worst-case scenario, lose permissions	TF Bank's compliance function continuously work to ensure that TF Bank fulfils all applicable regulations, often in close dialogue with local supervisory authorities. A whistleblower function is available on the Bank's website.
<b>Corruption</b> The risk that TF Bank's employees act on their own interest and in violence with the company's code of conduct	The trust in TF Bank may decrease	All employees undergo training in the code of conduct, and special training regarding anti-corruption. The training provides guidance in how to act if being uncertain in a relation or business situation.
<b>Money laundering and terror financing</b> The risk that TF Bank's services are used for money laundering and terror financing	The trust in TF Bank and the financial sector as a whole may decrease, TF Bank may impose sanction fees or, in a worst-case scenario, lose permissions	Risk assessment and KYC process for every new customer in the Bank. Continuous monitoring of transactions and activities. Suspicious activities are reported to relevant authorities.
<b>Suppliers</b> The risk that TF Bank's suppliers act in a way that may harm the Bank's operations or trust in the market	TF Bank may suffer both from a trust and financial perspective	TF Bank evaluates suppliers based on various criteria. The Bank has a code of conduct for suppliers, and an annual follow-up is conducted.
<b>IT and data security</b> The risk that TF Bank becomes the target of an IT attack or data breach with the purpose of obtaining customer data or exposing customers to fraud	TF Bank's customers may suffer financially or integrity-wise, the trust for TF Bank in the market may decrease, which could lead to outflows	TF Bank works preventively with systematic information security.
<b>Health and safety</b> The risk that TF Bank's employees suffer from illness or that the workplaces don't fulfil work environment requirements	TF Bank may lose staff, the employer brand may be harmed, and TF Bank could as a consequence face difficulties to recruit new employees	TF Bank works with preventive work environment activities in close cooperation between management, staff, the work safety organisation and occupational health. TF Bank continually evaluates the Company's efforts regarding work environment in order to be able to continuously improve the work environment.

## Corporate Sustainability Reporting Directive (CSRD)

TF Bank will be subject to the new EU directive for sustainability reporting, from the fiscal year 2025 with the first reporting 2026. This means that the Bank will report according to European Sustainability Reporting Standards (ESRS). The directive entails increased requirements for more comprehensive disclosures and information related to sustainability than what is currently required. In relation to this, the Bank conducted a double materiality analysis and a gap analysis during the year. In 2025, TF Bank will continue to develop the analysis and establish additional processes to ensure full regulatory compliance.

## UN Sustainable Development Goals

TF Bank has identified the UN SDGs number 5, 7, 8 and 16 as most relevant in relation to its operations and where the largest contributions are made. In addition, TF Bank contributes through social partnerships within goal 4.



5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life



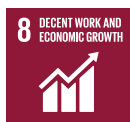
16.4 Significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime  
16.5 Substantially reduce corruption and bribery in all their forms



7.1 Ensure universal access to affordable, reliable and modern energy services  
7.2 Increase substantially the share of renewable energy in the global energy mix



4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship  
4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations



8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value  
8.6 Substantially reduce the proportion of youth not in employment, education or training  
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment  
8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

## Social partnership

TF Bank also cooperates with PlayOnside, which is based in the Thai border town of Mae Sot on the eastern border with Myanmar. In Myanmar one of the most serious humanitarian crises in the world is taking place with internal conflict contributing to thousands of civilian casualties, forced relocations and resettlement in other countries. PlayOnside uses the power of football to educate and empower displaced Myanmar refugees and immigrants. Now, every weekend, about 700 children from 22 different migrant schools gather to play, learn and compete while making new friends and expanding their network in the process.

## **AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT**

*To the Annual General Meeting of TF Bank AB (publ), corporate identity number 556158-1041.*

The Board of Directors is responsible for the sustainability report on pages 131-141, and that it is prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Stockholm 21 March 2025  
KPMG AB

Dan Beitner  
*Authorised Public Accountant  
Auditor in Charge*

# BOARD OF DIRECTORS



**JOHN BREHMER**  
Chairman of the Board since 2020. Board member since 2010.

**Born:** 1965

**Education:** MSc in Business and Economics, industrial marketing, Stockholm School of Economics.

**Current directorships:**  
Chairman: Mederion AB, Tiberon AB, Zebware AB.  
Board member: Consortio Invest AB, Consortio Business Center AB and Consortio CS Holding AB.

**Holdings in Company:**  
3,371,791 shares<sup>1</sup>

Independent of the Company and its management. Affiliation with major shareholders.



**MICHAEL LINDEGREN**  
Board member since 2021.

**Born:** 1956

**Education:** MSc in Business and Economics, Gothenburg University.

**Current directorships:**  
Chairman: AACrap Aktiebolag and Simplicity Stiftelsestjänst AB.  
Board member: Simplicity AB, Sparbanksstiftelsen Sjuhärad and Sparbanken Sjuhärad AB (publ).

**Holdings in Company:** 5,000 shares<sup>1</sup>

Independent of the Company, its management and major shareholders.



**ARTI ZEIGHAMI**  
Board member since 2023.

**Born:** 1970

**Education:** Studied Electrical Engineering, the Royal Institute of Technology in Stockholm and Business Administration, Stockholm University.

**Current directorships:**  
No current directorships.

**Holdings in Company:** 0 shares<sup>1</sup>

Independent of the Company, its management and major shareholders.



**NIKLAS JOHANSSON**  
Board member since 2022.

**Born:** 1961

**Education:** B.A., Linköping university, MBA, Uppsala university and CEFA, Stockholm School of Economics.

**Current directorships:**  
Chairman: Nordisk Renting AB.  
Board member: Livförsäkringsbolaget Skandia, Trustly AB and Euroclear Sweden AB.

**Holdings in Company:** 439 shares<sup>1</sup>

Independent of the Company, its management and major shareholders.



**SARA MINDUS**  
Board member since 2020.

**Born:** 1972

**Education:** Master of Laws and BSc in Business Administration at Stockholm University.

**Current directorships:**  
Board member: Besqab AB (publ), K-Fast Holding AB (publ), Dreams AB, Colibri Ventures AB, Faboss Invest AB and Duco Förvaltning AB.  
Board member and CEO: Sara Mindus AB

**Holdings in Company:** 25,000 shares<sup>1</sup>

Independent of the Company, its management and major shareholders.



**FREDRIK OWESON**  
Board member since 2022.

**Born:** 1968

**Education:** M.Sc. Business and Administration, Stockholm School of Economics.

**Current directorships:**  
Chairman: Scope Capital SA and Woffel SA.  
Board member: Klättermusen Aktiebolag, MaiScope TopCo ApS and Woodberry Ltd.

**Holdings in Company:** 0 shares<sup>1</sup>

Independent of the Company, its management and major shareholders.

<sup>1</sup> Refers to directly or indirectly holdings as of December 31, 2024.

# EXECUTIVE MANAGEMENT



**JOAKIM JANSSON**  
CEO

**Born:** 1976

**Education:** PhD in Economics, Uppsala University.

At TF Bank since 2023 as CEO. Has previously held leading positions within Swedbank and Handelsbanken.

**Current directorships:**  
No current directorships.

**Holdings in Company:** 8,000 shares <sup>1</sup>



**MIKAEL MEOMUTTEL**  
CFO and Deputy CEO

**Born:** 1976

**Education:** MSc in Business/ Economics and Finance at Borås University/Gothenburg University.

At TF Bank since 2009, 2014 Deputy CEO and from 2018 also Head of IR. Previous experience: Financial controller at Consortio Fashion Group AB (CFG).

**Current directorships:**  
Chairman: Torhamnsskär Holding AB and TF Nordic AB.  
**Holdings in Company:** 34,000 shares <sup>1,2</sup>



**ESPEN JOHANNESSEN**  
COO

**Born:** 1981

**Education:** Executive MBA Management Control Norwegian School of Economics (NHH), BA Economics, Business BI Norwegian School of Management.

At TF Bank since 2015 as CEO of BB Bank 2015-2020 (now branch Norway). More than 10 year's of experience in consumer finance.

**Holdings in Company:** 22,193 shares <sup>1</sup>

# AUDITOR



**AUDITOR**

**DAN BEITNER**  
Authorised Public Accountant

Auditor in charge  
KPMG AB

<sup>1</sup> Refers to directly or indirectly holdings as of December 31, 2024.

<sup>2</sup> TF Bank's principal owners TFB Holding AB, Erik Selin Fastigheter AB, Tiberon AB and Merizole Holding Ltd have agreed on market terms with CFO Mikael Meomuttel and former CEO Mattias Carlsson on an incentive program consisting of call options regarding shares in TF Bank. The incentive program has a term of approximately five years. The call options have been acquired on market terms and no compensation cost has been reported by the company and will not be reported during the remaining part of the five-year period.



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