

Malmö 28 August 2020

## Ikano Bank AB (publ) Interim Report 30 June 2020

### Work to transform the Bank continues

“The transformation continues with full strength, and has been further accelerated due to Covid-19. The purpose is to radically transform the bank, to better serve our customers and improve cost-income ratio. This is done by further digitalising and streamlining the business, creating better growth opportunities with modern and internationally scalable systems, reducing cost and increasing customer satisfaction.

However, the combination of extensive investments in our transformation and the effect of a global pandemic affect our half-year result, which after several years of weak profitability is low. Together, this clearly justifies why the ongoing transformation is so necessary, namely that the profitability for Ikano Bank must be improved to grow our business and serve our customers even better.

With improved customer experience and digital processes, our customer promise ‘On fair terms’, skilled and engaged co-workers and a clarified business strategy we see good business opportunities for the future.”

*Henrik Eklund, CEO, Ikano Bank AB (publ)*

### Results for the first half-year 2020

(comparative figures in brackets are as of 30 June 2019 unless otherwise stated)

- Business volume amounted to SEK 61,584 m (63,622).
- Lending, including leasing, amounted to SEK 35,534 m (37,369)
- Deposits from the public amounted to SEK 26,050 m (26,253)
- Operating result before loan losses amounted to SEK 387 m (431)
- Net interest income amounted to SEK 936 m (971)
- The common equity Tier 1 capital ratio was 17.1 percent (15.3) and the total capital ratio was 19.6 percent (17.6)
- The liquidity reserve increased to SEK 2,788 m (2,352) and the total liquidity portfolio amounted to SEK 5,617 m (5,463)
- Loan losses amounted to SEK 468 m (332)

### Outlook for the remainder of 2020

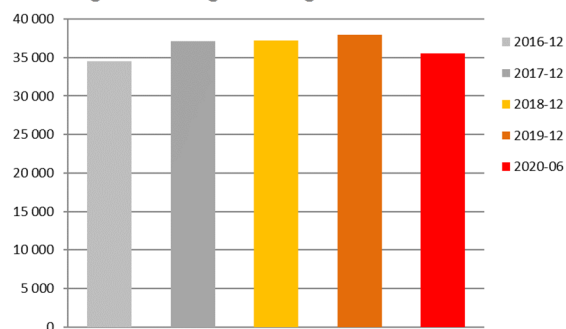
The Covid-19 pandemic has struck the world and naturally also affects our operations. Short term we see a decrease in revenues and increase in provisions for possible future loan losses as a direct consequence of the pandemic. Ikano Bank has a strong financial position with good margins regarding liquidity and capital. Looking forward we also see great effects of the improvement work that is ongoing through our comprehensive transformation journey which has been further accelerated due to Covid-19. With new digital solutions and better customer experience, committed co-workers, an updated strategy, and a customer promise On fair terms we see good business opportunities in the future.

### Key ratios

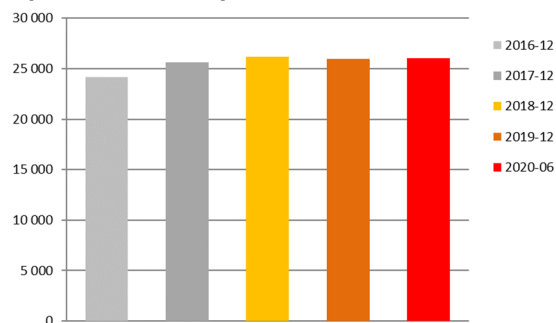
	30 Jun 2020	30 Jun 2019	31 Dec 2019
Total Capital ratio	19.6%	17.6%	17.7%
Common equity Tier 1 Capital ratio	17.1%	15.3%	15.4%
Investment margin	4.3%	4.3%	4.3%
Return on adjusted equity	-2.1%	2.6%	2.5%
Leverage ratio	12.7%	12.2%	12.1%
C/I-ratio before loan losses	72.1%	70.6%	69.6%
Loan loss ratio	2.5%	1.8%	1.9%

For definitions of alternative performance measures used to describe the Bank’s operations see the Bank’s Annual Report for 2019, available on the Bank’s website: [www.ikanobank.se/om-banken/ekonomisk-information](http://www.ikanobank.se/om-banken/ekonomisk-information).

### Lending including leasing, SEK m



### Deposits from the public, SEK m



This is information that Ikano Bank AB (publ) is required to disclose in accordance with the Securities Market Act. The information was submitted for publication on 28 August 2020 at 11:00 AM.

Ikano Bank's Interim Report is available on the Bank's website: [www.ikanobank.se/om-banken/ekonomisk-information](http://www.ikanobank.se/om-banken/ekonomisk-information)

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#### About Ikano Bank

Ikano Bank offers smart and simple savings and loan products for consumers, sales support services for retailers, and leasing and factoring solutions for corporate customers. Ikano Bank has a presence in Sweden, Denmark, Finland, Norway, the UK, Poland, Germany and Austria, and is part of the Ikano Group. Ikano is an international group of companies active within banking, real estate, production, insurance, analytics and retail. Ikano Group was established in 1988 and is owned by the Kamprad family.