

# Interim Report

2022-06



# Ikano Bank AB (publ) Interim Report 30 June 2022

## Results for the first half-year 2022

(comparative figures in brackets are as of 30 June 2021 unless otherwise stated)

- Lending, including leasing, amounted to SEK 36,158 m (33,952)
- Deposits from the public amounted to SEK 27,631 m (26,671)
- Operating result before loan losses amounted to SEK 156 m (270)
- Operating result decreased to SEK -154 m (61)
- Net interest income amounted to SEK 897 m (855)
- The total capital ratio is the same as the Common Equity Tier 1 capital ratio, which amounted to 27.5 percent (30.9 and 16.8, respectively).
- The liquidity reserve decreased to SEK 3,319 m (3,950) and the total liquidity portfolio amounted to SEK 6,173 m (9,980)
- Loan losses amounted to SEK 298 m (209)

### About Ikano Bank

Ikano Bank offers simple and fair banking and financing solutions for the many people and businesses.

The offer to consumers includes cards, loans and savings accounts. Ikano Bank delivers sales finance to retail partners, with IKEA as its largest partner, and provide businesses with leasing and factoring solutions.

Ikano Bank has operations in Sweden, Norway, Denmark, Finland, Germany, Austria, the UK and Poland. The largest market is Sweden, where the Bank also has the broadest offering. The Bank delivers its services online and has no physical offices for customers to visit.

## Outlook for the remainder of 2022

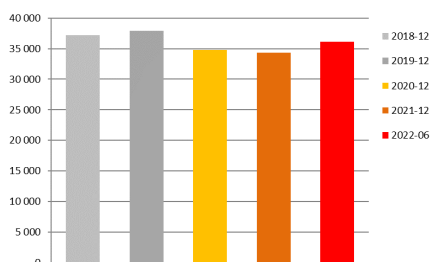
Ikano Bank continue to focus on becoming a fully digitalised, sustainable bank for the many people. The extensive and long-term investments being made to streamline and improve the Bank's competitiveness, customer offering, and sales continues. The deepened collaboration with Ingka Group (the largest IKEA retailer) is being developed further. Several new digital products will be launched, and in more markets. The uncertainty in both the macro environment, with increasing inflation and interest rates, and in the geopolitical environment, will have an effect on society which will also impact the Bank's business. The SFSA's pillar 2 guidance, which is part of the changed capital adequacy rules in Sweden and the EU's so-called banking package, will lead to increased capital requirements for the Bank. However, even after this increase, the Bank will still uphold its capital levels well above the regulatory requirements.

## Key ratios

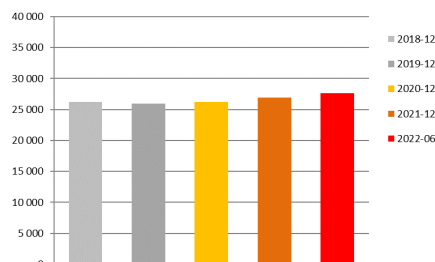
	30 Jun 2022	30 Jun 2021	31 Dec 2021
Total Capital ratio	27.5%	30.9%	29.5%
Common equity Tier 1 Capital ratio	27.5%	16.8%	29.5%
Investment margin	4.0%	3.8%	3.9%
Return on adjusted equity	-2.3%	1.2%	-2.1%
Leverage ratio	20.8%	11.3%	21.6%
C/I-ratio before loan losses	88.0%	78.2%	88.6%
Loan loss ratio	1.7%	1.2%	1.4%

For definitions of alternative performance measures used to describe the Bank's operations see the Bank's Annual Report for 2021, available on the Bank's website: <https://ikanobank.se/om-banken/ekonomisk-information>.

## Lending including leasing, SEK m



## Deposits from the public, SEK m



## Comment from the CEO

*The need for a simple, transparent bank with fair terms, contributing to a healthy economy for the many people and businesses is more relevant than ever. Our comprehensive transformation, under which we are making major investments in the best technology, delivers on exactly this and has been accelerated further with Ingka's investment in the Bank last year and we are seeing early positive results from delivered products. At the same time we are heading towards tougher financial times with, among other things, rising inflation, increased energy costs and higher interest rates, which affects both consumers and businesses.*

After intensive work to lay the foundation for the new bank, where relevant products and a fantastic customer experience are in focus, we have now delivered the first three products; 1) mortgages in Sweden 2) a loan product for IKEA in the UK and 3) a new credit card for IKEA in Germany.

In the UK, our new loan app has been received well with over 40,000 downloads, and a customer rating of 4.8 out of 5.0 in AppStore. This May, together with IKEA, we won an award for "Best Consumer Credit Card and Credit Facility" and were nominated in the category "Best Industry Innovation" at the UK Cards and Payments Awards 2022. The mortgage offer has also got off to a good start. In April, we reached 1 billion SEK in mediated loans. Our new fully digital and transparent mortgage offer is an important part of our ambition to enable people a healthy economy, just like offering loan protection and giving our customers the opportunity to collect loans at lower interest rates, does for example. We are also glad to have launched a new credit card for IKEA customers in Germany. A card that has been well received and that we hope will be one of the best on the market.

Our deepened collaboration with IKEA has resulted in new customer offerings. Together, we are working to further integrate financial services into IKEA's customer journey, both in-store and online. The development of new products continues at full speed. During the autumn, we will introduce new loan products in Sweden and prepare to launch a new credit card in Sweden and later in the UK. At the same time work is ongoing to build an eco-system where we, together with partners, will roll out new solutions faster in several of our markets. We are also well on our way creating a new platform for our business offering. It will open new opportunities for increased transparency and improved digital customer experience of our products in leasing,

factoring and instalment loans. The first step is being taken in our existing markets in the Nordic region, where we currently offer business solutions, then additional markets will be added.

Sustainability is a fundamental part of everything we do, where we see that our main contribution is to enable a healthy economy for the many people, giving more people access to financing on fair terms. We have three main focus areas to lead us in this work and continue to work towards the strategic goals set for 2025 to become a sustainable bank for the many people.

The investments in the Bank's transformation are reflected in our results and necessary to restructure the Bank as quickly as possible, in order to be both relevant and efficient. The underlying business is developing positively, the loan book has grown and revenues have increased, while both costs, excluding investments in the new bank, and credit losses are stable. As we now move towards more uncertain times, we have a very strong capitalisation and financial position gives us opportunities for continued strategic acquisitions to strengthen and increase the pace of our transformation.

The economic consequences of the war in Ukraine are also becoming clearer. Rising inflation and interest rates contribute to increased uncertainty and a more negative outlook. This is a humanitarian tragedy that affects us all. At the Bank, we have in various ways committed ourselves through donations and volunteer work to support people who have had to leave their homes and flee for their lives.

In conclusion, I would like to thank my colleagues, customers and partners for a good collaboration and valuable contributions. We have developed new customer-centred ways of working, built a closer collaboration with IKEA and increased our attractiveness to new employees with opportunities to work with the latest technology. Together, we are now the entrepreneur-driven and sustainable bank once again, completely in the spirit of Ingvar Kamprad.

Henrik Eklund

## The bank's results for the first half-year 2022 compared to the corresponding period of 2021

### Operating result

The result before loan losses decreased to SEK 156 m (270) and operating results decreased to SEK -154 m (61). As a consequence of the retail reopening, several of the Bank's markets have seen a positive effect on new sales of loans, which together with portfolio acquisition and currency movements contribute to a larger outstanding lending balance and increasing income. However, as an effect of primarily the Bank's ongoing transformation and related investments in digital infrastructure, the Bank's costs are increasing.

The Bank has seen a continued increase in deposit volumes. The Bank's total revenues decreased by 2.0 percent and expenses increased by 6.4 percent.

### Net interest income

Net interest income increased by 4.8 percent to SEK 897 m (855), mainly driven by portfolio acquisition in the Danish consumer loan business line.

### Net leasing and net commission income

Leasing, net after interest income and interest cost, decreased by 4.0 percent to SEK 182 m (189). Net leasing income after depreciation decreased by 3.6 percent to SEK 227 m (236).

Net commission income increased by 7.0 percent and amounted to SEK 127 m (119), mainly explained by higher lending commissions.

### Operating expenses

Operating expenses, excluding depreciations on leased assets held on behalf of customers, increased by 17.6 percent and amounted to SEK 1,142 m (971). The increase is mainly explained by higher depreciation on internally developed IT assets as well as higher cost of IT development related to the Bank's ongoing transformation.

### Loan losses

Net loan losses have increased with 42.6 percent to SEK 298m (209). The increase can be explained in its entirety by the fact that the Bank made a portfolio acquisition in Denmark in the spring, where the initial provision for future loan losses exceeds the Bank's total increase in net loan losses compared to the first half of 2021. As in previous period, actual loan losses are at low

levels seen from a historical perspective. There are differences between consumer and corporate portfolios, where the realized corporate losses are low. A portfolio of non-performing loans has been sold in the UK which makes realized losses look higher compared to the previous year but continuous losses remain at a similar level as before. Through the introduction of stricter credit rules against specific industries and customer segments, the Bank was somewhat more restrictive in its credit assessment in 2020, which is still reflected in the low credit losses. As the Bank during 2021 worked on improving the internal processes, the beginning of 2022 has been characterized by releasing the restrictions that were previously introduced, in a controlled form. At the beginning of the pandemic, a large number of the Bank's customers were granted payment relief. A few of these remain, mainly towards industries such as tourism and restaurants, and the Bank still sees increased risk in these exposures as government support is phased out and society returns to a new reality. Half of the increased provisions for future loan losses that were made in 2020 due to Covid-19 have been dissolved in the first half of 2022 as end customers appear to be coping with the situation better than expected. The level of credit losses measured as a share of average total lending per 30 June 2022 increased to 1.7 percent (1.2).

## The Bank's position as of 30 June 2022 compared to 31 December 2021

### Deposits from the public

Deposits from the public increased with 2.7 percent to SEK 27,631 m (26,909). Deposit volumes increase in the majority of the Bank's markets. Interest margins remain stable.

### Loans to the public

Loans to the public increased by 7.5 percent to SEK 26,587m (24,737) after provisions for loan losses. Portfolio acquisition, positive currency movements as well as new lending is behind the development.

Leasing assets held on behalf of customers decreased by 0.2 percent to SEK 9,570 m (9,592) as a result of primarily lower new sales, mainly in Sweden.

### Liquidity coverage and the Bank's bonds

As of 30 June 2022, the Bank's liquidity coverage ratio (LCR) totalled 235 percent (281). This measure shows how the Bank's highly liquid assets relate to net outflows over a thirty-day period under strained market conditions. The statutory limit amounts to 100 percent.

The structural liquidity measure, Net Stable Funding Ratio (NSFR), is defined as the relationship between available stable funds and the required stable funds. For Ikano Bank, the Net Stable Funding Ratio (NSFR) on June 30, 2022, was 136 percent (138). The EU has issued a minimum requirement of 100 percent, which entered into force in June 2021.

The Bank's liquidity portfolio decreased by 16.3 percent compared to year-end 2021 mainly due to the acquisition of the consumer loan portfolio in Denmark and the repayment of external loans. The liquidity portfolio amounted to SEK 6,173 m (7,379), which equals to 22 percent (38) of the Bank's total deposits from the public.

The Bank continuously obtains funding in the Swedish capital market. In addition to ongoing issuance of commercial papers, only one new MTN bond was issued as the market was characterized by rising margins and uncertainty. This has been made possible by the Bank's strong liquidity and maturity profile on outstanding capital market funding.

#### Own funds

Own funds amounted to SEK 9,538 m (9,974) per 30 June 2022, compared to the capital requirement of SEK 2,780 m (2,583). The total capital ratio decreased to 27.5 percent (30.9), the same as the Common Equity Tier 1 ratio (16.8). The Bank does not have any Tier 2 capital (4,558).

## Other information

Ikano Bank AB (publ), corporate identity number 516406-0922, is an incorporated bank with its registered office in Älmhult and its head office in Malmö, Sweden. Ikano Bank is owned to 51 percent by Ikano S.A. with its registered office in Luxembourg, and to 49% by Ingka Investments B.V. with registered office in Leiden, the Netherlands. Originally part of IKEA, Ikano S.A. (the "Ikano Group") became a separate group in 1988. Ikano Group conducts business within banking, real estate, production, data analytics, insurance and retail. Ikano Bank has operated its business under a banking license since 1995.

## Operations

Ikano Bank AB (publ) conducts banking operations regulated by the financial supervisory authorities of Sweden, the UK, Norway, Denmark, Finland, Germany, Austria and Poland. The Bank provides financing solutions to the consumer and corporate markets through partnerships, finance brokers and direct sales. The operations in Denmark, Norway, Finland, the UK, Germany and Poland are operated as branches, while Austria is serviced under cross-border operations.

The Bank's business in UK also requires authorisation from the British supervisory authorities. As from January 1, 2021 and until conclusion of the bank's UK permission application process, the bank is operating in the UK under the 'Temporary Permissions Regime'.

Ikano Bank, alongside a number of other investment partners, has continued the strategic investment in the mortgage fintech company Borgo with the Bank offering mortgages in Sweden since December 2021.

## Board of Directors and management

On the Annual General Meeting on April 5, 2022, the Bank's Board of Directors expanded with Nigel Hinshelwood, who was also elected as Deputy Chairperson.

As of May 31, 2022, Krister Mattsson left the Bank's Board of Directors and was replaced by Lone Fønss Schrøder. Both Krister Mattsson and Lone Fønss Schrøder are representatives from Ingka.

The Bank's management team was expanded in April 2022 with Christian Lund as new Chief Credit Officer.

## Outlook

Ikano Bank continue to focus on becoming a fully digitalised, sustainable bank for the many people. The extensive and long-term investments being made to streamline and improve the Bank's competitiveness, customer offering, and sales continues. The deepened collaboration with Ingka Group (the largest IKEA retailer) is being developed further. Several new digital products will be launched, and in more markets. The uncertainty in both the macro environment, with increasing inflation and interest rates, and in the geopolitical environment, will have an effect on society which will also impact the Bank's business. The SFSA's pillar 2 guidance, which is part of the changed capital adequacy rules in Sweden and the EU's so-called banking package, will lead to increased own funds requirements for the Bank. However, even after this increase, the Bank will still uphold its capital levels well above the regulatory requirements.

## Next reporting date

Ikano Bank reports its results half-yearly. The Year-end Report for 2022 will be available on the Bank's website at the end of February 2023. Ikano Bank publishes information on capital adequacy and liquidity on its website [www.ikanobank.se](http://www.ikanobank.se).

This Interim Report has not been reviewed by the Bank's auditors.

# Income statement

SEK 000	Note	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Interest income	3	1 039 401	988 693	1 952 168
Interest expense	3	-142 830	-133 474	-257 112
<b>Net interest income</b>		<b>896 571</b>	<b>855 219</b>	<b>1 695 056</b>
Dividends received		9 990	-	19 262
Leasing income	4	1 977 617	1 984 288	4 008 280
Commission income	5	272 079	249 175	503 473
Commission expense	5	-144 885	-130 304	-268 814
<b>Net commission income</b>		<b>127 194</b>	<b>118 871</b>	<b>234 658</b>
Net gains and losses on financial transactions		952	5 149	17 290
Other operating income	6	36 762	26 151	55 628
<b>Total income</b>		<b>3 049 085</b>	<b>2 989 678</b>	<b>6 030 173</b>
General administrative expenses		-959 358	-872 598	-1 859 012
Depreciation/amortisation and impairments of tangible and intangible assets	4	-1 853 903	-1 800 682	-3 753 768
Other operating expenses		-79 433	-46 389	-113 983
<b>Total expenses before loan losses</b>		<b>-2 892 694</b>	<b>-2 719 669</b>	<b>-5 726 763</b>
<b>Profit before loan losses</b>		<b>156 391</b>	<b>270 010</b>	<b>303 411</b>
Loan losses, net	7	-298 365	-209 163	-495 534
Write-down of financial assets		-11 571	-	-18 944
<b>Operating result</b>		<b>-153 545</b>	<b>60 847</b>	<b>-211 068</b>
Appropriations		-	-	96 957
Tax expense	8	55 338	32 971	12 910
<b>Net result for the period</b>		<b>-98 207</b>	<b>93 818</b>	<b>-101 201</b>

# Report on total comprehensive income

SEK 000	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
<b>Net profit for the period</b>	<b>-98 207</b>	<b>93 818</b>	<b>-101 201</b>
<b>Other comprehensive income</b>			
<b>Items that can be reclassified to net profit for the period</b>			
Translation difference for the period, foreign branches	3 024	-58 378	-8 813
Change in loss allowance for financial assets valued at fair value via other comprehensive income	-62	5 202	-831
Changes in fair value through other comprehensive	-32 886	-4 593	1 645
Fair value changes for cash flow hedges	86 943	9 316	20 719
Tax related to changes in translation differences for the year	-57 914	12 026	-53 622
Tax related to changes in fair value of cash flow hedges	-17 910	-1 919	-339
Tax related to changes in financial assets valued at fair value via other comprehensive income	6 775	946	-4 576
<b>Other comprehensive income for the period, net of tax</b>	<b>-12 031</b>	<b>-37 399</b>	<b>-45 816</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>-110 238</b>	<b>56 418</b>	<b>-147 017</b>

# Balance sheet

SEK 000	Note	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Assets</b>				
Cash		30 155	20 866	23 386
Treasury bills		1 757 511	2 196 143	2 274 319
Loans to credit institutions		1 712 781	4 903 699	1 817 046
Loans to the public	9	26 587 396	24 205 604	24 737 483
Bonds and other interest-bearing securities		2 803 016	3 087 093	3 465 763
Shares and participations in associated companies		235 082	25 528	95 202
Shareholdings in other companies		40 532	48 354	39 502
Intangible assets		592 601	563 217	572 123
Tangible assets		9 578 241	9 754 710	9 599 975
- Leasing assets		9 570 430	9 746 139	9 591 641
- Equipment		7 811	8 571	8 334
Other assets		1 042 931	879 449	892 173
Deferred tax assets		24 890	60 104	21 982
Prepaid expenses and accrued income		324 269	361 039	340 116
<b>Total assets</b>		<b>44 729 404</b>	<b>46 105 806</b>	<b>43 879 071</b>
<b>Liabilities, provisions and equity</b>				
Liabilities to credit institutions		660 665	680 428	638 686
Deposits from the public	10	27 631 022	26 671 328	26 909 171
Issued securities	11	3 998 891	5 098 321	3 748 933
Other liabilities		793 302	1 715 693	876 080
Accrued expenses and deferred income		1 341 363	1 245 498	1 328 871
Provisions		154 937	134 683	117 867
- Provisions for pensions		44 978	37 370	37 594
- Deferred tax liabilities		62 710	68 132	50 189
- Other provisions		47 250	29 182	30 084
<b>Total liabilities and provisions</b>		<b>34 580 180</b>	<b>35 545 952</b>	<b>33 619 609</b>
<b>Untaxed reserves</b>		-	<b>96 957</b>	-
<b>Equity</b>				
<b>Restricted equity</b>		<b>937 529</b>	<b>901 385</b>	<b>918 451</b>
Share capital		154 893	78 994	154 893
New share issue		-	75 899	-
Statutory reserve		193 655	193 655	193 655
Fund for development expenses		588 982	552 838	569 903
<b>Non-restricted equity</b>		<b>9 211 694</b>	<b>9 561 511</b>	<b>9 341 011</b>
Share premium reserve		4 479 855	4 479 855	4 479 855
Fund for fair value		231 341	251 788	243 372
Retained earnings		4 598 706	4 736 051	4 718 986
Net result for the period		-98 207	93 818	-101 201
<b>Total equity</b>		<b>10 149 224</b>	<b>10 462 897</b>	<b>10 259 462</b>
<b>Total liabilities, provisions and equity</b>		<b>44 729 404</b>	<b>46 105 806</b>	<b>43 879 071</b>

# Statement of changes in equity

SEK 000	Restricted equity			Non-restricted equity						Total equity
	Share capital	Statutory reserve	Fund for development expenses	Share premium	Fair value reserve	Translation reserve	Cash flow hedge reserve	Retained earnings or losses	Net result for the period	
<b>Opening balance 2021-01-01</b>	<b>78 994</b>	<b>193 655</b>	<b>471 640</b>	-	<b>6 593</b>	<b>298 409</b>	<b>7 303</b>	<b>4 961 237</b>	<b>-167 105</b>	<b>5 850 726</b>
Adjustment, correction of misstatement <sup>1)</sup>	-	-	-	-	-	-	-23 118	23 118	-	-
<b>Adjusted opening balance 2021-01-01</b>	<b>78 994</b>	<b>193 655</b>	<b>471 640</b>	-	<b>6 593</b>	<b>298 409</b>	<b>-15 815</b>	<b>4 984 355</b>	<b>-167 105</b>	<b>5 850 726</b>
Appropriation of profits	-	-	-	-	-	-	-	-167 105	167 105	-
New share issue	75 899	-	-	4 479 855	-	-	-	-	-	4 555 754
Change in fund for development expenses	-	-	98 264	-	-	-	-	-98 264	-	-
Net result for the year	-	-	-	-	-	-	-	-	-101 201	-101 201
Other comprehensive income for the year	-	-	-	-	475	-62 435	16 144	-	-	-45 816
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>475</b>	<b>-62 435</b>	<b>16 144</b>	<b>-</b>	<b>-101 201</b>	<b>-147 017</b>
<b>Closing balance 2021-12-31</b>	<b>154 893</b>	<b>193 655</b>	<b>569 903</b>	<b>4 479 855</b>	<b>7 068</b>	<b>235 974</b>	<b>329</b>	<b>4 718 986</b>	<b>-101 201</b>	<b>10 259 462</b>
<b>Opening balance 2022-01-01</b>	<b>154 893</b>	<b>193 655</b>	<b>569 903</b>	<b>4 479 855</b>	<b>7 068</b>	<b>235 974</b>	<b>329</b>	<b>4 718 986</b>	<b>-101 201</b>	<b>10 259 462</b>
Appropriation of profits	-	-	-	-	-	-	-	-101 201	101 201	-
Change in fund for development expenses	-	-	19 079	-	-	-	-	-19 079	-	-
Net result for the period	-	-	-	-	-	-	-	-	-98 207	-98 207
Other comprehensive income for the period	-	-	-	-	-26 174	-54 890	69 033	-	-	-12 031
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-26 174</b>	<b>-54 890</b>	<b>69 033</b>	<b>-</b>	<b>-98 207</b>	<b>-110 238</b>
<b>Closing balance 2022-06-30</b>	<b>154 893</b>	<b>193 655</b>	<b>588 982</b>	<b>4 479 855</b>	<b>-19 106</b>	<b>181 084</b>	<b>69 361</b>	<b>4 598 706</b>	<b>-98 207</b>	<b>10 149 224</b>

1) The amount is adjusted following a misstatement from previous years, and related to the release of the hedge reserve which originally should have been made against the Income Statement. This misstatement have been adjusted retroactively and impacts within equity. The amount of this adjustment is SEK 23 118 k.

## Cash flow statement

SEK 000	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
<b>Operating activities</b>			
Operating profit	-153 545	+60 847	-211 068
Adjustment for non-cash items	+2 041 206	+1 136 217	+4 085 694
<b>Cash flows from operating activities before changes in working capital</b>	<b>+1 887 661</b>	<b>+1 197 064</b>	<b>+3 874 627</b>
Cash flows from changes in working capital	-1 988 522	-538 226	-3 857 423
<b>Cash flows from operating activities</b>	<b>-100 861</b>	<b>+658 838</b>	<b>+17 204</b>
<b>Cash flows from investing activities</b>	<b>-274 696</b>	<b>-124 572</b>	<b>-349 795</b>
<b>Cash flows from financing activities</b>	<b>+251 920</b>	<b>+2 428 366</b>	<b>+196 980</b>
<b>Cash flow for the period</b>	<b>-123 637</b>	<b>+2 962 632</b>	<b>-135 611</b>
Cash and cash equivalents at beginning of the year	+1 830 999	+1 919 367	+1 919 367
Exchange rate difference in cash and cash equivalents	+25 449	+29 514	+47 242
<b>Cash and cash equivalents at the end of the period</b>	<b>+1 732 811</b>	<b>+4 911 513</b>	<b>+1 830 999</b>

The cash flow statement has been prepared using the indirect method. Reported cash flow includes only transactions that involve incoming or outgoing payments. Cash and cash equivalents are defined as cash and bank

balances with central banks and lending to credit institutions, of SEK 1,743 (4,925) less deductions for current liabilities to credit institutions of SEK 10 m (13). Cash and cash equivalents include blocked funds of SEK 37 m (7).



# Notes

## 1 Accounting principles

This Interim Report has been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), the Swedish Financial Supervisory Authority's regulations and general guidelines regarding annual reporting for credit institutions and securities companies (FFFS 2008:25) and the Swedish Financial Reporting Board's recommendation RFR 2. Accordingly, the Bank applies statutory IFRS. This means that all IFRS and statements approved by the EU have been applied as far as possible within the framework of Swedish law, RFR 2 and FFFS 2008:25. The accounting principles has been

applied consistently to all periods presented in the financial statements unless otherwise stated.

Ikano Bank uses the exemption rule for legal entities regarding IFRS 16 in RFR 2. No decided changes to new standards are expected to have any significant impact on own funds requirements, the capital base, large exposures or the Bank's financial reports in 2022 or later.

The applied accounting policies and assessments in the Interim Report coincide with those applied in the Annual Report for 2021.

This Interim Report is presented in Swedish kronor (SEK), rounded to the nearest thousand (SEK 000) unless otherwise stated.

## 2 Operating segments

Jan-Jun 2022 SEK m	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/ Austria	Poland	Shared functions	Total before eliminations	Eliminations	Total
Interest income	339	189	58	14	261	234	50	208	1353	-314	1 039
Interest expense	-116	-24	-26	-3	-74	-18	-18	-176	-457	314	-143
<b>Total net interest income</b>	<b>223</b>	<b>166</b>	<b>32</b>	<b>10</b>	<b>186</b>	<b>216</b>	<b>32</b>	<b>32</b>	<b>897</b>	-	<b>897</b>
Payment service commissions	3	0	-	0	-	4	-	-	8	-	8
Lending commissions	65	35	19	9	12	5	1	-	147	-	147
Compensation, mediated insurance	58	12	13	1	0	21	3	-	108	-	108
Other commissions	4	1	3	0	0	0	0	0	10	-	10
<b>Commission income</b>	<b>131</b>	<b>48</b>	<b>36</b>	<b>10</b>	<b>13</b>	<b>30</b>	<b>4</b>	-	<b>272</b>	-	<b>272</b>
Commission expenses	-50	-8	-24	-4	-37	-15	-3	-1	-143	-	-143
<b>Commission, net</b>	<b>81</b>	<b>41</b>	<b>12</b>	<b>6</b>	<b>-25</b>	<b>15</b>	<b>1</b>	<b>-1</b>	<b>129</b>	-	<b>129</b>
Leasing income	993	512	291	181	-	-	-	-	1978	-	1978
Depreciation on leasing assets	-876	-457	-256	-161	-	-	-	-	-1751	-	-1751
<b>Leasing income, net</b>	<b>117</b>	<b>55</b>	<b>35</b>	<b>20</b>	-	-	-	-	<b>227</b>	-	<b>227</b>
<b>Net interest, fee and leasing income</b>	<b>421</b>	<b>261</b>	<b>78</b>	<b>36</b>	<b>161</b>	<b>231</b>	<b>32</b>	<b>31</b>	<b>1253</b>	-	<b>1253</b>
Other income	14	6	11	2	0	1	2	463	500	-464	36
Other direct expenses	-23	-5	-5	-2	-18	-11	0	0	-64	-	-64
<b>Operating margin before net loan losses and operational expenses</b>	<b>413</b>	<b>262</b>	<b>84</b>	<b>36</b>	<b>144</b>	<b>221</b>	<b>34</b>	<b>494</b>	<b>1689</b>	<b>-464</b>	<b>1225</b>
Other expenses	-397	-293	-88	-35	-263	-252	-45	-477	-1849	481	-1368
Allocated overhead expenses	2	1	0	1	1	1	0	0	7	-18	-11
<b>Operating result</b>	<b>19</b>	<b>-29</b>	<b>-4</b>	<b>2</b>	<b>-118</b>	<b>-30</b>	<b>-10</b>	<b>18</b>	<b>-154</b>	-	<b>-154</b>
Of which:											
<i>Total internal income</i>	<i>59</i>	<i>13</i>	-	-	-	<i>0</i>	-	<i>670</i>	<i>743</i>	<i>-743</i>	-
<i>Total external income</i>	<i>277</i>	<i>285</i>	<i>140</i>	<i>46</i>	<i>245</i>	<i>259</i>	<i>56</i>	<i>266</i>	<i>1575</i>	-	<i>1575</i>
<i>Total internal expenses</i>	<i>-48</i>	<i>-74</i>	<i>-72</i>	<i>-21</i>	<i>0</i>	<i>0</i>	<i>-31</i>	<i>-220</i>	<i>-464</i>	<i>464</i>	-
Tax	-	0	2	-	0	6	-3	51	55	-	55
<b>Net result for the period</b>	<b>19</b>	<b>-29</b>	<b>-2</b>	<b>2</b>	<b>-118</b>	<b>-24</b>	<b>-14</b>	<b>69</b>	<b>-98</b>	-	<b>-98</b>

Jan-Jun 2021											Total		Total
	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/Austria	Poland	Shared functions	eliminations	Eliminations	before		
SEK m													
Interest income	365	119	65	13	270	242	28	193	1 296	-307		989	
Interest expense	-124	-25	-20	-4	-80	-23	-4	-161	-441	307		-133	
<b>Total net interest income</b>	<b>242</b>	<b>94</b>	<b>45</b>	<b>9</b>	<b>190</b>	<b>219</b>	<b>24</b>	<b>32</b>	<b>855</b>	<b>-</b>	<b>-</b>	<b>855</b>	
Payment service commissions	2	0	-	0	-	3	-	-	5	-		5	
Lending commissions	68	15	19	9	10	7	0	-	127	-		127	
Compensation, mediated insurance	58	10	15	1	0	20	3	-	107	-		107	
Other commissions	4	1	3	0	1	0	0	0	9	-		9	
<b>Commission income</b>	<b>132</b>	<b>26</b>	<b>37</b>	<b>10</b>	<b>11</b>	<b>30</b>	<b>4</b>	<b>-</b>	<b>249</b>	<b>-</b>	<b>-</b>	<b>249</b>	
Commission expenses	-52	-7	-21	-4	-21	-16	-3	-1	-126	-		-126	
<b>Commission, net</b>	<b>81</b>	<b>19</b>	<b>15</b>	<b>6</b>	<b>-11</b>	<b>14</b>	<b>1</b>	<b>-1</b>	<b>123</b>	<b>-</b>	<b>-</b>	<b>123</b>	
Leasing income	1 028	510	289	157	-	-	-	-	1 984	-		1 984	
Depreciation on leasing assets	-905	-455	-248	-140	-	-	-	-	-1 749	-		-1 749	
<b>Leasing income, net</b>	<b>123</b>	<b>55</b>	<b>40</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236</b>	<b>-</b>	<b>-</b>	<b>236</b>	
<b>Net interest, fee and leasing income</b>	<b>445</b>	<b>168</b>	<b>101</b>	<b>32</b>	<b>179</b>	<b>232</b>	<b>25</b>	<b>31</b>	<b>1 214</b>	<b>-</b>	<b>-</b>	<b>1 214</b>	
Other income	10	6	4	2	0	2	1	405	430	-399		31	
Other direct expenses	-15	-4	-7	-2	-8	-11	0	-1	-49	-		-49	
<b>Operating margin before net loan losses and operational expenses</b>	<b>441</b>	<b>169</b>	<b>99</b>	<b>32</b>	<b>171</b>	<b>223</b>	<b>26</b>	<b>435</b>	<b>1 596</b>	<b>-399</b>	<b>-</b>	<b>1 197</b>	
Other expenses	-410	-145	-75	-30	-199	-218	-28	-417	-1 523	398		-1 125	
Allocated overhead expenses	-4	-1	-1	0	-2	-3	0	0	-11	1		-10	
<b>Operating result</b>	<b>27</b>	<b>23</b>	<b>22</b>	<b>1</b>	<b>-29</b>	<b>1</b>	<b>-2</b>	<b>18</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>61</b>	
Of which:													
Total internal income	61	16	-	-	-	-	-	589	666	-666		-	
Total external income	325	189	147	42	250	265	33	254	1 505	-		1 505	
Total internal expenses	-281	-64	-57	-16	-	-	-10	-35	-464	464		-	
Tax	-	-5	0	-	0	4	-2	35	33	-		33	
<b>Net result for the period</b>	<b>27</b>	<b>18</b>	<b>22</b>	<b>1</b>	<b>-29</b>	<b>5</b>	<b>-4</b>	<b>53</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>94</b>	

Jan-Dec 2021											Total		Total
	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/Austria	Poland	Shared functions	eliminations	Eliminations	before		
SEK m													
Interest income	716	238	125	27	538	480	61	361	2 544	-592		1 952	
Interest expense	-244	-46	-39	-7	-151	-44	-9	-310	-849	592		-257	
<b>Total net interest income</b>	<b>472</b>	<b>192</b>	<b>86</b>	<b>19</b>	<b>387</b>	<b>435</b>	<b>53</b>	<b>50</b>	<b>1 695</b>	<b>-</b>	<b>-</b>	<b>1 695</b>	
Payment service commissions	5	1	-	0	-	7	-	-	13	-		13	
Lending commissions	135	31	40	18	23	11	2	-	260	-		260	
Compensation, mediated insurance	120	19	28	2	0	38	6	-	213	-		213	
Other commissions	8	3	6	0	1	0	0	0	18	-		18	
<b>Commission income</b>	<b>268</b>	<b>53</b>	<b>74</b>	<b>20</b>	<b>24</b>	<b>57</b>	<b>8</b>	<b>-</b>	<b>503</b>	<b>-</b>	<b>-</b>	<b>503</b>	
Commission expenses	-113	-15	-41	-8	-48	-35	-6	-3	-269	-		-269	
<b>Commission, net</b>	<b>155</b>	<b>39</b>	<b>33</b>	<b>12</b>	<b>-25</b>	<b>21</b>	<b>2</b>	<b>-3</b>	<b>234</b>	<b>-</b>	<b>-</b>	<b>235</b>	
Leasing income	2 069	1 035	578	327	-	-	-	-	4 008	-		4 008	
Depreciation on leasing assets	-1 826	-926	-499	-292	-	-	-	-	-3 542	-		-3 542	
<b>Leasing income, net</b>	<b>243</b>	<b>109</b>	<b>79</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>466</b>	<b>-</b>	<b>-</b>	<b>466</b>	
<b>Net interest, fee and leasing income</b>	<b>871</b>	<b>340</b>	<b>198</b>	<b>66</b>	<b>362</b>	<b>457</b>	<b>55</b>	<b>48</b>	<b>2 396</b>	<b>-</b>	<b>-</b>	<b>2 396</b>	
Other income	36	11	14	4	1	2	1	829	899	-826		73	
Other direct expenses	-25	-7	-12	-4	-13	-24	0	-2	-88	-		-88	
<b>Operating margin before net loan losses and operational expenses</b>	<b>881</b>	<b>344</b>	<b>200</b>	<b>66</b>	<b>350</b>	<b>436</b>	<b>56</b>	<b>875</b>	<b>3 208</b>	<b>-826</b>	<b>-</b>	<b>2 381</b>	
Other expenses	-929	-319	-176	-72	-481	-478	-59	-905	-3 420	846		-2 573	
Allocated overhead expenses	2	1	0	1	0	-2	0	0	1	-20		-19	
<b>Operating result</b>	<b>-46</b>	<b>26</b>	<b>24</b>	<b>-5</b>	<b>-131</b>	<b>-44</b>	<b>-4</b>	<b>-30</b>	<b>-211</b>	<b>0</b>	<b>-</b>	<b>-211</b>	
Of which:													
Total internal income	118	32	-	-	60	16	-	1 192	1 419	-1 419		-	
Total external income	1 129	380	288	86	502	522	71	19	2 997	-		2 997	
Total internal expenses	-606	-144	-129	-24	-303	-251	-43	80	-1 419	1 419		-	
Appropriations	-	-	-	-	-	-	-	97	97	-		97	
Tax	5	-3	-11	-	0	10	-5	17	13	-		13	
<b>Net result for the year</b>	<b>-41</b>	<b>23</b>	<b>13</b>	<b>-5</b>	<b>-131</b>	<b>-35</b>	<b>-8</b>	<b>84</b>	<b>-101</b>	<b>0</b>	<b>-</b>	<b>-101</b>	

## External income

SEK m	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Corporate	399	384	771
Sales Finance	656	671	1 332
Consumer	517	442	876
Other	3	8	18
<b>Total external income</b>	<b>1 575</b>	<b>1 505</b>	<b>2 997</b>

Ikano Bank, or each segment individually, has no single customer representing 10 percent or more of total revenues.

## Balance sheet

30 Jun 2022	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/Austria	Poland	Eliminations	Total
SEK m									
Fixed assets other than financial instruments	595	0	1	0	0	3	1	-	600
Deferred tax assets	0	-	-	-	0	25	-	-	25
Other assets	29 005	6 502	2 362	1 399	6 268	6 822	1 088	-9 343	44 104
<b>Total assets</b>	<b>29 601</b>	<b>6 502</b>	<b>2 363</b>	<b>1 399</b>	<b>6 268</b>	<b>6 850</b>	<b>1 089</b>	<b>-9 343</b>	<b>44 729</b>
Liabilities and provisions	19 291	6 531	2 348	1 391	6 384	6 875	1 102	-9 343	34 580

30 Jun 2021	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/Austria	Poland	Eliminations	Total
SEK m									
Fixed assets other than financial instruments	566	0	0	0	0	4	2	-	572
Deferred tax assets	38	-	-	-	0	22	-	-	60
Other assets	31 247	4 535	2 411	1 148	6 259	6 102	663	-6 892	45 474
<b>Total assets</b>	<b>31 851</b>	<b>4 535</b>	<b>2 411</b>	<b>1 148</b>	<b>6 259</b>	<b>6 128</b>	<b>665</b>	<b>-6 892</b>	<b>46 106</b>
Liabilities and provisions	21 134	4 521	2 336	1 238	6 344	6 089	776	-6 892	35 546

31 Dec 2021	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/Austria	Poland	Eliminations	Total
SEK m									
Fixed assets other than financial instruments	575	0	1	0	0	3	2	-	579
Deferred tax assets	0	-	-	-	-	22	-	-	22
Other assets	29 223	4 701	2 430	1 216	6 657	6 563	838	-8 347	43 280
<b>Total assets</b>	<b>29 796</b>	<b>4 701</b>	<b>2 430</b>	<b>1 216</b>	<b>6 657</b>	<b>6 588</b>	<b>838</b>	<b>-8 347</b>	<b>43 879</b>
Liabilities and provisions	19 217	4 682	2 361	1 314	6 850	6 588	954	-8 347	33 620

For more information on segment reporting see note 2 Accounting principles in the Annual Report 2021.

## 3 Net interest

SEK 000	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
<b>Interest income</b>			
Loans to credit institutions	-	-	113
Loans to the public	1 037 347	985 739	1 957 376
Interest bearing securities	2 055	2 953	-5 321
<b>Total</b>	<b>1 039 401</b>	<b>988 693</b>	<b>1 952 168</b>
<i>Of which: interest income from financial assets not measured at fair value through profit or loss</i>	<i>1 037 347</i>	<i>985 739</i>	<i>1 957 489</i>
<i>interest income from non-performing loans</i>	<i>14 388</i>	<i>13 777</i>	<i>36 226</i>
<b>Interest expense</b>			
Liabilities to credit institutions	-6 598	-5 965	-10 292
Deposits from the public	-73 712	-88 986	-170 093
<i>Of which: deposit guarantee fee</i>	<i>-16 866</i>	<i>-16 279</i>	<i>-30 690</i>
Issued securities	-17 903	-23 162	-42 172
Derivatives	-39 944	-9 122	-23 013
- <i>hedge accounting</i>	<i>-2 937</i>	<i>-3 603</i>	<i>-7 314</i>
- <i>not hedge accounting</i>	<i>-37 007</i>	<i>-5 519</i>	<i>-15 699</i>
Subordinated liabilities	-	-1 159	-1 159
Other interest expenses	-4 674	-5 080	-10 382
<i>Of which: resolution fee</i>	<i>-4 588</i>	<i>-4 708</i>	<i>-8 333</i>
<b>Total</b>	<b>-142 830</b>	<b>-133 474</b>	<b>-257 112</b>
<i>Of which: interest income from financial assets not measured at fair value through profit or loss</i>	<i>-102 886</i>	<i>-124 352</i>	<i>-234 099</i>
<b>Total net interest income</b>	<b>896 571</b>	<b>855 219</b>	<b>1 695 056</b>

## 4 Leasing income

SEK 000	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Leasing income, gross	1 977 617	1 984 288	4 008 280
Less: Depreciation according to plan	-1 750 565	-1 748 758	-3 541 928
<b>Leasing income, net</b>	<b>227 052</b>	<b>235 531</b>	<b>466 352</b>
Leasing income from financial lease agreements	1 977 617	1 984 288	4 008 280
Depreciation according to plan for assets that are financial lease agreements, but are recognised as operating leases	-1 750 565	-1 748 758	-3 541 928
<b>Leasing income, net for financial lease agreements</b>	<b>227 052</b>	<b>235 531</b>	<b>466 352</b>
Interest income	3 733	3 703	7 487
Interest expenses	-49 230	-50 126	-96 611
<b>Leasing, net</b>	<b>181 555</b>	<b>189 108</b>	<b>377 228</b>

## 5 Net commission

SEK 000	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
<b>Commission income</b>			
Payment service commissions	8 136	4 862	13 209
Lending commissions	146 522	128 582	259 696
Compensation, mediated insurance	110 981	106 834	212 738
Other commissions	6 440	8 897	17 829
<b>Total</b>	<b>272 079</b>	<b>249 175</b>	<b>503 473</b>
<b>Commission expenses</b>			
Payment service commissions	-4 726	-6 094	-10 811
Lending commissions	-100 419	-100 984	-210 262
Other commissions	-39 740	-23 226	-47 741
<b>Total</b>	<b>-144 885</b>	<b>-130 304</b>	<b>-268 814</b>
<b>Commission, net</b>	<b>127 194</b>	<b>118 871</b>	<b>234 658</b>

## 6 Other operating income

SEK 000	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Realised gain arising from the disposal of tangible assets	17 182	15 966	33 774
Other operating income	19 580	10 185	21 854
<b>Total</b>	<b>36 762</b>	<b>26 151</b>	<b>55 628</b>

## 7 Loan losses, net

SEK 000	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
<b>Stage 1 - Assets without significant increase in credit risk since initial recognition</b>			
Change in provisions of receivables from stage 1	-41 300	4 202	-712
Write-off and removal of receivables from stage 1	-	-	-
Recoveries from previously determined loan losses for stage 1	-	-	-212
<b>Net cost for the period for loan losses - stage 1</b>	<b>-41 300</b>	<b>4 202</b>	<b>-924</b>
<b>Stage 2 - Assets with significant increase in credit risk since initial recognition but not credit-impaired</b>			
Change in provisions of receivables from stage 2	27 172	46 877	44 632
Write-off and removal of receivables from stage 2	-230 729	-98 336	-215 067
Recoveries from previously determined loan losses for stage 2	107 240	44 581	96 639
<b>Net cost for the period for loan losses - stage 2</b>	<b>-96 317</b>	<b>-6 878</b>	<b>-73 796</b>
<b>Stage 3 - Credit-impaired assets</b>			
Change in provisions of receivables from stage 3	83 764	43 056	-29 890
Write-off and removal of receivables from stage 3	-359 157	-413 665	-651 106
Recoveries from previously determined loan losses for stage 3	114 644	164 122	260 183
<b>Net cost for the period for loan losses - stage 3</b>	<b>-160 748</b>	<b>-206 487</b>	<b>-420 814</b>
<b>Net cost for the period for loan losses - Total</b>	<b>-298 365</b>	<b>-209 163</b>	<b>-495 534</b>

## 8 Tax expense for the period

The total tax for the period amounted to SEK 55.3 m (33.0) and consists of actual tax for the year of SEK 53.6 m (29.6) on amounts reported in the income statement for the period, adjustment of tax on previous periods of SEK 0.1 m (5.8) as well as deferred taxes of SEK 1.6 m (-2.4). Tax on taxable exchange rate differences regarding assets and liabilities in foreign branches

increases the total tax in the income statement with SEK 57.8 m (-53.6) and is reported in other comprehensive income. Tax losses carried forward for which no deferred tax asset is booked amount to SEK 6.9 m as of June 30, 2022, based on tax losses which are not deemed likely to be able to be used during the next few years.

## 9 Loans to the public

SEK 000	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Outstanding receivables, gross</b>			
- Swedish currency	8 774 595	8 817 969	8 746 482
- Foreign currency	18 593 247	16 080 628	16 744 196
<b>Total</b>	<b>27 367 842</b>	<b>24 898 597</b>	<b>25 490 678</b>
<b>Outstanding receivables per stage, gross</b>			
- stage 1	23 453 653	21 376 606	21 863 898
- stage 2	3 558 955	3 178 943	3 208 852
- stage 3	355 234	343 049	417 927
<b>Total outstanding receivables per stage, gross</b>	<b>27 367 842</b>	<b>24 898 597</b>	<b>25 490 678</b>
<i>Of which: non-performing loans</i>	<i>355 234</i>	<i>343 049</i>	<i>698 578</i>
<b>Provisions</b>			
Provisions for assets in stage 1	-190 011	-138 072	-143 616
Provisions for assets in stage 2	-354 343	-312 867	-315 589
Provisions for assets in stage 3	-236 091	-242 054	-293 990
<b>Total provisions</b>	<b>-780 445</b>	<b>-692 993</b>	<b>-753 195</b>
<b>Carrying amount, net</b>			
- stage 1	23 263 642	21 238 533	21 720 282
- stage 2	3 204 612	2 866 076	2 893 263
- stage 3	119 143	100 995	123 937
<b>Total carrying amount, net</b>	<b>26 587 396</b>	<b>24 205 604</b>	<b>24 737 483</b>

## 10 Deposits from the public

SEK 000	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Public</b>			
Swedish currency	13 062 565	13 159 621	13 060 016
Foreign currency	14 568 457	13 511 707	13 849 155
<b>Total</b>	<b>27 631 022</b>	<b>26 671 328</b>	<b>26 909 171</b>
<b>Deposits specified by category of borrower</b>			
Corporate sector	1 675 377	1 468 456	1 594 755
Household sector	25 955 646	25 202 872	25 314 416
<b>Total</b>	<b>27 631 022</b>	<b>26 671 328</b>	<b>26 909 171</b>

## 11 Issued securities

SEK 000	30 Jun 2022	30 Jun 2021	31 Dec 2021
Certificates of deposits	199 834	249 533	149 976
Bonds	3 799 057	4 848 788	3 598 958
<b>Total</b>	<b>3 998 891</b>	<b>5 098 321</b>	<b>3 748 933</b>

Issues securities have been on approximately the same level during the period from January to June

when SEK 700 m was issued, at the same time as SEK 450 m issued securities matured.

## 12 Related parties

Companies within the Ikano Group, companies within the Ingka Group as well as the Bank's associated companies are related parties to the Bank. Transactions with these are shown in the table below.

Consolidated financial statements are prepared by Ikano S.A., Luxembourg. Transactions with related parties are priced on commercial, market-based terms. No non-performing loans are attributable to the outstanding receivables with related parties.

SEK 000	Period	Income	Expenses	Other (interest, dividend etc)	Receivables on related parties	Liabilities with related parties
Group companies	<b>30 Jun 2022</b>	189	-30 009	-	12 275	20 363
Group companies	<b>30 Jun 2021</b>	183	-24 371	-	15 384	5 789
Group companies	<b>31 Dec 2021</b>	366	-47 812	-	14 150	1 216
Associated companies	<b>30 Jun 2022</b>	150	-132	9 888	18	-
Associated companies	<b>30 Jun 2021</b>	-	-	-	-	-
Associated companies	<b>31 Dec 2021</b>	-	-	18 944	-	-
Other related parties	<b>30 Jun 2022</b>	93 860	-7 189	-	75 298	3 667 999
Other related parties	<b>30 Jun 2021</b>	-	-	-	-	-
Other related parties	<b>31 Dec 2021</b>	75 059	-1 524	-	39 549	1 749 237

The Bank's shares in the associated company IISÅ Holdco AB have been divested in June 2022. Dividend received from IISÅ Holdco AB amounted to SEK 9,888 k. During the period 54,412 shares in Borgo AB (publ) were acquired from IISÅ Holdco AB at the amount of SEK 10,048 k. During 2022 the Bank has invested in a further 913,717 shares in

Borgo AB (publ) at new share issues, at the amount of SEK 141,415 k. The balance sheet item of Shares in associated companies consists of 1,468,361 shares in Borgo AB (publ) as of the end of the period, which corresponds to a ownership share of 23%.

## 13 Memorandum items

SEK 000	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Contingent liabilities</b>			
PRI	752	739	752
<b>Total</b>	<b>752</b>	<b>739</b>	<b>752</b>
<b>Commitments</b>			
Loan commitments, irrevocable	4 618 795	4 551 085	4 091 737
Unused credit limits	25 740 572	26 257 150	25 688 183
<b>Total</b>	<b>30 359 367</b>	<b>30 808 235</b>	<b>29 779 920</b>

Unused credit limits mean card limits and loan commitments arranged externally. Commitments consisting of granted unused credit limits can be terminated effective immediately to the extent this is permitted under the Swedish Consumer Credit Act. The Bank has no pledged assets. The Bank is subject to claims and in some cases has claims, in a number of civil cases that are

conducted in general court. The assessment is that the litigation will essentially be in the Bank's favour. Provisions are made when an outflow of resources is likely. The disputed amounts are not considered to have a material effect on the Bank's position or results.

## 14 Financial assets and liabilities

The following table provides information on the measurement of fair value of the financial instruments that are measured at fair value in the balance sheet (excluding items included in hedge accounting). The breakdown of how fair value is determined is based on the following three levels:

- Level 1: according to prices listed on an active market for the same instrument
- Level 2: based on directly or indirectly observable market data that is not included in level 1
- Level 3: based on input that is not observable in the market

### Financial assets and liabilities

**30 Jun 2022**

SEK 000

	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Derivatives	-	122 762	-	<b>122 762</b>
Shares and participations	38 997	-	1 535	<b>40 532</b>
<b>Financial assets at fair value through other comprehensive income</b>				
Bonds and other interest-bearing securities	2 080 471	722 545	-	<b>2 803 016</b>
Treasury bills	1 476 429	281 082	-	<b>1 757 511</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Derivatives	-	119 147	-	<b>119 147</b>

**30 Jun 2021**

SEK 000

	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Derivatives	-	36 857	-	<b>36 857</b>
Shares and participations	46 819	-	1 535	<b>48 354</b>
<b>Financial assets available for sale</b>				
Bonds and other interest-bearing securities	2 777 388	309 705	-	<b>3 087 093</b>
Treasury bills	2 066 130	130 013	-	<b>2 196 143</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Derivatives	-	30 069	-	<b>30 069</b>

**31 Dec 2021**

SEK 000

	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Derivatives	-	10 074	-	<b>10 074</b>
Shares and participations	37 967	-	1 535	<b>39 502</b>
<b>Financial assets at fair value through other comprehensive income</b>				
Bonds and other interest-bearing securities	3 015 923	449 840	-	<b>3 465 763</b>
Treasury bills	2 120 361	153 958	-	<b>2 274 319</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Derivatives	-	187 699	-	<b>187 699</b>

## Financial instruments that have been offset in the balance sheet or are subject to netting agreements

Ikano Bank is party to derivative contracts under the International Swaps and Derivatives Association's (ISDA) master agreement, which means that when a counterparty cannot fulfil its obligations, the agreement is cancelled and all outstanding dealings between the parties are settled with a net amount. ISDA agreements do not meet the criteria for offsetting in the balance sheet since offsetting is only permitted due to a

party's inability to settle, and also where the intention to reach a net settlement exists.

No amounts have been offset in the balance sheet in the first half of 2022.

Ikano Bank receives and submits collateral for derivatives in the form of bank deposits in accordance with the standard terms in the ISDA Credit Support Annex.

<b>30 Jun 2022</b>		Offsetting in the	Net in balance	Netting	Issued/Received	
<b>SEK 000</b>	Gross value	balance sheet	sheet	agreements	collateral	Net value
Derivatives	122 762	-	122 762	-119 147	-45 023	-41 408
<b>Total financial assets</b>	<b>122 762</b>	-	<b>122 762</b>	<b>-119 147</b>	<b>-45 023</b>	<b>-41 408</b>

Derivatives	119 147	-	119 147	-119 147	-	-
<b>Total financial liabilities</b>	<b>119 147</b>	-	<b>119 147</b>	<b>-119 147</b>	-	-

Amounts not offset in balance sheet

<b>30 Jun 2021</b>		Offsetting in the	Net in balance	Netting	Issued/Received	
<b>SEK 000</b>	Gross value	balance sheet	sheet	agreements	collateral	Net value
Derivatives	36 857	-	36 857	-30 069	-141 803	-135 015
<b>Total financial assets</b>	<b>36 857</b>	-	<b>36 857</b>	<b>-30 069</b>	<b>-141 803</b>	<b>-135 015</b>

Derivatives	30 069	-	30 069	-30 069	-	-
<b>Total financial liabilities</b>	<b>30 069</b>	-	<b>30 069</b>	<b>-30 069</b>	-	-

Amounts not offset in balance sheet

<b>31 Dec 2021</b>		Offsetting in the	Net in balance	Netting	Issued/Received	
<b>SEK 000</b>	Gross value	balance sheet	sheet	agreements	collateral	Net value
Derivatives	10 074	-	10 074	-187 699	168 523	-9 101
<b>Total financial assets</b>	<b>10 074</b>	-	<b>10 074</b>	<b>-187 699</b>	<b>168 523</b>	<b>-9 101</b>

Derivatives	187 699	-	187 699	-187 699	-	-
<b>Total financial liabilities</b>	<b>187 699</b>	-	<b>187 699</b>	<b>-187 699</b>	-	-

## 15 Risks and uncertainty factors

The Bank's earnings are also affected by external changes that the company has no control over. The Bank's earnings performance is affected by factors including macroeconomic change such as unemployment, as well as fluctuations in interest and exchange rates. As with the Covid-19 pandemic, the war in Ukraine is an unexpected event with unforeseen and unclear long-term consequences. This has caused different risks and has increased the focus on credit risk, as well as other types of risk such as operational risks.

Risk management is an integrated component of the Bank's daily operations. In its business operations, the Bank is exposed to several risks such as credit risk, operational risk and business risk, but it must also manage liquidity risk, foreign exchange risk and interest rate risk. The Board of

Directors and CEO are ultimately responsible for risk management at Ikano Bank. Risk management is intended to ensure that the risks do not exceed the risk mandates set by the Board. The Bank's risks are controlled centrally, but the responsibility for risk management rests primarily with local business units. This means that operating businesses own and manage the risk in daily operations. The central risk control function is responsible for monitoring and evaluating risk management.

Apart from what is stated in this Interim Report, more details are provided in Ikano Bank's Annual Report for 2021 and Ikano Bank's annual "Capital adequacy and risk management" report, available at [www.ikanobank.se](http://www.ikanobank.se).



## 16 Capital management and capital adequacy

Below information is provided for information regarding own funds and own funds requirements in accordance with among others regulation (EU No 575/2013) and SFSA regulations regarding prudential requirements and capital buffers (2014:12). Ikano Bank applies the IFRS 9 phase-in rules in accordance with article 473a in capital requirements regulation (EU No 575/2013) regarding the Day 1 effect. In the annual report and in the report Capital adequacy and risk management the impact of this phase-in effect is presented. These reports are available at the Bank's webpage [www.ikanobank.se/om-banken/ekonomisk-information](http://www.ikanobank.se/om-banken/ekonomisk-information).

The capital requirements regulations help to strengthen resilience against financial losses and thereby protect the Bank's customers. The regulations state that the Bank's own funds shall cover the minimum statutory own funds requirements, Pillar 1 requirements, which for Ikano Bank include the requirements for credit risk, credit valuation adjustment risk (CVA risk), operational risk and foreign exchange risk. In addition, the own funds requirements include further identified risks in the operation in accordance with the Bank's internal capital adequacy assessment process and the requirements stipulated by the Board of Directors, also referred to as Pillar 2 requirements, and statutory requirements for capital buffers. The SFSA's recommendation on increased capital requirements, which is a result of Pillar 2 guidance and the changed capital adequacy rules in Sweden and the EU's so-called banking package, will be incorporated into the Bank's public disclosures and internal capital and liquidity assessment for 2022.

Ikano Bank has quantified tolerance levels for the CET 1 ratio and total capital ratio above regulatory requirements. The margins represent buffers adapted to the Bank's risk profile in order to cover identified risks based on probability and financial impact. To meet the anticipated expansion of loans, maintain strategic freedom of action and handle external changes, the Board of Directors has also expressed target levels for the Bank's capital ratios as part of the risk appetite framework.

To ensure that Ikano Bank's capital situation is satisfactory to cover the risks that the Bank is or may be exposed to, an internal capital and liquidity adequacy assessment (ICAAP/ILAAP) is conducted at least annually. The ICAAP/ILAAP is the Board's tool for assessing the need for changes in the own funds requirement. In the assessment process, stress tests and scenario

analyses are carried out to assess potential additional own funds requirements, including strategic decisions or external events that affect the business and its development. As a part of this process, a risk analysis is performed to ensure underlying risks are adequately addressed and mirror the Bank's actual risk profile and capital requirements.

The risk control function is responsible for monitoring the process of the Bank's capital adequacy assessment. The capital requirements resulting from the ICAAP are regularly reported to the SFSA.

As of June 30, 2022, the Bank had own funds of SEK 9,538 m (9,974), all of which is Common Equity Tier 1 (5,418). The Bank does not have any Tier 2 capital (4,556). The statutory own funds requirement for Pillar 1-risk amounted to SEK 2,780 m (2,583). After a statutory minimum for Common Equity Tier 1 capital, a further SEK 6,704 m (3,481) remains available as common equity Tier 1 capital. The internal own funds requirement (Pillar 2 requirements) totalled SEK 771 m (771) and is covered by available capital.

The combined buffer requirement for Ikano Bank consists of the capital conservation buffer and the countercyclical capital buffer. According to the law (2014:966) regarding capital buffers, the capital conservation buffer shall consist of a common equity Tier 1 capital equivalent to 2.5 percent of the Bank's total risk exposure amounts. For Ikano Bank, the capital conservation buffer totals SEK 869 m (807) and is covered by the available common equity Tier 1 capital. The countercyclical buffer is determined by multiplying the total risk exposure amount with the weighted average of the countercyclical buffer rates applicable in those countries where the relevant credit exposures of the Bank are located. The institution-specific countercyclical buffer amounts to 0.11 percent (0.07) or SEK 37 m (23) after weighting the applicable geographic requirements, which for the Bank means mainly Norway. Ikano Bank's combined buffer requirement is SEK 906 m (830).

As of June 30 2022 both the total capital ratio as well as the Tier 1 capital ratio for Ikano Bank was 27.5 percent (30.9 and 16.8 respectively).

## Summary of own funds, risk exposure amount and own funds requirements

	30 Jun 2022		30 Jun 2021		31 Dec 2021	
	SEK 000	% of REA*	SEK 000	% of REA*	SEK 000	% of REA*
Common equity Tier 1	9 537 792	27,5%	5 418 034	16,8%	9 768 887	29,5%
Tier 1 capital	9 537 792	27,5%	5 418 034	16,8%	9 768 887	29,5%
Tier 2 capital	-	0,0%	4 555 753	14,1%	-	0,0%
<b>Own funds</b>	<b>9 537 792</b>	<b>27,5%</b>	<b>9 973 786</b>	<b>30,9%</b>	<b>9 768 887</b>	<b>29,5%</b>
<b>Total risk exposure amount</b>	<b>34 745 857</b>	<b>100,0%</b>	<b>32 283 550</b>	<b>100,0%</b>	<b>33 085 187</b>	<b>100,0%</b>
<b>Minimum capital requirement (Pillar 1)</b>	<b>2 779 669</b>	<b>8,0%</b>	<b>2 582 684</b>	<b>8,0%</b>	<b>2 646 815</b>	<b>8,0%</b>
<b>Additional capital requirement (Pillar 2)</b>	<b>771 000</b>	<b>2,2%</b>	<b>771 000</b>	<b>2,4%</b>	<b>771 000</b>	<b>2,3%</b>
Pillar 2 guidance (P2G)	-	0,0%	-	0,0%	-	0,0%
<b>Combined buffer requirement</b>	<b>905 576</b>	<b>2,6%</b>	<b>830 237</b>	<b>2,6%</b>	<b>851 162</b>	<b>2,6%</b>
Capital conservation buffer	868 646	2,5%	807 089	2,5%	827 130	2,5%
Counter-cyclical capital buffer	36 929	0,1%	23 148	0,1%	24 032	0,1%
<b>Total capital requirement</b>	<b>4 456 244</b>	<b>12,8%</b>	<b>4 183 921</b>	<b>13,0%</b>	<b>4 268 977</b>	<b>12,9%</b>
<b>Available common equity Tier 1 Capital</b>	<b>6 758 123</b>	<b>19,5%</b>	<b>3 481 021</b>	<b>10,8%</b>	<b>7 783 775</b>	<b>23,5%</b>

## Specification of own funds

SEK 000	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Equity reported in the balance sheet</b>	<b>10 149 225</b>	<b>5 907 144</b>	<b>10 259 462</b>
Share capital	154 893	78 994	154 893
Statutory reserve	193 655	193 655	193 655
Fund for development expenses	588 982	552 838	569 903
Share premium reserve	4 479 855	-	4 479 855
Fund for fair value	231 341	251 788	243 372
Retained earnings	4 598 706	4 736 051	4 718 986
Net result for the period	-98 207	93 818	-101 201
Untaxed reserves (79,4% of which) <sup>1)</sup>	-	76 984	-
<b>CET1 capital before regulatory adjustments</b>	<b>10 149 225</b>	<b>5 984 128</b>	<b>10 259 462</b>
<b>CET1 capital: regulatory adjustments</b>			
Intangible assets	-592 601	-563 217	-572 123
Cash flow hedge	-69 361	-14 700	-23 447
Value adjustments due to the requirements for prudential valuation	-4 996	-5 413	-6 059
Adjustment for IFRS 9 one-off effect according to transitional arrangements	55 526	111 053	111 053
<b>Total common equity Tier 1 capital</b>	<b>9 537 793</b>	<b>5 418 034</b>	<b>9 768 887</b>
<b>Total Tier 1 capital</b>	<b>9 537 793</b>	<b>5 418 034</b>	<b>9 768 887</b>
<b>Tier 2 capital</b>			
Share Capital and Share premium reserve	-	4 555 753	-
<b>Total Tier 2 capital</b>	<b>-</b>	<b>4 555 753</b>	<b>-</b>
<b>Total own funds</b>	<b>9 537 793</b>	<b>9 973 786</b>	<b>9 768 887</b>

## Specification of risk exposure amount and own funds requirements

kSEK	30 Jun 2022		30 Jun 2021		31 Dec 2021	
	Risk exposure amount	Own funds requirements	Risk exposure amount	Own funds requirements	Risk exposure amount	Own funds requirements
<b>Credit risk according to the standardised approach</b>						
Regional governments or local authorities	13 525	1 082	12 813	1 025	13 441	1 075
Institutional exposures	450 126	36 010	1 156 441	92 515	452 488	36 199
Corporate exposures	4 465 955	357 276	3 718 227	297 458	3 853 039	308 243
Retail exposures	22 394 784	1 791 583	21 113 797	1 689 104	21 312 261	1 704 981
Equity exposures	628 238	50 259	112 173	8 974	305 924	24 474
Past due items	342 852	27 428	398 721	31 898	432 732	34 619
Covered bond exposures	136 205	10 896	179 151	14 332	198 903	15 912
Other items	344 798	27 584	420 482	33 639	353 427	28 274
<b>Total credit risk</b>	<b>28 776 483</b>	<b>2 302 119</b>	<b>27 111 805</b>	<b>2 168 944</b>	<b>26 922 215</b>	<b>2 153 777</b>
<b>Operational risk according to the basic indicator approach</b>						
	<b>4 673 247</b>	<b>373 860</b>	<b>4 926 047</b>	<b>394 084</b>	<b>4 926 047</b>	<b>394 084</b>
<b>Foreign exchange risk according to the standardised approach</b>						
	<b>1 271 222</b>	<b>101 698</b>	<b>215 186</b>	<b>17 215</b>	<b>1 220 521</b>	<b>97 642</b>
<b>CVA according to the standardised approach</b>						
	<b>24 904</b>	<b>1 992</b>	<b>30 512</b>	<b>2 441</b>	<b>16 404</b>	<b>1 312</b>
<b>Total</b>	<b>34 745 857</b>	<b>2 779 669</b>	<b>32 283 550</b>	<b>2 582 684</b>	<b>33 085 187</b>	<b>2 646 815</b>

## Leverage ratio

The leverage ratio is a measure that provides an alternative to the risk-based capital requirement. The aim is that there should be a clear and simple measure of capital strength. The measurement shows capital as a percentage of asset size, without the actual risk level of the assets being taken into consideration. A legal minimum

requirement of 3 percent entered into force in June 2021.

The leverage ratio is calculated using the Tier 1 capital as a percentage of total assets. For the Bank, the leverage ratio per 30 June 2022 is 20.8 percent (11.3).

## Comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9

SEK m	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Available capital</b>			
Common Equity Tier 1 (CET1) capital	9 538	5 418	9 769
Common Equity Tier 1 (CET1) capital as if IFRS 9 transitional arrangements had not been applied	9 482	5 307	9 658
Tier 1 capital	9 538	5 418	9 769
Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	9 482	5 307	9 658
Total capital	9 538	9 974	9 769
Total capital as if IFRS 9 transitional arrangements had not been applied	9 482	9 863	9 658
<b>Risk-weighted assets</b>			
Total risk-weighted assets	34 746	32 284	33 085
Inphasing	15	47	41
Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	34 731	32 237	33 044
<b>Capital ratios</b>			
Common Equity Tier 1 (as a percentage of risk exposure amount)	27.5%	16.8%	29.5%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements had not been applied	27.3%	16.5%	29.2%
Tier 1 (as a percentage of risk exposure amount)	27.3%	16.8%	29.5%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements had not been applied	27.3%	16.5%	29.2%
Total capital (as a percentage of risk exposure amount)	27.5%	30.9%	29.5%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements had not been applied	27.3%	30.6%	29.2%
<b>Leverage ratio</b>			
Leverage ratio total exposure measure	42 907	47 846	45 195
Leverage ratio	20.8%	11.3%	21.6%
Leverage ratio as if IFRS 9 transitional arrangements had not been applied	20.8%	11.1%	21.4%

## 17 Liquidity

Ikano Bank's liquidity is managed within the framework of the Bank's liquidity portfolio. The liquidity portfolio consists of deposits with banks, short-term lending to credit institutions and investments in liquid interest-bearing securities, which can be sold and converted into cash on short notice. The Bank also has other liquidity creating measures at its disposal, such as immediately accessible overdraft facilities as well as committed credit facilities. The composition and size of the Bank's liquidity portfolio and liquidity reserve is regulated in the Bank's steering documents, which are adopted by the Bank's Board of Directors. To ensure that the liquidity of Ikano Bank is adequate, an internal liquidity adequacy assessment (ILAAP) is performed at least annually. This process is a tool used by the Board of Directors to assess the need for changes in the liquidity requirement in the event of changed circumstances.

The liquidity portfolio is divided into three categories: Intra-day liquidity, liquidity reserve and an operational portfolio.

The Bank's liquidity reserve and operational portfolio shall always total at least 10 percent of deposits from the public. In addition to the liquidity reserve, the Bank shall maintain an intra-day liquidity of at least 3 percent of deposits from the public. Consequently, the liquidity portfolio shall always amount to at least 13 percent of deposits from the public.

The liquidity reserve, together with other operating liquidity, is invested in interest-bearing securities in the markets where the Bank operates. Steering documents define that quality levels of securities included in the Bank's liquidity reserve are in line with the LCR Delegated Act. Intra-day liquidity manages the Bank's daily payment commitments. The liquidity in this portfolio shall be available within one day, and shall consist of funds in bank accounts, investments available the next banking day (overnight) and committed bank overdraft facilities in the Bank's cash pool.

The liquidity reserve shall constitute a separate reserve of high-quality liquid assets, which are to be quickly convertible in case of market stress situations that affect the Bank's funding options. The liquidity reserve is invested

in interest-bearing securities with a high credit rating in the Swedish market. Investments in this portfolio are to have a minimum rating of AA- according to Standard and Poor's (or equivalent according to Moody's). The assets are to be available for realisation and conversion into cash at short notice. Unused bank overdraft facilities are not included in the liquidity portfolio.

The Bank's operating liquidity is managed in the investment portfolio. The assets in the portfolio consist of interest-bearing securities in the Swedish market. Investments in this portfolio are to have a minimum rating of BBB+ rating according to Standard and Poor's (or equivalent according to Moody's).

The Bank's liquidity reserve amounts to SEK 3,319 m (3,950) and consists of high-quality assets, liquid in private markets and eligible as collateral with the Swedish Central Bank.

The liquidity portfolio as of 30 June 2022 totalled SEK 6,173 m (9,980) excluding overdraft facilities and constitutes 22 percent (38) of deposits from the public. It includes cash and balances with banks amounting to SEK 1,607 m (4,680), the liquidity reserve amounting to SEK 3,319 m (3,950) and other interest-bearing securities amounting to SEK 1,247 m (1,170). None of the assets are being utilised as collateral and no non-performing loans exist. The assets are being valued at fair value. The assets are being valued at fair value.

In addition to the liquidity portfolio, committed credit facilities for a total of SEK 1,028 m (2,244) are available. As of 30 June 2022, the Bank's liquidity coverage ratio (LCR) totalled 235 percent (281). This measure shows how the Bank's highly liquid assets relate to net outflows over a thirty-day period under strained market conditions. The statutory limit amounts to 100 percent.

The structural liquidity measure, Net Stable Funding Ratio (NSFR), is defined as the relationship between available stable funds and the required stable funds. For Ikano Bank, the Net Stable Funding Ratio (NSFR) on June 30, 2022, was 136 percent (138). The EU has issued a minimum requirement of 100 percent, which entered into force in June 2021.

### Summary of liquidity reserve

30 Jun 2022	Total	SEK	EUR	DKK	GBP	Other
SEK m						
Securities issued by regional governments and governments	1 760	1 059	-	281	419	-
Securities issued by financial companies	198	5	192	-	-	-
Covered bonds	1 362	1 060	237	65	-	-
<b>Liquidity reserve</b>	<b>3 319</b>	<b>2 125</b>	<b>430</b>	<b>346</b>	<b>419</b>	-
Operating liquidity invested in securities	1 247	1 247	-	-	-	-
Cash and balances with central banks and other banks	1 607	909	226	52	287	134
<b>Total liquidity portfolio</b>	<b>6 173</b>	<b>4 280</b>	<b>655</b>	<b>398</b>	<b>706</b>	<b>134</b>
Distribution across currencies (%)		69%	11%	6%	11%	2%
<b>Other liquidity creating measures</b>						
Unused committed credit facilities	1 028	600	428	-	-	-

<b>30 Jun 2021</b>							
SEK m	Total	SEK	EUR	DKK	GBP	Other	
Securities issued by regional governments and governments	2 204	1 671	-	172	361	-	
Securities issued by financial companies	5	5	0	-	-	-	
Covered bonds	1 741	1 162	515	63	0	-	
<b>Liquidity reserve</b>	<b>3 950</b>	<b>2 839</b>	<b>515</b>	<b>235</b>	<b>361</b>	-	
Operating liquidity invested in securities	1 170	1 170	-	-	-	-	
Cash and balances with central banks and other banks	4 860	4 222	249	64	222	103	
<b>Total liquidity portfolio</b>	<b>9 980</b>	<b>8 231</b>	<b>765</b>	<b>299</b>	<b>583</b>	<b>103</b>	
Distribution across currencies (%)		82%	8%	3%	6%	1%	
<b>Other liquidity creating measures</b>							
Unused committed credit facilities	2 244	600	741	662	241	-	

<b>31 Dec 2021</b>							
SEK m	Total	SEK	EUR	DKK	GBP	Other	
Securities issued by regional governments and governments	2 283	1 773	-	104	406	-	
Securities issued by financial companies	193	5	188	-	-	-	
Covered bonds	1 989	1 402	524	63	0	-	
<b>Liquidity reserve</b>	<b>4 465</b>	<b>3 181</b>	<b>712</b>	<b>167</b>	<b>406</b>	-	
Operating liquidity invested in securities	1 288	1 288	-	-	-	-	
Cash and balances with central banks and other banks	1 625	930	109	35	345	206	
<b>Total liquidity portfolio</b>	<b>7 379</b>	<b>5 399</b>	<b>820</b>	<b>202</b>	<b>751</b>	<b>206</b>	
Distribution across currencies (%)		73%	11%	3%	10%	3%	
<b>Other liquidity creating measures</b>							
Unused committed credit facilities	1 051	600	435	-	-	16	

The Bank's long-term funding plan aims at a well-diversified funding, taking into account the allocation of risks and financing costs.

Deposits from the public are regarded as the main funding source and the Bank aims to maintain a minimum ratio of deposits to total assets of 50 percent. Additional information

about the Bank's capital adequacy and liquidity risk management can be found in the Annual Report for 2021 and the information on Capital adequacy and risk management for 2021. The documents are published on the Bank's website [www.ikanobank.se](http://www.ikanobank.se).

## 18 Events after the balance sheet day

In July, 2022, an additional investment was made in the mortgage fintech company Borgo AB (publ) of SEK 63 m. This follows our investment plan both as an industrial and an financial investor.

The SFSA has reviewed and evaluated Ikano Bank with special capital requirements, liquidity requirements and pillar 2 guidance. On 17 August 2022, the SFSA announced its decision that the Bank must meet a special capital requirement regarding concentration risk for credit risk, interest rate risks and other market risks in operations of 1.49 percent of the total risk-weighted exposure amount which is a decrease of 0.1 percentage points compared to the

previous internal assessment. Further, SFSA recommends that the Bank should hold additional capital (pillar 2 guidance) corresponding to 5.5 percent of the Bank's total risk-weighted exposure amount and 5 percent of the total exposure measure for leverage ratio which is an increase of about 3.5 percentage points compared to the previous internal assessment. The Bank has decided to adhere to the SFSA's recommendation.

## Älmhult, Sweden, August 22, 2022

The Board of Directors and the CEO certify that this Interim Report gives a true and fair view of the Bank's operations, financial position and results of operations, and describes significant risks and uncertainties faced by the Bank.

Mats Håkansson  
Chairperson

Lone Fønss Schrøder  
Board member

Mikael Palmquist  
Board member

Diederick van Thiel  
Board member

Lars Thorsén  
Board member

Yohann Adolphe  
Board member

Heather Jackson  
Board member

Viveka Strangert  
Board member

Lars Ljungälv  
Board member

Nigel Hinshelwood  
Board member

Henrik Eklund  
CEO