

Year-end Report 2016

Results for the full year 2016

- Business volume expanded by 15 percent to SEK 63,501 m (55,119)
- Lending, including leasing, increased by 15 percent to SEK 34,475 m (30,072)
- Deposits from the public rose by 20 percent to SEK 24,180 m (20,209)
- Operating result decreased by 21 percent to SEK 445 m (562). The outcome is affected by the increased cost of non-deductible VAT where the largest part that affected 2016 relates to previous years.
- In addition to the above the operating result is also affected by the model standardisation for loan losses made at the beginning of the year and of investments in improvements in operational efficiency which led to increased costs for 2016.
- Net interest income is up by 1 percent to SEK 2,021 m (2,011)
- The lower operating result and the shareholders contribution of SEK 500 m led to return on equity falling to 7.2 percent (11.4)
- Common equity Tier 1 ratio totaled 14.3 percent (14.1) and the total capital ratio was 16.6 percent (16.8)
- The liquidity reserve totaled SEK 4,507 m (3,774) and the total liquidity portfolio amounted to SEK 5,272 m (4,497)

Results for the second half year 2016

The merger with the fellow subsidiary Bank Ikano Bank GmbH was carried out in August 2015 and is in its entirety included in the comparative figures for the second half year 2015.

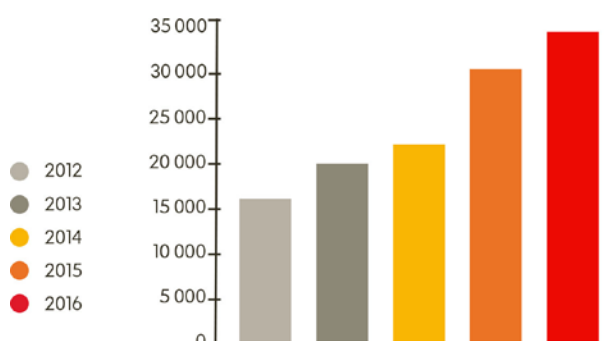
- Operating result decreased by 88 percent to SEK 39 m (323) and is impacted of the increased costs of non-deductible VAT mainly for previous years which is recognized in full in the second half year of 2016
- Net interest income decreased by 23 percent to SEK 1,028 m (1,337)
- Return on equity for the second half of the year amounted to 1.3 percent (13.1)

Outlook for 2017: Our outlook for 2017 is positive. We operate in a challenging business but we are financially strong and have solid growth across our markets and a good market position. We continue our work to further develop and improve our digital experience, efficiency and offer.

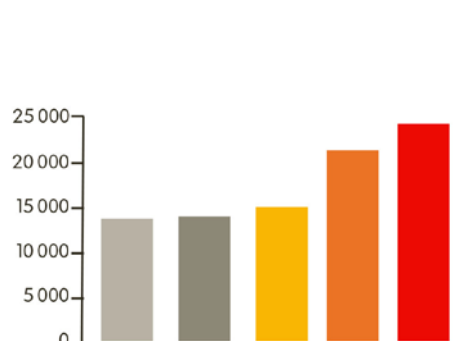
Key ratios

	Jul-Dec 2016	Jul-Dec 2015	31 Dec 2016	31 Dec 2015
Total Capital ratio	16.6%	16.8%	16.6%	16.8%
Common equity Tier 1 ratio	14.3%	14.1%	14.3%	14.1%
Investment margin	5.3%	8.6%	5.2%	6.4%
Return on adjusted equity	1.3%	13.1%	7.2%	11.4%
Leverage ratio	10.5%	9.4%	10.5%	9.4%
C/I-ratio before loan losses	80.5%	64.3%	74.2%	65.6%
Loan loss ratio	1.5%	2.2%	0.9%	1.6%

LENDING INCLUDING LEASING IN SEK MILLION



DEPOSITS IN SEK MILLION



Statement by the Managing Director

2016 has been a year of strong growth across all our markets. The products launched towards the end of 2015 and in early 2016 are developing in line with expectations and contributing to this positive growth. The operating result for the year was SEK 445 m. Increased costs of non-deductible VAT had a negative impact on the overall result but apart from these costs the result is in line with expectations. Our investments to achieve greater customer value and competitiveness also had an impact on the overall cost level in 2016.

Deposits are the Bank's most important funding source, and we have seen a stable growth in deposits in the year. Towards the end of 2015 we launched savings products in the British market and they have been very well received, which is important to us since it is a critical component in the growth strategy for the Bank. Interest in our capital market financing programme is also strong.

Growth in loan sales has been good across markets, with the UK and Sweden exceptionally strong in 2016. Development in the UK is strong overall and we can clearly see the positive effects from the broadened offering in that market. The Swedish market has also done very well and we are winning market share. Strong growth in loans and several important contracts in sales finance both contributed.

The Bank has received awards in several markets in relation to customer care during the year. We have won awards in Norway and Germany, and been awarded the prize for most satisfied loan customers in the Swedish market for a fourth consecutive year. In an increasingly competitive market such as ours this is very pleasing: to understand and achieve appreciation from customers is critical to our business.

The mission to develop our offer and approach to customers continues to be a focus area – always with the customer experience at the core. We need to develop and improve the services our customers demand and they should feel pleased with the service level and offer we provide.

Ikano Bank in brief

Ikano Bank has three business lines: Consumer, Sales Finance and Corporate. The Consumer business line conducts traditional Banking operations that focus on private individuals by offering simple and attractive savings and loan services. Sales Finance administers and markets finance solutions for partners, and Corporate offers leasing solutions, mainly for office-related products, as well as factoring services to businesses.

Ikano Bank has operations in Sweden, the UK, Norway, Denmark, Finland, Germany, Austria and Poland. Sweden is the largest market, where the Bank also has the broadest offering for all target groups. Ikano Bank offers a selection of the Bank's services on other geographical markets. Ikano Bank has no physical offices for customers, but delivers its services online.

The Bank's result for the full year 2016

Operating income is affected by the increased VAT costs and standardisation of loan loss model

Operating income for 2016 decreased by 21 percent to SEK 445 m (562). The operating result was negatively affected by cost incurred due to that the Bank partly loses the right to recover input VAT. Ikano Bank has in recent years been using a sales-based pro-rata method for calculating deductible input VAT. The method that previously was accepted is now no longer applicable according to the Tax Agency's decision with reference to a case in the European Court. Although the Bank reported VAT according to current Swedish law, this means that the Bank will lose the right to deduct VAT of SEK 152 m of which SEK 120 m refers to previous years as a one-off effect, when the Bank currently chooses to follow the Tax Agency's changed view.

The result is also 2016 affected negatively by costs related to the investments made to increase operational efficiency. A result of these investments is the Nordic customer center which was established in 2016.

The model standardisation for loan loss provision, which was implemented during the first half of 2016, led to a reversal of loan loss provisions which had a positive effect of SEK 118 m.

The underlying profitability of the Bank is deemed to be stable and supported by a well-founded loan business with good growth.

The growth of loans and deposits resulted in stable net interest income

Net interest income increased by 1 percent to SEK 2 021 bn (2 011). Interest income and interest expense increased marginally despite growth in both lending and deposits. The return on the Bank's liquidity portfolio decreased due to lower market interest rates.

Marginally increased net leasing income and decreased net commission income

Net leasing income increased by 3 percent to SEK 313 m (303). Net leasing income decreased slightly in the Swedish market and other markets increased supported by volume growth.

Net commission income fell by 3 percent to SEK 356 m (367). The operations in Germany, Poland and Norway contributed positively to the Bank's net commission income, while lower income from brokered insurance policies and higher commission expenses in other markets contributed negatively.

Higher costs a consequence of growth, investment and tax

Operating expenses rose by 14 percent to SEK 4.5 bn (4.0). This increase is mainly attributable to increased depreciation on leased assets on behalf of customers, due to the volume growth in

the Corporate segment and investments made to increase operational efficiency. Total operating expenses was negatively affected when the Bank partially loses the right to recover VAT.

Lower loan losses from the model standardisation

Net loan losses increased by 32 percent to SEK 278 m (412). Loan losses as a proportion of average total lending decreased to 0.9 percent (1.6). The nominal decrease is mainly explained by the standardisation of model for loan loss provision, which was implemented during the first half of 2016 which led to a reversal of loan loss provisions of SEK 118 m.

The Bank's result for the second half-year 2016

Lower operating result is affected by the VAT and merger

Operating result fell by 88 percent to SEK 39 m (323). Operating result for the second half was affected negatively when the Bank partly loses the right to recover VAT. Comparisons between the second half of 2016 and 2015 are also affected by that the merged operations full-year results are included in the result for the second half of 2015, as the merger took place on 3 August 2015.

Lower net interest income

Net interest income decreased by 23 percent to SEK 1,028 m (1,337). The largest part of this change is due to that the contribution of net interest income from the merged operations in Germany and Poland are included for the full year in the figures of the second half of 2015. In other markets, net interest income was stable.

Higher net leasing and lower net commission income

Net leasing income rose by 8 percent to SEK 160 m (149) compared with the corresponding period in 2015. Net leasing income increased in the foreign markets due to strong demand for financing from our corporate partners while the leasing income on the Swedish market decreased slightly.

Net commission income fell by 2 percent to SEK 192 m (197). The change is due to that the merged operations' net commission income for 2015 is included entirely in the second half year figures for 2015. Slightly lower revenues from brokered insurance income and higher commission expenses in other markets had a negative effect.

Higher costs a consequence of growth, investment and VAT

Operating expenses rose by 14 percent to SEK 2.5 bn (2.2). The increase is primarily a result of increased depreciations of leasing assets, due to volume growth in Corporate segment. The costs for the second half of the year were affected by investments made to increase operational

efficiency as well as when the Bank partially lose the right to recover VAT.

Continued good credit quality

Loan losses decreased by 16 percent to SEK 242 m (288). The decrease is partly explained by the standardisation of the model for loan loss provision as net leads to lower provisions for loan losses but is also affected by that the merged operations is included in its entirety in 2015. Loan losses, measured as a percentage of average total loans and leasing, decreased in the second half of the year to 1.5 percent (2.2).

The Bank's position as of 31 December 2016

Increased deposits from the public

Deposits from the public increased by 20 percent to SEK 24,2 bn (20.2). Deposits increased in all foreign markets and deposits on the British market that started in late 2015 is SEK 1.8 bn. Volumes in the Swedish market were stable during the year.

Deposits are an important part of the Bank's funding and the stable growth shows confidence from the customers to let Ikano Bank manage their savings. At year-end, deposits from the public were 58 percent of the Bank's total funding.

Positive growth in loans to the public

The Bank's loans to the public increased by 11 percent to SEK 26.8 bn (24.1) after provisions for loan losses. The increase comes from growth in all markets where the Swedish market accounts for the largest portion of the increase.

Leased assets held on customers' behalf increased by 28 percent to SEK 7.6 bn (6.0). All markets had increased volumes due to good demand for financing from our partners in the Corporate segment, leading to the increase.

Intermediated mortgage volumes to SBAB were stable on the same volume as last year, SEK 4.8 bn (4.8).

Growth in all markets increase overall business volumes

Overall business volumes expanded by SEK 8.4 bn, or 15 percent, to SEK 63.5 bn (55.1), where good growth in all markets and segments contributes.

Good liquidity reserve and high demand for the Bank's bonds

The Bank's liquidity portfolio expanded in 2016, and amounted to SEK 5.3 bn (4.5) at year-end, corresponding to 22 percent of the Bank's total deposits from the public.

The Bank regularly arranges funding on the capital markets. The Bank's volume of issued securities rose by SEK 2.0 bn to SEK 6.2 bn (4.2). Demand for the Bank's short-term certificate programs as well as on the Bank's bond program (Medium Term Note program) has been good. In 2016, two bonds with maturities of respectively

two and three years were issued with good results and the Bank's short-term certificates have been traded actively.

At year-end, the Bank's liquidity coverage ratio (LCR) was 283 percent. The ratio indicates the relationship between the Bank's highly liquid assets and net outflows over a 30-day period under stressed market conditions. A statutory requirement for the liquidity coverage ratio of 70 percent applies since 1 January 2016, with an increasing phasing to 100 percent on January 1, 2018. For a healthy and stable liquidity management, the Bank has already decided to hold an LCR of over 100 percent.

The own funds as of 31 December totaled SEK 5.8 bn, compared with the statutory own funds requirement of SEK 2.8 bn. The total capital ratio at the end of the first half-year was 16.6 percent (16.8) and the Tier 1 capital ratio was 14.3 percent (14.1). In December the Bank received an unconditional shareholder contribution amounting to SEK 500 m from the Bank's owner, Ikano S.A. This shareholder contribution will strengthen the Bank's own funds and contributes to that the Bank's capital ratio in relation to the Bank's guideline of the capital ratio amounting to 17 percent is enhanced.

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 by Ikano S.A. with its registered office in Luxembourg. Originally part of IKEA, Ikano S.A. became an independent group in 1988. Apart from finance, the Ikano Group deals with insurance, property and retail sales. Ikano Bank has operated its business under a Banking license since 1995.

Operation

Ikano Bank AB (publ) conducts Banking operations regulated by the financial supervisory authorities in Sweden, the UK, Norway, Denmark, Finland, Germany, Austria and Poland. There are three business lines: Corporate, Sales Finance and Consumer. The operations in Denmark, Norway, Finland, the UK, Germany and Poland are operated as branches, while Austria is conducted as cross-border operations.

During the year, the business in the Bank's subsidiary Ikano Insight Ltd has been integrated with the Bank's operations and is now run within the Bank's operations. At the end of the year, there is no business in the subsidiary and liquidation will be performed during 2017.

The board

Since 27 April Lars Thorsen, CEO of Ikano S.A. and Jean Champagne, HR director of Ikano S.A. are included as directors of the Bank's board. The same date Steen Helles resigned as a director of the board.

Events after 31 December 2016

After the year-end, no significant events have occurred that have affected the financial statements for 2016.

Outlook

Our outlook is positive, and in 2017 we anticipate further development with a focus on customer benefit and efficiency. We have a strong financial position with good liquidity and a favorable market position.

Annual Report

Ikano Bank's Annual Report will be available on the Bank's website during week 17.

Next reporting date

Ikano Bank reports its results half-yearly. The interim report for the first half of 2017 will be available on the Bank's website at the end of August 2017. Ikano Bank publishes information on capital adequacy and liquidity on a quarterly basis on its website.

Risks and uncertainty factors

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, currency risk and interest rate risk. The Board of Directors and Managing Director 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 the operating businesses own and manage the risk in daily operations. The central risk control function is responsible for monitoring and evaluating risk management.

The Bank's earnings are 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. Apart from what is stated in this Interim Report, there is more detail in Ikano Bank's Annual Report for 2015 and Ikano Bank's annual "Capital adequacy and risk management" report in accordance with Basel 3 regulations, available at www.ikanobank.se.

Älmhult, 24 February 2017

We hereby certify, to the best of our knowledge, that the financial statements have been prepared in accordance with applicable accounting standards. The information presented is consistent with actual conditions in the operations and nothing of significance has been omitted which could affect the image of the Bank created by the year-end report.

Board of Directors
Ikano Bank AB (publ)

This report has not been audited.

Income Statement

SEK '000	Note	Jul-Dec 2016	Jul-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Interest income	4	1 237 414	1 568 550	2 421 986	2 405 079
Interest expense	4	-208 943	-231 784	-400 551	-394 030
Net interest income		1 028 471	1 336 766	2 021 435	2 011 049
Leasing income	5	1 482 629	1 232 257	2 780 577	2 427 472
Commission income	6	337 801	390 714	670 831	692 555
Commission expense	6	-146 074	-193 916	-314 750	-325 815
Net commission income		191 727	196 798	356 081	366 740
Net gains and losses on financial transactions		12 618	-11 974	9 337	-7 791
Other operating income		46 878	40 428	105 108	158 679
Total income		2 762 322	2 794 275	5 272 538	4 956 149
General administrative expenses		-884 661	-910 685	-1 688 508	-1 574 825
Depreciation/amortisation and impairment of tangible and intangible assets	5	-1 349 215	-1 107 312	-2 515 049	-2 166 987
Other operating expenses		-247 248	-165 939	-345 556	-240 467
Total expenses before loan losses		-2 481 124	-2 183 936	-4 549 113	-3 982 279
Profit before loan losses		281 198	610 340	723 425	973 870
Loan losses, net	7	-241 993	-287 525	-278 424	-412 347
Operating profit		39 205	322 815	445 001	561 523
Tax expense		-51 766	2 809	-166 153	-54 277
Net profit for the period		-12 560	325 624	278 848	507 246

Statement of Comprehensive Income

SEK '000	Jul-Dec 2016	Jul-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Net profit for the period	-12 560	325 624	278 848	507 246
Other comprehensive income				
Items that can be reclassified to profit or loss				
Translation difference for the period, foreign branches	50 541	-77 623	98 524	-83 956
Changes in fair value of available for sale financial assets	7 433	-4 900	35 321	-8 893
Cash flow hedges	-1 821	3 601	-2 169	3 601
Tax attributable to change in fair value of financial assets available for sale	-5 750	1 956	-7 770	1 956
Tax related to cash flow hedges	477	-792	477	-792
Other comprehensive income for the period, net of tax	50 880	-77 758	124 383	-88 084
Total comprehensive income for the period, net of tax	38 320	247 866	403 231	419 162

Balance Sheet

SEK 000	Note	2016	2015
Assets			
Cash		9 881	24 816
Treasury bills		1 201 155	1 120 183
Loans to credit institutions		1 837 545	1 746 993
Loans to the public	8	26 845 453	24 105 331
Bonds and other interest-bearing securities		2 247 378	1 685 179
Shares and participations		15 083	4 323
Shares and participations in group companies		13 322	13 322
Intangible assets		322 072	187 930
Tangible assets		7 687 008	6 036 797
- Leasing assets		7 629 348	5 966 990
- Equipment		57 660	69 807
Other assets		852 506	870 163
Deferred tax assets		218 684	205 990
Prepaid expenses and accrued income		285 532	284 735
Total assets		41 535 619	36 285 762
Liabilities, provisions and equity			
Liabilities to credit institutions		2 414 715	4 127 651
Deposits from the public	9	24 179 555	20 200 755
Change in fair value on interest-rate hedged items in the portfolio		468	8 630
Issued securities	10	6 182 825	4 217 938
Other liabilities		1 035 082	981 407
Accrued expenses and deferred income		1 298 763	1 311 339
Provisions		172 179	106 633
- Provisions for pensions		32 815	32 317
- Deferred tax liabilities		122 798	74 316
- Other provisions		16 566	-
Subordinated liabilities		809 905	792 512
Total liabilities and provisions		36 093 490	31 746 865
Untaxed reserves		698 157	698 157
Equity			
Restricted equity		422 417	272 649
Share capital		78 994	78 994
Statutory reserve		193 655	193 655
Fund for development expenses		149 768	-
Non-restricted equity		4 321 555	3 568 091
Fund for fair value		123 659	-724
Retained earnings		3 919 048	3 061 569
Net result for the year		278 848	507 246
Total equity		4 743 972	3 840 740
Total liabilities, provisions and equity		41 535 619	36 285 762

Statement of Changes in Equity

SEK 000	Restricted equity			Non-restricted equity					Total equity
	Share capital	Statutory reserve	Fund for development expenses	Fund for fair value			Retained earnings or losses	Net result for the year	
				Fair value reserve	Translation reserve	Cash flow hedge reserve			
Opening balance 2015-01-01	78 978	193 655	-	4 462	82 896	-	2 059 901	316 715	2 736 607
Bonus issue	16	-	-	-	-	-	-	-	16
Merger difference	-	-	-	-	-	-	762 953	-	762 953
Appropriation of profits	-	-	-	-	-	-	316 715	-316 715	-
Net result for the year	-	-	-	-	-	-	-	507 246	507 246
Other comprehensive income for the year	-	-	-	-6 936	-83 956	2 809	-	-	-88 083
Total comprehensive income for the year	-	-	-	-6 936	-83 956	2 809	-	507 246	419 163
Group contributions paid	-	-	-	-	-	-	-100 000	-	-100 000
Tax regarding group contributions	-	-	-	-	-	-	22 000	-	22 000
Closing balance 2015-12-31	78 994	193 655	-	-2 473	-1 060	2 809	3 061 569	507 246	3 840 740
Opening balance 2016-01-01	78 994	193 655	-	-2 473	-1 060	2 809	3 061 569	507 246	3 840 740
Appropriation of profits	-	-	-	-	-	-	507 246	-507 246	-
Change in fund for development expenses	-	-	149 768	-	-	-	-149 768	-	-
Net result for the year	-	-	-	-	-	-	-	278 848	278 848
Other comprehensive income for the year	-	-	-	27 551	98 524	-1 692	-	-	124 383
Total comprehensive income for the year	-	-	-	27 551	98 524	-1 692	-	278 848	403 231
Shareholders contribution	-	-	-	-	-	-	500 000	-	500 000
Closing balance 2016-12-31	78 994	193 655	149 768	25 078	97 465	1 117	3 919 047	278 848	4 743 972

Cash Flow Statement

SEK '000	2016	2015
Operating activities		
Operating result	+445 001	+561 523
Adjustment for non-cash items	+3 185 299	+2 390 846
Cash flow from operating activities before changes in working capital	+3 630 300	+2 952 369
Cash flow from changes in working capital	-4 089 235	-4 377 505
Cash flow from operating activities	-458 935	-1 425 136
Cash flow from investing activities	-170 238	-192 050
Cash flow from financing activities	+568 355	+1 463 333
Cash flow for the year	-60 818	-153 853
Cash and cash equivalents at beginning of the year	+1 766 386	+1 057 905
Cash and cash equivalents from merger	-	+863 347
Exchange rate difference	+2 269	-1 013
Cash and cash equivalents at the end of the year	+1 707 836	+1 766 386

The Cash Flow Statement has been prepared using the indirect method. The 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 1,847 m less deductions for current liabilities to credit institutions of SEK 140 m.

Notes

1 Accounting principles

The year-end report is prepared in accordance with IAS 34 and also complies 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 in accordance with the applicable transitional rules (FFFS 2008:25), as well as the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for Legal Entities. Accordingly, the Bank applies statutory IFRS.

Annual Accounts Act for Credit Institutions and Securities Companies and the Financial Supervisory Authority's regulations and general guidelines have been updated and a restricted reserve within equity has been created for intangible assets related to expenses for own development.

The new guidelines by ESMA (European Securities and Markets Authority) on alternative indicators apply to financial reports published after 3 July 2016. The guidelines mean that information has been expanded with regards to financial measures that are not defined in legal requirements. Alternative ratios are used by Ikano Bank AB when it is relevant to monitor and describe Ikano Bank AB's financial situation and to provide additional useful information to users of financial statements.

In other respects, the applied accounting policies and estimates in the year-end report coincide with those applied in the Annual Report 2015.

The year-end report is presented in Swedish kronor (SEK), rounded to the nearest thousand (SEK 000) unless otherwise stated.

2 Information about subsidiary

On 1 October 2015, all shares in the subsidiary, Ikano Insight Ltd. were acquired. The Bank does not perform consolidated statements with reference to the Annual Accounts Act § 7: 3a. Financial position and results of Ikano Insight Ltd. has no material effect on the financial position and ratios for Ikano Bank AB.

Operations in the Bank's subsidiary have in 2016 been integrated into the Bank's operations. At year end, Insight conducts no operations and liquidation will take place during 2017.

Financial position and results of Ikano Insight Ltd

SEK 000	2016	2015
Assets		
Loans to credit institutions	-	14 864
Intangible assets	-	1 566
Other assets	14 949	16 689
Total assets	14 949	33 119
Liabilities and equity		
Other liabilities	-	13 148
Equity	14 949	19 971
Total liabilities and equity	14 949	33 119

SEK 000	2016	2015
Net interest income	55	254
Net commission	-5 186	-12 567
Other income	44 098	61 823
Total income	38 967	49 510
General administrative expenses	-41 040	-39 689
Other expenses	-1 057	-1 672
Tax expense	-392	-1 196
Net result for the year	-3 522	6 953

3 Operating segments

2016 SEK m	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/ Austria	Poland	Shared functions	Total before eliminations	Eliminations	Total
Interest income	738	346	206	25	550	703	45	411	3 023	-602	2 421
Interest cost	-213	-79	-64	-5	-131	-102	-11	-397	-1 002	602	-399
Total net interest income	525	266	142	20	418	601	34	14	2 021	-	2 021
Commission income	298	72	100	22	88	87	4	-	671	-	671
Commission expenses	-134	-11	-51	-5	-39	-35	-3	-4	-283	-	-283
Commission, net	163	60	49	16	48	53	1	-4	388	-	388
Lease income	1 418	801	506	56	-	-	-	-	2 781	-	2 781
Depreciation on leasing assets	-1 291	-699	-431	-47	-	-	-	-	-2 468	-	-2 468
Leasing Income, net	128	102	75	9	-	-	-	-	313	-	313
Net interest, fee and leasing income	816	428	267	45	467	654	36	10	2 722	-	2 722
Other income	26	25	9	1	5	2	5	1 063	1 136	-1 021	115
Other direct expenses	-47	-21	-15	-5	-25	-45	-1	-1	-160	-	-160
Operating margin before net loan losses and operational expenses	795	432	261	41	447	612	39	1 072	3 698	-1 021	2 677
Other expenses	-706	-277	-274	-51	-425	-248	-38	-1 189	-3 208	1 014	-2 194
Allocated overhead expenses	-14	-6	-3	-1	-9	-11	-1	-1	-45	7	-37
Operating profit	74	149	-16	-11	14	353	1	-118	445	-	445
Of which:											
Total internal income	122	26	-	-	16	33	-	1 428	1 624	-1 624	-
Total external income	1 065	519	390	56	627	760	54	39	3 511	-	3 511
Total internal expenses	-513	-58	-133	-23	-226	-177	-24	-471	-1 624	1 624	-
Tax expense	-	-30	4	-	-5	-126	-	-9	-166	-	-166
Net profit for the year	74	119	-12	-11	9	227	1	-128	279	-	279

2015 SEK m	Sweden	Denmark	Norway	Finland	Netherlands	United Kingdom	Germany/ Austria	Poland	Shared functions	Total before eliminations	Eliminations	Total
Interest income	807	315	173	24	0	546	704	37	371	2 977	-572	2 405
Interest cost	-278	-67	-60	-4	0	-108	-86	-10	-356	-966	572	-394
Total net interest income	529	248	113	20	0	440	618	27	15	2 011	-	2 011
Commission income	296	71	96	20	0	111	93	5	0	693	-	692
Commission expenses	-111	-11	-52	-4	0	-55	-62	-4	-1	-300	-	-300
Commission, net	185	60	44	16	0	56	31	1	-1	392	-	392
Lease income	1 295	678	443	12	-	-	-	-	-	2 427	-	2 427
Depreciation on leasing assets	-1 157	-586	-372	-9	-	-	-	-	-	-2 125	-	-2 125
Leasing Income, net	138	92	70	2	-	-	-	-	-	303	-	302
Net interest, fee and leasing income	852	400	228	39	0	496	650	28	15	2 706	-	2 706
Other income	9	27	7	1	0	9	11	5	821	890	-739	151
Other direct expenses	-48	-25	-15	-5	0	-28	-29	-1	0	-149	-	-149
Operating margin before net loan losses and operational expenses	813	402	220	36	0	478	632	32	835	3 447	-739	2 707
Other expenses	-566	-250	-168	-29	-7	-319	-454	-30	-830	-2 653	540	-2 112
Allocated overhead expenses	-102	-22	-19	-6	0	-53	-29	-3	0	-233	199	-34
Operating profit	145	130	33	1	-7	106	149	-1	5	561	-	561
Of which:												
Total internal income	171	18	-	-	-	-	31	-	1 092	1 312	-1 312	-
Total external income	1 076	487	346	48	0	667	784	47	99	3 554	-	3 554
Total internal expenses	-412	-3	-114	-15	-1	-182	-132	-19	-433	-1 312	1 312	-
Tax expense	-	-33	-5	-	-	-27	-40	0	51	-54	-	-54
Net profit for the year	145	97	28	1	-7	79	109	-1	56	507	-	507

External income

SEK m	2016	2015
Corporate	595	530
Sales Finance	2 002	2 096
Consumer	825	778
Other	89	150
Total external income	3 511	3 554

Neither Ikano Bank, nor any individual segment, has any single customer representing 10 percent of revenues or more.

Balance Sheet

2016 SEK m	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/ Austria	Poland	Eliminations	Total
Fixed assets other than financial instruments	323	39	1	0	6	9	1	-	380
Deferred tax assets	112	-	-	-	4	6	-	-	122
Other assets	31 432	5 186	3 407	526	6 179	7 378	598	-13 672	41 034
Total assets	31 868	5 225	3 408	526	6 189	7 393	599	-13 672	41 536
Liabilities and provisions	29 032	4 223	3 089	562	6 001	6 160	700	-13 672	36 093

2015 SEK m	Sweden	Denmark	Norway	Finland	Netherlands	United Kingdom	Germany/ Austria	Poland	Eliminations	Total
Fixed assets other than financial instruments	180	52	1	0	-	11	13	1	-	258
Deferred tax assets	200	-	-	-	-	5	0	-	-	206
Other assets	29 804	4 389	2 457	367	-	6 108	6 449	489	-14 241	35 822
Total assets	30 185	4 441	2 458	367	-	6 124	6 462	490	-14 241	36 286
Liabilities and provisions	27 745	3 602	2 159	390	75	5 925	5 502	589	-14 241	31 747

4 Net interest income

SEK '000	Jul-Dec 2016	Jul-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Interest income				
Loans to credit institutions	0	4	0	17
Loans to the public	1 235 616	1 567 201	2 418 572	2 399 935
Interest-bearing securities	1 798	1 345	3 414	5 127
Total	1 237 414	1 568 550	2 421 986	2 405 079
<i>Of which: Interest income from financial assets not valued at fair value through profit or loss</i>	1 235 616	1 567 205	2 418 572	2 399 952
Interest expense				
Liabilities to credit institutions	-24 073	-27 345	-48 010	-44 769
Deposits from the public	-99 868	-125 171	-193 886	-218 823
<i>Of which: deposit guarantee fee</i>	-12 647	-9 232	-23 971	-16 920
Issued securities	-12 110	-14 975	-25 901	-34 242
Derivatives	-52 879	-43 692	-98 737	-62 111
- <i>Hedge accounting</i>	6 482	1 842	6 042	9 070
- <i>Not hedge accounting</i>	-59 360	-45 534	-104 779	-71 181
Subordinated liabilities	-11 315	-10 819	-22 228	-19 824
Other interest expenses	-8 698	-9 782	-11 789	-14 261
<i>Of which: Resolution/Stability fee</i>	-2 354	-3 881	-4 709	-8 137
Total	-208 943	-231 784	-400 551	-394 030
<i>Of which: Interest expense from financial assets not valued at fair value through profit or loss</i>	-156 065	-188 092	-301 814	-331 919
Total net interest income	1 028 471	1 336 766	2 021 435	2 011 049

5 Leasing income

SEK '000	Jul-Dec 2016	Jul-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Leasing income, gross	1 482 629	1 232 257	2 780 577	2 427 472
Less: Depreciation according to plan	-1 322 227	-1 083 186	-2 467 504	-2 124 969
Leasing income, net	160 402	149 071	313 073	302 503
Leasing income from financial lease agreements	1 482 629	1 232 257	2 780 577	2 427 472
Depreciation according to plan for assets that are financial lease agreements, but are recognised as operating leases	-1 322 227	-1 083 186	-2 467 504	-2 124 969
Leasing income, net for financial lease agreements	160 402	149 071	313 073	302 503
Interest income	3 578	1 766	6 327	5 833
Interest expenses	-41 574	-36 605	-79 920	-77 163
Leasing, net	122 406	114 232	239 479	231 173

6 Net commission

SEK '000	Jul-Dec 2016	Jul-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Commission income				
Payment service commissions	12 163	17 159	23 245	22 660
Lending commissions	204 230	228 547	409 033	424 824
Other commissions	121 408	145 009	238 552	245 071
Total	337 801	390 714	670 831	692 555
Commission expense				
Payment brokerage commissions	12 180	-41 430	-9 724	-43 796
Lending commissions	-130 528	-132 046	-260 942	-249 448
Other commissions	-27 726	-20 440	-44 084	-32 571
Total	-146 074	-193 916	-314 750	-325 815
Net commission income	191 727	196 798	356 081	366 740

7 Loan losses, net

SEK '000	Jul-Dec 2016	Jul-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Specific provision for individually assessed loans receivable				
Change of provisions for the period	-37 834	-5 763	-50 488	-32 615
Write-off for the period for determined loan losses	-115 221	-126 178	-312 002	-144 899
Reversal of previous provisions for loan losses reported in the periods accounts as determined loan losses	31 337	23 175	176 055	32 682
Recoveries from previously determined loan losses	4 577	26	9 149	7 943
Net cost for the period for individually assessed loan receivables	-117 141	-108 740	-177 286	-136 889
Specific provision for collectively assessed loan receivables				
Change of provisions for the period	79 875	-8 112	218 347	-12 143
Write-off for the period for determined loan losses	-251 869	-231 172	-485 766	-388 063
Recoveries from previously determined loan losses	47 142	60 498	166 282	124 748
Net cost for the period for collectively assessed loan receivables	-124 852	-178 785	-101 138	-275 458
Net costs for the period for loan losses	-241 993	-287 525	-278 424	-412 347

8 Loans to the public

SEK 000	2016	2015
Outstanding receivables, gross		
- Swedish currency	8 886 408	7 904 512
- Foreign currency	18 913 677	17 338 964
Total	27 800 085	25 243 476
<i>Of which: non performing loans</i>	1 204 226	1 686 750
Specific provision for individually assessed receivables	-28 809	-11 032
Specific provision for collective assessed receivables	-925 823	-1 127 113
Carrying amount, net	26 845 453	24 105 331

9 Deposits from the public

SEK 000	2016	2015
Public		
- Swedish currency	14 257 679	14 513 715
- Foreign currency	9 921 876	5 687 040
Total	24 179 555	20 200 755
Deposits specified by category of borrower		
Corporate sector	243 280	106 983
Household sector	23 936 275	20 093 772
Total	24 179 555	20 200 755

10 Issued securities

SEK 000	2016	2015
Certificates of deposits	2 204 208	1 119 463
Bonds	3 978 617	3 098 475
Total	6 182 825	4 217 938

11 Related parties

The Bank has related party relationships with companies in the Group. Transactions with them are stated below. The consolidated accounts are prepared by Ikano S.A., Luxembourg.

Transactions with related parties are priced on commercial, market terms. No non-performing loans relate to outstanding receivables from related parties.

SEK 000	Year	Income	Expenses	Receivables with related parties, 31 December	Liabilities with related parties, 31 December
Ikano S.A.	2016	-	-33 483	1 996	16 655
Ikano S.A.	2015	1 398	-32 442	-	15 455
Other Group companies	2016	28 574	-63 929	16 507	834 291
Other Group companies	2015	23 801	-40 997	18 062	909 080

12 Financial assets and liabilities

The following table states information on the measurement of fair value of financial instruments measured at fair value in the Balance Sheet (excluding items included in hedge accounting). The division of fair value measurement is based on the following three levels:

- Level 1: according to prices listed in 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 on the market

Financial assets and liabilities

2016 SEK 000	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Interest rate derivatives	-	14 054	-	14 054
Currency derivatives	-	110 120	-	110 120
Financial assets available-for-sale				
Bonds and other interest-bearing securities	1 647 096	600 282	-	2 247 378
Treasury bills	1 201 155	-	-	1 201 155
Shares and participations ¹⁾	12 014	1 535	-	13 548
Financial liabilities at fair value through profit or loss				
Interest rate derivatives	-	20 214	-	20 214
Currency derivatives	-	51 365	-	51 365
2015 SEK 000	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Interest rate derivatives	-	69 311	-	69 311
Currency derivatives	-	274 948	-	274 948
Financial assets available-for-sale				
Bonds and other interest-bearing securities	1 373 210	311 969	-	1 685 179
Treasury bills	1 120 183	-	-	1 120 183
Shares and participations ¹⁾	2 788	1 535	-	4 323
Financial liabilities at fair value through profit or loss				
Interest rate derivatives	-	30 010	-	30 010
Currency derivatives	-	388	-	388

- 1) The Bank holds shares in an unlisted company, included in level 2 of the valuation category Financial assets available for sale. The Bank does not intend to sell these shares in the foreseeable future.

Financial instruments offset in the Balance Sheet or subject to netting agreements

Ikano Bank is party to derivative contracts under the International Swaps and Derivatives Association's (ISDA) master netting 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 that the intention to reach a net settlement exists.

In the Balance Sheet, no amounts have been offset in 2016.

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

2016 SEK 000	Amounts not offset in Balance Sheet					
	Gross value	Offsetting in the Balance Sheet	Net in Balance Sheet	Netting agreements	Issued/Received collateral	Net value
Derivatives	124 174	-	124 174	-58 095	-83 906	-17 826
Total financial assets	124 174	-	124 174	-58 095	-83 906	-17 826

Derivatives	71 579	-	71 579	-58 095	-	13 484
Total financial liabilities	71 579	-	71 579	-58 095	-	13 484

2015 SEK 000	Amounts not offset in Balance Sheet					
	Gross value	Offsetting in the Balance Sheet	Net in Balance Sheet	Netting agreements	Issued/Received collateral	Net value
Derivatives	344 259	-	344 259	-9 738	-245 012	89 509
Total financial assets	344 259	-	344 259	-9 738	-245 012	89 509

Derivatives	30 398	-	30 398	-9 738	-	20 660
Total financial liabilities	30 398	-	30 398	-9 738	-	20 660

13 Capital management and liquidity

Below, information is provided regarding own funds and own funds requirements in accordance with among others regulation (EU) No 575/2013 regarding prudential requirements and capital buffers (2014:12).

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, which for Ikano Bank include the requirements for credit risks, CVA risks, operational risks and foreign exchange risks. 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.

To ensure that the own funds of Ikano Bank are adequate, the internal capital adequacy assessment (ICAAP/ILAAP) is performed. This process is a tool used by the Board of Directors to assess the need for changes in the own funds requirement in the event of changed circumstances. This might involve strategic commercial decisions or events in the market impacting the operations and their development. The Bank performs stress tests and scenario analyses to assess the need for further capital. The risk control function is responsible for monitoring the process of the Bank's capital planning. This is done annually and is integrated with the Bank's budget and strategic planning. The plan is monitored continuously and a comprehensive risk analysis is conducted annually to ensure that risks are properly assessed and reflect the Bank's true risk profile and capital needs. The capital requirements according to the capital adequacy assessment process are reported regularly to the SFSA. The capital requirement of the ICAAP in addition to pillar 1 requirements for 31 December 2016 totalled SEK 1,213 m.

Ikano Bank's risk tolerance is that the total capital ratio should never fall below 15 percent, i.e. 7 percentage points above the statutory capital

requirement for Pillar 1 risks. This risk tolerance exceeds also the own funds requirements including buffers that for Ikano Bank is 11.2 percent. This margin represents a buffer 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 also handle external changes, the Bank has a guideline that the total capital ratio shall correspond to 17 percent.

As of 31 December 2016, the Bank had own funds of SEK 5.8 bn (5.0) compared with the statutory own funds requirement for Pillar 1-risk of SEK 2.8 bn (2.4). The total capital ratio was 16.6 percent with a Tier 1 capital ratio of 14.3 percent. Consequently, the Bank has a strong capital adequacy that meets both statutory and internal requirements. The Bank's common equity Tier 1 capital amounted to SEK 5.0 bn. After a statutory minimum for common equity Tier 1 capital has been allocated to cover 75 percent of the total own funds requirement calculated in accordance with pillar 1, a further SEK 2.9 bn remain available as common equity Tier 1 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 and is covered well 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 institution are located. The institution-specific countercyclical buffer for the Bank has been determined at 0.71% or SEK 246 m after weighting the applicable geographic requirements, which for the Bank means Sweden and Norway. Ikano Bank's combined buffer requirement is SEK 1,115 m.

Summary of own funds and risk exposure amount

SEK 000	2016	2015
Tier 1 capital	4 965 344	4 194 564
Tier 2 capital	809 905	792 512
Own funds	5 775 249	4 987 076
Total risk exposure amount	34 747 337	29 646 534
Total own funds requirements	2 779 787	2 371 723
Total Capital ratio	16.6%	16.8%
Tier 1 Capital ratio	14.3%	14.1%
Common equity Tier 1 ratio	14.3%	14.1%
Available common equity Tier 1 Capital	2 880 505	2 415 772
Available common equity Tier 1 Capital in relation to Total risk exposure amount	8.3%	8.1%
Capital conservation buffer	868 683	741 163
Counter-cyclical capital buffer	245 989	129 434
Combined buffer requirement	1 114 673	870 597

Specification of own funds

SEK 000	2016	2015
Own funds		
Tier 1 capital		
Equity reported in the balance sheet	4 743 972	3 840 740
Share capital	78 994	78 994
Statutory reserve	193 655	193 655
Fund for development expenses	149 768	-
Fund for fair value	123 659	-724
Retained earnings	3 919 048	3 061 569
Net result for the year	278 848	507 246
Untaxed reserves (78% of which)	544 562	544 562
Less:		
Intangible assets	-322 072	-187 930
Cash flow hedge	-1 117	-2 809
Total Tier 1 Capital	4 965 344	4 194 564
Total Common Equity Tier 1 Capital	4 965 344	4 194 564
Tier 2 capital		
Subordinated liabilities	809 905	792 512
Total Tier 2 Capital	809 905	792 512
Total own funds	5 775 249	4 987 076

Specification of risk exposure amount and own funds requirements

SEK 000	2016		2015	
	Risk exposure amount	Own funds requirements	Risk exposure amount	Own funds requirements
Credit risk according to the standardised approach				
Exposures to states and central banks	0	0	480	38
Exposures to public sector entities	7	1	9	1
Institutional exposure	440 435	35 235	517 457	41 397
Corporate exposure	1 602 721	128 218	1 142 084	91 367
Retail exposure	23 678 386	1 894 271	20 902 056	1 672 165
Equity exposure	28 405	2 272	17 645	1 412
Past due items	913 707	73 097	524 911	41 993
Covered bond exposure	134 141	10 731	83 165	6 653
Other items	530 872	42 470	580 438	46 435
Total credit risk	27 328 673	2 186 294	23 768 245	1 901 460
Operational risk according to the basic indicator approach	4 537 533	363 003	4 441 200	355 296
Foreign exchange risk according to the standardised approach	2 876 276	230 102	1 437 090	114 967
CVA risk according to the standardised approach	4 855	388	-	-
Total	34 747 337	2 779 787	29 646 534	2 371 723

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. So far there is no legal minimum level of the Leverage ratio. The Basel committee has proposed a Leverage ratio of 3 percent should enter into force as a binding measure from 2018.

The leverage ratio is calculated using the Tier 1 capital as a percentage of total assets. From September 2016 the calculation is based on closing balances for each quarter instead of the average of the last three months.

For the Bank, the leverage ratio per 31 December 2016 is 10.5 percent. The Bank therefore considers itself to have a comfortable level of capital strength.

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 also investments in liquid interest-bearing securities, which can be sold and converted into cash on short notice. The composition and size of the Bank's liquidity portfolio and the liquidity reserve is regulated in the Bank's steering documents, which are adopted by the Bank's Board of Directors. To ensure that the capital and liquidity of Ikano Bank is adequate, the internal capital and liquidity adequacy assessment (ICAAP/ILAAP) is performed. 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, in accordance with the steering documents, 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 4 percent of deposits from the public. Therefore, in accordance with this policy, the liquidity portfolio shall always amount to at least 14 percent of deposits from the public.

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

The liquidity reserve is to 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 financing options. The liquidity reserve is invested in interest-bearing securities with a high credit rating on the Swedish market. 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 on the Swedish market. Investments in this portfolio are to have a minimum rating of BBB+ (rating according to Standard and Poor's).

The Bank's liquidity reserve is based on the Financial Supervisory Authority's current regulations on liquidity risk and asset classification in the European Commission's delegated act for liquidity coverage requirements.

The Financial Supervisory Authority, in its regulations regarding the handling of liquidity risks, FFFS 2010:7, has included a definition of liquidity reserve. This definition coincides with the Bank's definition, with the exception of cash and deposits with credit institutions, which are not part of the Bank's liquidity reserve. According to the Financial Supervisory Authority's definition, the liquidity reserve totals SEK 4.5 bn. These assets are of high quality, liquid in private markets and eligible as collateral with the Swedish Central Bank.

The liquidity portfolio totaled SEK 5.3 bn as of 31 December 2016, which constitutes 22 percent of deposits from the public. It includes the liquidity reserve in accordance with the above and other interest-bearing securities with a value of SEK 0.8 bn. None of the assets are being utilised as collateral and no non-performing loans exist. Valuation was carried out at market value.

In addition to the liquidity portfolio, there are obtained, committed credit facilities for a total of SEK 3.4 bn.

As of 31 December 2016, the Bank's liquidity coverage ratio (LCR) totaled 283 percent. This measure shows how the Bank's highly liquid assets are related to net outflows over a thirty-day period under strained market conditions. A statutory limit for the liquidity coverage ratio of 70 percent applies since 1 January 2016, with an increasing phasing to 100 percent on 1 January 2018. For a healthy and stable liquidity management, the Bank has already decided to hold a LCR of over 100 percent.

The long-term financing 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 maintains 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 2015 and the information on capital adequacy and risk

management for 2015. The documents are published on the Bank's website www.ikanobank.se.

Summary of liquidity reserve

SEK '000	2016	2015
Cash and balances with central banks and other financial institutes	1 823 912	1 691 988
Securities issued by municipalities and other public units	1 201 155	1 120 183
Securities issued by financial companies	145 772	-
Covered bonds	1 335 882	961 606
Liquidity reserve (according to definition in FFFS 2010:7)	4 506 721	3 773 777
Operating liquidity invested in securities	765 724	723 573
Total liquidity portfolio	5 272 445	4 497 350
Other liquidity creating measures		
Unused committed credit facilities	3 405 011	1 186 517