TFBank

Corporate identity number 556158-1041

Interim report

January - June 2015

The Group

TF Bank has operations in Sweden, Finland, Norway, Denmark, Estonia, Latvia and Poland through four companies and two branches. The Group's principal business is lending to the public through two segments: Direct Consumer Business ("Consumer Business") and Sales Finance & E-Commerce ("Sales Finance"). Consumer Business comprises mainly of loans of limited amounts to private individuals. Sales Finance provides funding solutions for the handling of installment payments. The Group also accepts deposits from the general public in Sweden and Finland.

First half year 2015

- Operating profit increased by 14 per cent to EUR 7.5 million (EUR 6.5 million)
- Agreements with 10 new companies with a total turnover of EUR 620 million
- Implementation of custom developed general ledger (GL) system

Consolidated key figures

EUR '000	Jan-Jun 2015	Jan-Jun 2014	Jul 2014-Jun 2015	Jan-Dec 2014
Operating income	25 635	20 050	50 570	44 985
Operating profit	7 477	6 534	14 936	13 993
Earnings per share[1], euro	0,28	0,24	0,55	0,51
Loans to the public	177 591	177 775	177 591	173 940
Credit volume[2]	86 650	52 026	165 412	130 788
CET 1[3]	34 471	27 163	34 471	28 479
CET 1 ratio[4], %	15,5	13,5	15,5	13,3
FTE[5]	68	45	60	51

[1] The net profit attributed to the majority shareholders divided by the average number of shares.
[2] The paid-out credit (the cash flow) in the period, for Sales Finance the volume is reduced by product returns.
[3] Common equity Tier 1, which is common equity excluding proposed dividend and intangible assets according to Regulation (EU) No 575/2013 (CRR).
[4] The common equity Tier 1 divided by the total risk exposure amount.
[5] Total full time employees including parental leave.

Unless otherwise stated the numbers in brackets for the income statement relate to H1 2014 while for the balance sheet the figures relate to 31 December 2014.

Significant events and comments regarding the Group's development during the period

TF Bank's positive economic development continued during the first half of 2015, with the Group continuing to deliver good growth and high profitability. Operating profits improved by 14 per cent compared to the same period in 2014 and operating income increase with 28 per cent.

In the Sales Finance, Intrum Justitia became a part-owner of Avarda (49 per cent) after a directed share issue. Avarda's geographical jurisdiction will be the Nordic countries. During the interim period, the Group signed deals with ten new merchants who together have a turnover of approximately EUR 620 million. The Group's Sales Finance segment is set to enter an expansive growth phase during the second half of 2015 and going forward, as we see that the offer has been well received within the competitive Nordic market.

The level of competition within the Swedish direct to consumer segment has been tough, which has affected the Group's possibilities to increase its Swedish customer base at a reasonable cost. In the other markets, the competition is more favourable and the growth has been strong in both Estonia and Poland. The establishment of a branch in Gdansk, with a team of experienced professionals, has put the company in a strong position to handle expansive growth and profitability.

During the period the Group has been able to launch its own GL system, Titan, on time and on budget. The launch occurred in May and has incorporated, initially, the loan portfolios in both Estonia and Poland.

The macro economic climate, with slowed GDP growth and negative interest rates in several of the Group's markets, continued to dominate the European stage. The low interest rates have however increased interest in TF Banks savings products and the Group increased deposits with EUR 11.5 million during the first six month. The Group's strong liquidity position creates a solid foundation for the anticipated growth in both business areas, but in particular within the Sales Finance.

During the period, TF Bank completed the agreement to acquire the Norwegian financial institution BB Finans ASA. Closing is expected to be completed during the third quarter of this year and the acquisition will have a positive impact on operating profits for 2015. Furthermore, the acquisition gives TF Bank a chance to strengthen its position in the Norwegian market within the consumer loan and credit card business. BB Finans has already entered into an innovative agreement to distribute the company's products and therefore fits perfectly into the Group's plan to make consumer financing readily available wherever it is needed, directly or through partnerships.

The Group also entered into an agreement with SafeCharge Credit Services Ltd with regard to a co-operation pertaining to their pre-paid virtual payment card. The agreement covers Sweden, Finland, Norway and all three Baltic countries. It also gives the Group an option regarding Poland and the Czech Republic.

In March 2015, Mattias Carlsson was voted Chairman of the Board and Declan Mac Guinness assumed the role of CEO.

In summary, the Group is well positioned to accelerate the already proven growth story, albeit under controlled circumstances. The internal organization has been strengthened, not least with regard to risk management and especially with regard to IT.

Results and financial position

Operating income increased by 28 per cent to EUR 25.6 million (EUR 20.1 million) for the first six months. The increase is attributed mainly to the Sales Finance segment, which was launched in May 2014 when the Group acquired the assets, containing an existing credit portfolio, related to the business of a large vendor. The Group's interest expenses have fallen slightly despite deposits from the public increasing by EUR 45.6 million. Net fee and commission income rose sharply for Sales Finance, but also for Consumer Business mainly due to higher revenues from the Group's insurance premiums.

Operating expenses amounted to EUR 12.2 million (EUR 7.5 million). Costs related to the Sales Finance segment in the form of payments to partners is included in other operating expenses and they are only included for two months in the comparative period. The results for the Sales Finance segment for the six months in 2015 were negatively impacted by the initial start-up costs of the joint-venture Avarda. The operating expenses for Consumer Business have increased only marginally compared to the first half of 2014.

Operating profit improved to EUR 7.5 million (EUR 6.5 million), representing growth of 14 per cent. Net loan losses decreased marginally despite a significantly higher average customer balance compared to the first half of 2014. During the interim period, agreements were signed which means that the Group obtains higher prices on the sale of non-performing loans to debt collection agencies.

Loans to the public increased by EUR 3.7 million to EUR 177.6 million (EUR 173.9 million) during the first half of 2015. The Group's trade receivables in Consumer Business increased by 16 per cent in Estonia and 28 per cent in Poland, despite a focus on building a platform for future growth during the first six months. New contracts in Sales Finance have generated only small volumes during 2015.

Deposits from the public increased by 6 per cent to EUR 219.5 million (EUR 208.0 million) during the first six months. Changes in the level of interest rates resulted in the Swedish deposit rate being reduced from 1.55 per cent at the beginning of the year to 1.15 per cent at the end of the period. The deposit rate in Finland has remained unchanged at 1.60 per cent.

Investments during the first half of the year of EUR 0.8 million (EUR 0.3 million) is mainly attributable to a custom developed GL system for managing loans named Titan. All costs that are directly attributable to the development of the system have been capitalized as an intangible asset.

Cash and cash equivalents amounted to EUR 79.6 million at the end of the period. This is an increase of EUR 10.3 million compared with December 2014 and mainly due to increased deposits from the public and positive cash flow from operations. During the interim period, the Group reduced its holdings of Swedish treasury bills and increased its investment in Loans to credit institution where the interest rate was more favourable to the Group.

The total capital ratio remained at a comfortable level, amounting to 15.5 per cent (13.3 per cent). The Group's own funds consist solely of CET 1 capital and accordingly the CET 1 capital ratio also amounts to 15.5 per cent (13.3 per cent), which is significantly higher than legally required level.

Risks and uncertainties

The TF Bank Group is exposed to different types of risk including credit risk, market risk, liquidity risk and operational risk. In order to limit and control risk taking in the business, the Board of Directors, which is ultimately responsible for internal controls, has established policies and instructions for credit approval and other operations. For a more detailed description of financial risk and the use of financial instruments and capital adequacy, see Notes 2 and 7, and for further information see Notes 3 and 28 in the 2014 Annual Report.

Accounting policies

The interim report is prepared in accordance with IAS 34, Interim Financial Reporting. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The accounting follows the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), RFR 1 Supplementary accounting rules for groups, issued by the Swedish Financial Reporting Board, and the Swedish Financial Supervisory Authority's regulations (FFFS 2008:25).

The Group is using euro (EUR) as the presentation currency whilst the parent company TF Bank AB is using SEK as the presentation currency.

The Parent Company's accounts were prepared according to the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board, and the Swedish Financial Supervisory Authority regulations (FFFS 2008:25).

The Group and Parent Company's accounting policies, basis for calculations and presentation are essentially unchanged since the 2014 Annual Report.

Consolidated income statement

EUR '000	Note	Jan-Jun 2015	Jan-Jun 2014	Jul 2014-Jun 2015	Jan-Dec 2014
	1,2,3,9				
Operating income					
Interest income		25 425	21 159	50 656	46 390
Interest expense		-1 954	-2 069	-4 124	-4 239
Net interest income		23 471	19 089	46 533	42 151
Fee and commission income		2 397	1 138	4 485	3 226
Fee and commission expenses		-246	-159	-462	-375
Net fee and commission income		2 151	978	4 024	2 851
Net results from items at fair value		13	-18	14	-17
Total operating income		25 635	20 050	50 570	44 985
General administrative expenses		-5 464	-4 402	-10 615	-9 553
Depreciation, amortization and impairment charges of tangible and intangible assets		-227	-185	-423	-381
Other operating expenses		-6 481	-2 922	-12 160	-8 601
Total operating expenses		-12 172	-7 509	-23 198	-18 535
Profit before loan losses		13 463	12 542	27 371	26 450
Net loan losses		-5 987	-6 008	-12 436	-12 457
Operating profit		7 477	6 534	14 936	13 993
Income tax expense		-1 585	-1 437	-3 201	-3 053
Net profit for the period		5 892	5 096	11 736	10 940
Net profit for the period attributable to:					
The owners of the parent company		6 023	5 096	11 867	10 940
Minority interests		-131	-	-131	-
*Basic earnings per share**		0.28	0.24	0,55	0.51
*Diluted earnings per share **		0.28	0.24	0,55	0.51

**Outstanding number of shares was increased from 50 000 to 21 500 000 through a share split and bonus issue on 4 June 2015. Earnings per share have been restated accordingly.*

Statement of comprehensive income

EUR '000	Jan-Jun 2015	Jan-Jun 2014	Jul 2014-Jun 2015	Jan-Dec 2014
Net profit for the period	5 892	5 096	11 736	10 940
Other comprehensive income				
Items that may be reclassified subsequently to the income statement				
Currency valuation differences during the period, net of tax	646	-1 002	595	-1 053
Other comprehensive income, net of tax	646	-1 002	595	-1 053
Total comprehensive income for the period	6 538	4 095	12 331	9 887
Total comprehensive income attributable to:				
The owners of the parent company	6 667	4 095	12 460	9 887
Minority interests	-129	-	-129	-

Consolidated balance sheet

EUR '000	Note 1,2,3,4,5,9	2015-06-30	2014-12-31	2014-06-30
Assets				
Cash and balances with central banks		1 220	512	500
Treasury bills eligible for refinancing with central banks		5 437	17 030	10 877
Loans to credit institutions		72 955	51 736	18 268
Loans to the public	6	177 591	173 940	177 775
Intangible assets		1 087	506	599
Tangible assets		156	165	145
Other assets		1 358	1 130	20
Current tax assets		155	2 076	1 314
Prepaid expenses and accrued income		3 107	3 321	2 404
Total assets		263 067	250 416	211 904
Liabilities and equity				
Liabilities				
Deposits and borrowings from the public		219 462	207 964	173 814
Other liabilities		1 292	6 930	1 108
Accrued expenses and prepaid income		5 320	5 249	4 288
Deferred tax liabilities		1 260	1 293	1 676
Total liabilities		227 333	221 436	180 866
Equity	7			
Share capital (shares issued 21 500 000 of SEK 5 each)*		11 535	561	561
Other reserves		-564	-1 209	-1 157
Retained earnings		18 564	18 688	26 517
Net profit for the period attributable to the owners of the parent company		6 023	10 940	5 096
Minority interests		175	-	-
Total equity		35 733	28 980	31 018
Total equity and liabilities		263 067	250 416	211 904
Assets pledged as security	8	65 840	69 522	77 967
Commitments		None	None	None
Contingent liabilities		None	None	None

**Outstanding number of shares was increased from 50 000 to 21 500 000 and share capital has increased from SEK 5 million (EUR 561 thousand) to SEK 107.5 million (EUR 11 535 thousand) through a share split and bonus issue on 4 June 2015.*

Consolidated cash flow statement

EUR '000	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Operating activities			
Operating profit	7 477	6 534	13 993
Adjustments for items not included in cash flow			
Depreciation and amortization	227	185	381
Accrued interest income and interest expenses	-2 065	-1 807	72
Adjustment for non-cash items in operation activities	-2	18	17
Income taxes paid	350	-1 902	-2 604
	5 986	3 027	11 858
Increase/decrease in loans to the public	-287	-44 811	-43 926
Increase/decrease in other short-term claims	81	313	-1 785
Increase/decrease in deposits and borrowings from the public	7 381	8 116	47 383
Increase/decrease in other short-term liabilities	2 361	2 101	760
Cash flow from operating activities	15 521	-31 253	14 290
Investing activities			
Acquisition of tangible assets	-31	-58	-117
Acquisition of intangible assets	-747	-217	-294
Cash flow from investing activities	-779	-275	-412
Financing activities			
Group contribution paid	-6 086	-2 736	-5 924
Dividend paid	-97	-44	-94
New share issue	105	-	-
Shareholder contributions	210	-	-
Cash flow from financing activities	-5 868	-2 780	-6 018
Currency translation differences in cash and cash equivalents	1 459	-1 427	-3 962
Cash flow for the period	10 334	-35 735	3 898
Cash and cash equivalents at the beginning of the period	69 278	65 380	65 380
Cash and cash equivalents at the end of the period	79 612	29 645	69 278
Interest paid and interest received included in cash flow from operating activities			
Interest paid	4 012	3 907	4 212
Interest received	25 417	21 190	46 434

Consolidated statement of changes in equity

EUR '000	Share capital	Other reserves	Retained earnings	Net profit	Minority interests	Total equity
Balance as at 1 Jan 2014	**561**	**-155**	**16 585**	**9 978**	**-**	**26 968**
Net profit for the period	-	-	-	5 096	-	5 096
Currency translation differences, net of tax	-	-1 002	-	-	-	-1 002
Total comprehensive income for the period, net of tax	-	**- 1 002**	-	**5 096**	-	**4 095**
Transfer of previous year's net profit for the period	-	-	9 978	-9 978	-	-
Dividend	-	-	- 45	-	-	-45
Balance as at 30 Jun 2014	**561**	**-1 157**	**26 517**	**5 096**	**-**	**31 018**

EUR '000	Share capital	Other reserves	Retained earnings	Net profit	Minority interests	Total equity
Balance as at 1 Jan 2014	**561**	**-155**	**16 585**	**9 978**	**-**	**26 968**
Net profit for the period	-	-	-	10 940	-	10 940
Currency translation differences, net of tax	-	-1 053	-	-	-	-1 053
Total comprehensive income for the period, net of tax	-	**- 1 053**	-	**10 940**	-	**9 887**
Transfer of previous year's net profit for the period	-	-	9 978	-9 978	-	-
Dividend	-	-	- 99	-	-	-99
Group contribution	-	-	-9 968	-	-	-9 968
Tax effect on group contribution	-	-	2 193	-	-	2 193
Balance as at 31 Dec 2014	**561**	**-1 209**	**18 688**	**10 940**	**-**	**28 980**

EUR '000	Share capital	Other reserves	Retained earnings	Net profit	Minority interests	Total equity
Balance as at 1 Jan 2015	**561**	**-1 209**	**18 688**	**10 940**	**-**	**28 980**
Net profit for the period	-	-	-	6 023	-131	5 892
Currency translation differences, net of tax	-	644	-	-	2	646
Total comprehensive income for the period, net of tax	-	**644**	-	**6 023**	**-129**	**6 538**
Transfer of previous year's net profit for the period	-	-	10 951	-10 940	-11	-
Dividend	-	-	-99	-	-	-99
New share issue	-	-	-	-	105	105
Shareholder contributions	-	-	-	-	210	210
Bonus issue	10 974	-	- 10 974	-	-	-
Balance as at 30 Jun 2015	**11 535**	**-564**	**18 564**	**6 023**	**175**	**35 733**

Notes

Note 1 General information

Ownership in TF Bank AB is divided between TFB Holding AB (formerly Consortio Invest AB, 556705-2997), which owns 98 per cent, with the remaining 2 per cent owned by private investors.

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

Branches

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

Subsidiaries

- TFB Service OÜ (12676808) 100 per cent
- Avarda AB (556986-5560) 51 per cent
- Avarda Oy (2619111-6) 51 per cent

Note 2 Credit risk

Financial risk factors

The Group is, through its activities, exposed to several types of financial risk: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial results. TF Bank uses derivatives to hedge certain currency exposures but does not apply hedge accounting.

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

Credit risk is the risk that a counterparty causes the Group a financial loss by not fulfilling its contractual obligations. Credit risk arises primarily through loans to the public but also through cash and cash equivalents and derivatives with a positive value. Credit risk is the most significant risk in the Group and is monitored closely by the relevant functions and by the Board of Directors, which has the ultimate responsibility for managing credit risk. The Board of Directors has issued a credit policy which sets the guidelines for the Groups lending activities. A credit committee monitors the development of the levels of credit risk in the loan portfolios and determines changes and suggests updates in the Groups lending within the issued credit policy. The performance of the credit portfolio is regularly reported to the Board of Directors.

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

The Group has a debt collection unit that focuses on working with customers that have problems making payments in accordance with the contractual terms. There is also a credit department evaluating prospective customers and determining appropriate limits for each customer in accordance with the overall limits set by the Board of Directors.

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

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

The Group's loans to the public consists entirely of unsecured loans. The categories of customers and risk exposure is presented below. At the balance sheet date the credit portfolio for loans to the public is as follows:

Group

EUR '000	**2015-06-30**	**2014-12-31**	**2014-06-30**
Loans, not past due	151 994	131 346	150 190
Loans past due, 1 - 10 days	14 660	25 954	17 284
Loans past due, 11 - 69 days	6 410	12 362	6 416
Non-performing loans	7 937	7 763	7 325
Total	181 001	177 426	181 215
Provision for expected loan losses	-3 410	- 3 485	-3 440
Total loans to the public	177 591	173 940	177 775

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

Credit quality of fully performing loans

Group EUR '000	**2015-06-30**	**2014-12-31**	**2014-06-30**
Household sector			
Low risk	108 394	94 885	113 957
Medium risk	12 530	20 729	14 339
High risk	45 193	48 423	40 592
Unrated	6 947	5 564	4 563
Total household sector	173 064	169 601	173 451
Corporate sector			
Unrated	-	62	439
Total corporate sector	-	62	439

The approval of a loan application from a new customer is primarily based on information provided by the customer, information deduced from customers in the same socio demographic group and other variables regarding the individual customer retrieved from external sources. How the information is used and weighted in the model is determined from a risk perspective by an in-depth analysis of the individual customer and the Group's existing customer data base. The Group can use both internal ratings and ratings provided by external providers (credit bureaus in the respective markets) to ensure that the risk assessment is as cost effective, accurate and precise as possible. Both ratings are performed independently but can be used together in the Group's credit assessment. This rating model is only applied to new customers, whilst existing customers with a payment history and updated variables have proven to be good sources for a renewed credit assessment.

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

Group EUR '000	**2015-06-30**	**2014-12-31**	**2014-06-30**
Cash and balances with central banks			
AAA	1 220	512	500
Treasury bills eligible for refinancing with central banks			
AAA	5 437	17 030	10 877
Loans to credit institutions			
A-1+	62 636	35 623	17 415
A-1	9 901	15 038	247
A-2	418	1 074	606
Other assets			
A-1+	441	754	1
Total	80 053	70 031	29 646

Other assets refer to derivatives with a positive value.

Impairment of financial assets

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

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

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

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

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

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

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

Net loan losses

Group

EUR '000	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Change in provision for sold non-performing loans	-5 534	-5 688	-11 713
Realized loan losses	-941	-840	-1 655
Recovered from previous write-offs	407	459	893
Change in provision for other loan losses	82	61	17
Net loan losses	-5 987	-6 008	-12 457

Net loan losses are attributable to Loans to the public and categorized as loans and receivables

Note 3 Segmental reporting

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

The Board of Directors assesses the results of the Group's Consumer Business and Sales Finance. Sales Finance started in May 2014 when the bank acquired the assets relating to the business from a large vendor including a co-operation agreement.

The Board of Directors evaluates the operating segments' performance based on their operating profits.

Direct Consumer Business

Income statement

EUR '000	Jan-Jun 2015	Jan-Jun 2014	Jul 2014-Jun 2015	Jan-Dec 2014
Net interest income	16 898	16 855	33 608	33 565
Net fee and commission income	841	583	1 570	1 312
Net results from items at fair value	10	-13	11	-12
Total operating income	17 749	17 425	35 188	34 864
General administrative expenses	-3 797	-4 074	-7 639	-7 915
Depreciation, amortization and impairment charges of tangible and of intangible assets	-170	-176	-330	-336
Other operating expenses	-2 341	-1 936	-4 438	-4 033
Total operating expenses	-6 308	-6 186	-12 406	-12 284
Profit before loan losses	11 441	11 239	22 783	22 580
Net loan losses	-4 677	-5 495	-9 713	-10 531
Operating profit	6 764	5 744	13 069	12 049

Balance sheet

EUR '000	2015-06-30	2014-12-31	2014-06-30
Loans to the public			
Household sector	139 064	135 796	137 623
Corporate sector	-	62	439
Total loans to the public	139 064	135 857	138 062
Household sector			
Performing loans, net	133 928	130 528	132 591
Non-performing loans, net	5 136	5 267	5 032
Total household sector	139 064	135 796	137 623
Corporate sector			
Performing loans, net	-	62	439
Total corporate sector	-	62	439

Sales Finance & E-Commerce

Income statement

EUR '000	Jan-Jun 2015	Jan-Jun 2014	Jul 2014-Jun 2015	Jan-Dec 2014
Net interest income	6 573	2 234	12 925	8 586
Net fee and commission income	1 310	396	2 453	1 539
Net results from items at fair value	3	-4	4	-4
Total operating income	7 886	2 625	15 382	10 121
General administrative expenses	-1 666	-328	-2 976	-1 637
Depreciation, amortization and impairment charges of tangible and of intangible assets	-57	-9	-94	-45
Other operating expenses	-4 141	-986	-7 722	-4 568
Total operating expenses	-5 864	-1 322	-10 792	-6 250
Profit before loan losses	2 022	1 303	4 590	3 871
Net loan losses	-1 309	-513	-2 723	-1 926
Operating profit	713	790	1 867	1 944

Balance sheet

EUR '000	2015-06-30	2014-12-31	2014-06-30
Loans to the public			
Household sector	38 527	38 083	39 713
Total loans to the public	38 527	38 083	39 713
Household sector			
Performing loans, net	38 398	38 083	39 713
Non-performing loans, net	130	-	-
Total household sector	38 527	38 083	39 713

Group information

EUR '000

	Jan-Jun 2015	Jan-Jun 2014	Jul 2014-Jun 2015	Jan-Dec 2014
Income				
Operating income, Consumer Business	17 749	17 425	35 188	34 864
Operating income, Sales Finance	7 886	2 625	15 382	10 121
Total operating income for the Group	25 635	20 050	50 570	44 985
Operating profit				
Operating profit, Consumer Business	6 764	5 744	13 069	12 049
Operating profit, Sales Finance	713	790	1 867	1 944
Total operating profit for the Group	7 477	6 534	14 936	13 993

	2015-06-30	2014-12-31	2014-06-30
Loans to the public			
Loans to the public, Consumer Business	139 064	135 387	138 062
Loans to the public, Sales Finance	38 527	38 083	39 713
Total loans to the public for the Group	177 591	173 940	177 775

Note 4 Categorization of assets and liabilities

Group EUR '000 **2015-06-30**	Financial assets at fair value through profit or loss *Held for trading*	 *Designated at fair value through profit or loss (fair value option)*	Available for sale financial assets	Loans and receivables	Other financial assets/ liabilities	Total
Assets						
Cash and balances with central banks				1 220		1 220
Treasury bills eligible for refinancing with central banks			5 437			5 437
Loans to credit institutions				72 955		72 955
Loans to the public				177 591		177 591
Derivatives	441					441
Total assets	441	-	5 437	251 766	-	257 644
Liabilities						
Deposits and borrowing from the public					219 462	219 462
Accounts payable					514	514
Total liabilities	-	-	-	-	219 976	219 976

Group EUR '000 **2014-12-31**	Financial assets at fair value through profit or loss *Held for trading*	 *Designated at fair value through profit or loss (fair value option)*	Available for sale financial assets	Loans and receivables	Other financial assets/ liabilities	Total
Assets						
Cash and balances with central banks				512		512
Treasury bills eligible for refinancing with central banks			17 030			17 030
Loans to credit institutions				51 736		51 736
Loans to the public				173 940		173 940
Derivatives	754					754
Total assets	754	-	17 030	266 188	-	283 972
Liabilities						
Deposits and borrowing from the public					207 964	207 964
Accounts payable					470	470
Liability to TFB Holding AB					6 051	6 051
Total liabilities	-	-	-	-	214 485	214 485

Group EUR '000	**Financial assets at fair value through profit or loss**		**Available for sale financial assets**	**Loans and receivables**	**Other financial assets/ liabilities**	**Total**
2014-06-30	*Held for trading*	*Designated at fair value through profit or loss (fair value option)*				
Assets						
Cash and balances with central banks				500		500
Treasury bills eligible for refinancing with central banks			10 877			10 877
Loans to credit institutions				18 268		18 268
Loans to the public				177 775		177 775
Derivatives	1					1
Total assets	1	-	10 877	196 544	-	207 422
Liabilities						
Deposits and borrowing from the public					173 814	173 814
Accounts payable					437	437
Total liabilities	-	-	-	-	174 251	174 251

Note 5 Financial assets and liabilities at fair value

Fair value

For financial instruments valued at fair value in the balance sheet disclosures are required on fair value measurement by level in the following fair value hierarchy.

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

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

Group
EUR '000

2015-06-30	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Treasury bills eligible for refinancing with central banks		5 437		5 437
Derivatives		441		441
Total assets		5 877		5 877

Group
EUR '000

2014-12-31	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Treasury bills eligible for refinancing with central banks		17 030		17 030
Derivatives		754		754
Total assets		17 784		17 784

Group
EUR '000

2014-06-30	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Treasury bills eligible for refinancing with central banks		10 877		10 877
Derivatives		1		1
Total assets		10 878		10 878

Financial instruments in Level 2

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

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

Specific valuation techniques used to value financial instruments include:

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

For loans to the public the fair value is based on discounted cash flows using an interest rate based on the market interest rate at the balance sheet date, which was 25.66 per cent for 2015-06-30, 27.28 per cent for 2014-12-31 and 27.44 per cent for 2014-06-30. For the corporate sector the fair value is based on discounted cash flows using an interest rate based on the market interest rate, which in this case is STIBOR 90 days. At 30 June 2015 the Group no longer had any loans to the corporate sector, but at 31 December 2014 STIBOR 90 days was 0.264 per cent, and at 30 June 2014 STIBOR was 0.749 per cent.

Group EUR '000 **2015-06-30**	**Carrying amount**	**Fair value**	**Fair value gains (+)/ losses (-)**
Assets			
Cash and balances with central banks	1 220	1 220	-
Treasury bills eligible for refinancing with central banks	5 437	5 437	-
Loans to credit institutions	72 955	72 955	-
Loans to the public	177 591	177 951	-
Derivatives	441	441	-
Total assets	257 644	257 644	-
Liabilities			
Deposits and borrowing from the public	219 462	219 462	-
Accounts payable	514	514	-
Total liabilities	219 976	219 976	-

Group EUR '000 **2014-12-31**	**Carrying amount**	**Fair value**	**Fair value gains (+)/ losses (-)**
Assets			
Cash and balances with central banks	512	512	-
Treasury bills eligible for refinancing with central banks	17 030	17 030	-
Loans to credit institutions	51 736	51 736	-
Loans to the public	173 940	173 940	-
Derivatives	754	754	-
Total assets	243 972	243 972	-
Liabilities			
Deposits and borrowing from the public	207 964	207 964	-
Accounts payable	470	470	-
Liability to TFB Holding AB	6 051	6 051	-
Total liabilities	214 485	214 485	-

Group EUR '000 **2014-06-30**	**Carrying amount**	**Fair value**	**Fair value gains (+)/ losses (-)**
Assets			
Cash and balances with central banks	500	500	-
Treasury bills eligible for refinancing with central banks	10 877	10 877	-
Loans to credit institutions	18 268	18 268	-
Loans to the public	177 775	177 775	-
Derivatives	1	1	-
Total assets	207 421	207 421	-
Liabilities			
Deposits and borrowing from the public	173 814	173 814	-
Accounts payable	437	437	-
Total liabilities	174 251	174 251	-

Note 6 Loans to the public

Group

EUR '000	2015-06-30	2014-12-31	2014-06-30
Loans to the household sector	177 591	173 878	177 336
Loans to the corporate sector	-	62	439
Total loans to the public	177 591	173 940	177 775
Loans to the household sector			
Loans, gross	181 001	177 364	180 776
Provision for expected loan losses	-3 410	-3 486	-3 440
Loans, net book value	177 591	173 878	177 336
Geographic distribution of loans, net			
Sweden	73 300	75 483	82 967
Finland	70 589	68 910	68 357
Norway	3 689	3 535	4 001
Estonia	17 837	15 811	13 762
Poland	8 587	6 686	4 766
Denmark	3 449	3 327	3 340
Latvia	141	126	143
Total loans, net book value	177 591	173 878	177 336
Change in provision for actual and expected loan losses			
Opening balance	-3 485	-3 387	-3 387
Change in provision for sold non-performing loans	-5 534	-11 713	-5 688
Reversal in provision for sold non-performing loans	5 534	11 713	5 688
Change in provision for other loan losses	82	17	61
Other adjustments*	-7	-115	-114
Closing balance	-3 410	-3 485	-3 440

*Other adjustments consist of currency translation differences

Loans to the corporate sector			
Loans, gross	-	62	439
Total loans, net book value	-	62	439

There have been no provisions for loans to corporates as there are no circumstances which make provision an issue.

Loans to the corporate sector is only relevant for the Swedish market.

Note 7 Capital adequacy analysis

Background

Information about the Group's capital adequacy includes information in accordance with chapter 6, 3-4 §§, Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) on annual accounts of credit institutions and securities companies and related information contained in Articles 92.3 d and f, 436 b and 438 of the Regulation (EU) No 575/2013, commonly referred to as the Capital Requirements Regulation ("CRR"), chapter 8, 7 §, of the Swedish FSA's regulations and general guidelines on regulatory requirements and capital buffers (FFFS 2014:12) and column A of Annex 6 of the Commission Implementing Regulation (EU) No 1423/2013. Other information required by FFFS 2014:12 and CRR is provided on TF Bank AB's website (www.tfbank.se).

Information on own funds and capital requirements

The Group and parent company's statutory capital requirements are governed by the Swedish Special Supervision of Credit Institutions and Investment Firms Act (2014:968), CRR, regulation on capital buffers (2014:966) and the Swedish Financial Supervisory Authority's regulations and general advice on regulatory requirements and capital buffers (FFFS 2014:12).

The purpose of the regulations is to ensure that the Group and parent company manage their risks and protect its customers. The regulations state that the Group's own funds must cover the capital requirements including the minimum capital requirements (capital requirement for credit risk, market risk and operational risk).

The Group's consolidated situation, with TF Bank AB as responsible institute, was established in Q3 2014. The Group is currently not under supervision and the numbers below have been calculated for presentation in this interim report.* The capital situation of the Group has been calculated using the full IFRS consolidated accounts. The capital adequacy is presented in SEK since the regulatory requirements are in SEK. The intention is to change the legal structure during Q3 2015 making the Group to also be the consolidated situation as reported to the Swedish Financial Supervisory Authority.

*The basis for the current consolidated situation reporting to the Swedish Financial Supervisory Authority includes the parent company TFB Holding AB (formerly Consortio Invest AB).

The Group's capital situation can be summarized as follows:

SEK '000	**2015-06-30**	**2014-12-31**	**2014-06-30**
Common Equity Tier 1 (CET 1) capital after any deductions	317 651	266 563	249 256
Additional Tier 1 (AT 1) capital after any deductions	-	-	-
Tier 2 capital after any deductions	-	-	-
Own funds*	317 651	266 563	249 256
Risk exposure amounts	2 050 764	2 011 005	1 851 686
- *of which*: credit risk	1 413 408	1 373 649	1 294 160
- *of which*: market risk	-	-	8 043
- *of which*: operational risk	637 356	637 356	549 483
CET 1 capital ratio (%)	15.49	13.26	13.46
AT 1 capital ratio (%)	15.49	13.26	13.46
Total capital ratio (%)	15.49	13.26	13.46
Total CET 1 capital requirement inclusive of capital buffer requirements	143 553	140 770	129 618
- *of which*: capital conservation buffer	51 269	50 275	46 292
CET 1 capital available to use as buffer	225 366	176 068	165 930

Own funds

SEK '000	**2015-06-30**	**2014-12-31**	**2014-06-30**
CET 1			
Share capital	107 500	5 000	5 000
Retained earnings	162 915	164 787	232 994
Reviewed net profit for the period net of foreseeable expenses and dividends	56 253	100 525	15 762
Other reserves	1 000	1 000	1 000
Less:			
- Intangible assets	-10 017	-4 749	-5 500
Total CET 1	317 651	266 563	249 256
Total own funds*	317 651	266 563	249 256

Own funds include the Board of Directors' proposal for the distribution of profit. The Group's CET 1 comply with the requirements of CRR.

*Own funds presented in EUR millions	34.5	28.5	27.2

Specification risk exposure amounts

Credit risk under the standardized approach

SEK '000	2015-06-30	2014-12-31	2014-06-30
Institutional exposure	136 474	99 766	34 635
Corporate exposure	3 195	3 881	4 048
Household exposure	1 190 984	1 187 939	1 185 833
Non-performing exposure	48 523	49 321	46 164
Other items	34 232	32 742	23 480
Total risk-weighted exposure amount credit risk	1 413 408	1 373 649	1 294 160

Operational risk

SEK '000	2015-06-30	2014-12-31	2014-06-30
Basic Indicator Approach	637 356	637 356	549 483
Total risk exposure amount operational risk	637 356	637 356	549 483

Market risk

SEK '000	2015-06-30	2014-12-31	2014-06-30
Foreign exchange risk	-	-	8 043
Total risk exposure amount	2 050 764	2 011 005	1 851 686

Note 8 Assets pledged as security

Group

EUR '000	2015-06-30	2014-12-31	2014-06-30
For own liabilities			
Relating to current liabilities to credit institutions			
Trade receivables	65 840	69 522	77 967
	65 840	69 522	77 967

The Group continuously pledge its Swedish Loans to the public as security. The assets are pledged as security for the Group's credit facility. As at 30 June 2015 the credit facility of EUR 32.6 million was undrawn.

Note 9 Related-party transactions

Consortio Fashion Holding AB, corporate identity number 556925-2819 (with registered office in Sweden), has the same majority owners as TF Bank's parent company, TFB Holding AB (556705-2997). Consortio Fashion Holding AB, in turn, has a number of subsidiaries which have engaged in transactions with related parties, acquisitions of assets and liabilities (credit operations), ongoing purchases of credit claims and rental of premises. TF Bank AB has outsourced part of its customer service operations to its subsidiary, TFB Service OÜ, corporate identity number 12676808 (with registered office in Estonia).

All related-party transactions are priced at market prices.

Group EUR '000	**Jan-Jun 2015**	**Jan-Jun 2014**	**Jan-Dec 2014**
The following transactions have been made with related parties:			
Marketing	4 092	1 349	4 476
Rental of premises	56	58	114
Acquisition of assets and liabilities, sales finance	-	40 883	40 883
Total	4 148	42 290	45 473
Assets at year end as a result of transactions with related parties:	**2015-06-30**	**2014-12-31**	**2014-06-30**
Claim on TFB Holding AB	326	-	-
Unregulated liquidity in respect of credit claims	10	352	-
Total	336	352	-
Liabilities at year end as a result of related-party transactions:			
Liability to TFB Holding AB	-	6 051	-
Unsettled liquidity relating to credit claims	263	15	500
Total	263	6 066	500

Note 10 Events after the reporting period

In July 2015 TF Bank AB received the approval from the Norwegian FSA to acquire the Group BB Finans ASA .

Parent company

TF Bank AB, corporate identity 556158-1041, is a limited liability company with a registered office in Sweden. The address of the head office is Box 947, SE-501 10 Borås, Sweden.

The bank has operations in Sweden, Finland, Norway, Denmark, Estonia, Latvia, and Poland. Its activities include lending to the public in all markets and taking deposits from the public in Sweden and Finland.

The bank's operating income during the first six months amounted to SEK 239 million (SEK 180 million) and the operating profit increased by 25 per cent during the first half of 2015 compared with the same period in 2014.

The capital adequacy remains at a comfortable level, with a capital adequacy ratio of 15.61 per cent as at 30 June 2015 compared with 13.29 per cent as at 31 December 2014.

TF Bank introduced a custom developed GL system for managing loans during the first half of 2015. All costs that are directly attributable to the development of the system have been capitalized as an intangible asset.

Parent company income statement

SEK '000	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Operating income			
Interest income	237 471	189 444	422 079
Interest expense	-18 250	-18 527	-38 567
Net interest income	219 221	170 917	383 512
Fee and commission income	22 389	10 189	29 351
Fee and commission expenses	-2 298	-1 428	-3 409
Net fee and commission income	20 091	8 761	25 942
Net results from items at fair value	132	-159	-151
Total operating income	239 444	179 519	409 303
General administrative expenses	-48 416	-39 411	-86 991
Depreciation, amortization and impairment charges of tangible and intangible assets	-2 051	-1 655	-3 466
Other operating expenses	-59 989	-26 162	-78 083
Total operating expenses	-110 456	-67 228	-168 540
Profit before loan losses	128 988	112 291	240 763
Net loan losses	-55 916	-53 791	-113 343
Operating profit	73 072	58 500	127 420
Appropriations	-	-	-69 119
Income tax expense	-15 505	-12 870	-12 633
Net profit for the period	57 567	45 630	45 668

Statement of comprehensive income

SEK '000	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Net profit for the period	57 567	45 630	45 668
Other comprehensive income			
Items that may be reclassified subsequently to the income statement			
Currency valuation differences during the period, net of tax	-	472	1 884
Other comprehensive income, net of tax	-	472	1 884
Total comprehensive income for the period	57 567	46 102	47 552

Parent company balance sheet

SEK '000	2015-06-30	2014-12-31	2014-06-30
Assets			
Cash and balances with central banks	11 246	4 811	4 588
Treasury bills eligible for refinancing with central banks	50 099	159 965	99 812
Loans to credit institutions	670 374	485 111	167 633
Loans to the public	1 636 502	1 633 820	1 631 302
Investments in group companies	3 083	1 044	-
Intangible assets	9 029	4 749	5 500
Tangible assets	1 310	1 502	1 329
Other assets	12 495	10 591	188
Current tax assets	1 381	20 153	12 778
Prepaid expenses and accrued income	28 514	31 196	22 055
Total assets	2 424 031	2 352 943	1 945 185
Liabilities and equity			
Liabilities			
Deposits and borrowings from the public	2 022 339	1 953 403	1 594 952
Other liabilities	11 523	65 178	10 169
Accrued expenses and prepaid income	48 926	49 781	39 343
Total liabilities	2 082 788	2 068 362	1 644 464
Untaxed reserves	52 792	52 792	69 913
Equity			
Share capital (shares issued 21 500 000 of SEK 5 each)*	107 500	5 000	5 000
Other reserves	1 000	1 000	1 000
Retained earnings	122 384	180 121	179 178
Net profit for the period	57 567	45 668	45 630
Total equity	288 451	231 789	230 808
Total equity and liabilities	2 424 031	2 352 943	1 945 185
Assets pledged as security	606 713	653 017	715 438
Commitments	None	None	None
Contingent liabilities	None	None	None

**Outstanding number of shares was increased from 50 000 to 21 500 000 and share capital has increased from SEK 5 million to SEK 107.5 million through a share split and bonus issue on 4 June 2015.*

Capital adequacy analysis

The parent company's capital situation can be summarized as follows:

SEK '000	**2015-06-30**	**2014-12-31**	**2014-06-30**
Common Equity Tier 1 (CET 1) capital after any deductions	320 601	267 313	249 873
Additional Tier 1 (AT 1) capital after any deductions	-	-	-
Tier 2 capital after any deductions	-	-	-
Own funds	320 601	267 313	249 873
Risk exposure amounts	2 053 538	2 012 127	1 852 000
- *of which*: credit risk	1 415 868	1 374 457	1 294 160
- *of which*: market risk	-	-	8 043
- *of which*: operational risk	637 670	637 670	549 797
CET 1 capital ratio (%)	15.61	13.29	13.49
AT 1 capital ratio (%)	15.61	13.29	13.49
Total capital ratio (%)	15.61	13.29	13.49
Total CET 1 capital requirement inclusive of capital buffer requirements	143 748	140 849	129 640
- *of which*: capital conservation buffer	51 338	50 303	46 300
CET 1 capital available to use as buffer	228 192	176 767	166 533

Own funds

SEK '000	**2015-06-30**	**2014-12-31**	**2014-06-30**
CET 1			
Share capital	107 500	5 000	5 000
Retained earnings	163 563	219 415	233 139
Reviewed net profit for the period net of foreseeable expenses and dividends	57 567	46 647	16 234
Other reserves	1 000	1 000	1 000
Less:			
- Intangible assets	-9 029	-4 749	-5 500
Total CET 1	320 601	267 313	249 873
Total own funds	320 601	267 313	249 873

Own funds include the Board of Directors' proposal for the distribution of profit. The company's CET 1 comply with the requirements of CRR.

Specification risk exposure amounts

Credit risk under the standardized approach

SEK '000	2015-06-30	2014-12-31	2014-06-30
Institutional exposure	136 097	99 597	34 635
Corporate exposure	3 195	3 864	4 048
Household exposure	1 190 984	1 187 939	1 185 833
Non-performing exposure	48 523	49 321	46 164
Equity exposure	3 083	1 044	-
Other items	33 986	32 692	23 480
Total risk-weighted exposure amount credit risk	1 415 868	1 374 457	1 294 160

Operational risk

SEK '000	2015-06-30	2014-12-31	2014-06-30
Basic Indicator Approach	637 670	637 670	549 797
Total risk exposure amount operational risk	637 670	637 670	549 797

Market risk

SEK '000	2015-06-30	2014-12-31	2014-06-30
Foreign exchange risk	-	-	8 043
Total risk exposure amount	2 053 538	2 012 127	1 852 000

The Board of Directors and the CEO certify that the interim report gives a true and fair overview of the operations, financial position and results of the Parent Company and the Group and describes significant risks and uncertainty factors that the Parent Company and the Group are facing.

Borås 20th of August 2015

Declan MacGuinness CEO	Mattias Carlsson Chairman of the Board
John Brehmer Member of the Board	Thomas Grahn Member of the Board
Paul Källenius Member of the Board	Bertil Larsson Member of the Board

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of TF Bank AB (corp id number 556158-1041) as of 30 June 2015 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559). Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), regarding the Group, and with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), regarding the Parent Company.

Göteborg, August 20, 2015

PricewaterhouseCoopers AB

Michael Lindengren
Authorized Public Accountant
Auditor in charge

PricewaterhouseCoopers AB

Martin By
Authorized Public Accountant