

Ikano Bank AB (publ) Year End Report 2017

“We have had good growth in the Bank in 2017 and business volume increased by 7 percent. Lending amounted to SEK 37.1 billion at the end of the year and increased on basically all markets. We continue the work of developing our services, always with the customer experience in focus. We saw a lower operating result compared with 2016 where some non-recurring items from the previous year and this year affected.”

Håkan Nyberg, Managing Director, Ikano Bank AB (publ)

Results for the full year 2017

- Business volume grew by 7 percent to SEK 67,863 m (63,501)
- Lending, including leasing, increased by 8 percent to SEK 37,082 m (34,475)
- Deposits from the public grew with 6 percent to SEK 25,617 m (24,180)
- Operating result decreased by 2 percent to SEK 435 m (445). Operating result for 2017 is negatively affected by higher loan losses compared to previous year. This is partly due to the standardisation of the loan loss model that was made in 2016
- The result for 2017 is positively impacted by a net income of SEK 174 m from a one-off portfolio sale in connection with the harmonisation of the process for debt collection
- Net interest income decreased by 3 percent to SEK 1,960 m (2,021)
- The lower operating result led to return on equity decreasing to 6.2 percent compared with 2016 (7.2)
- Common equity Tier 1 ratio totalled 14.3 percent (14.3) and the total capital ratio was 16.5 percent (16.6)
- The liquidity reserve totalled SEK 4,226 m (4,507) and the total liquidity portfolio amounted to SEK 5,058 m (5,272)
- Håkan Nyberg started his position as Managing Director of the Bank on 21 September 2017

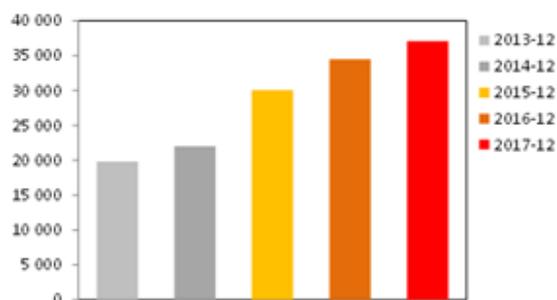
Results for the second half year 2017

- Operating result increased by 89 percent to SEK 74 m (39). The comparison is affected by increased costs for non-deductible VAT mainly for previous years, which were reported in full in the second half of 2016. Increased growth resulted in higher loan losses in the second half of 2017 compared to the same period 2016.
- Net interest income decreased by 5 percent to SEK 978 m (1,028)
- Return on equity for the second half of the year amounted to 2.2 percent (1.3)

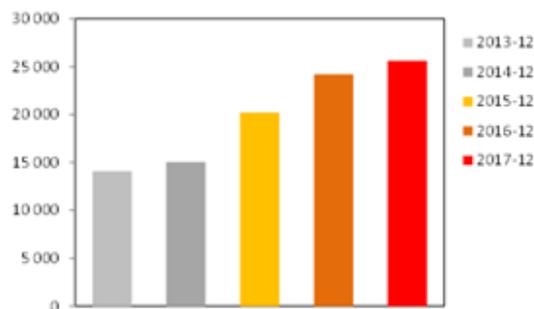
Outlook for 2018: Our outlook for 2018 is positive. We operate in a challenging industry but we are financially strong and have solid growth across our markets and a good market position. We continue our work to further develop and improve our digital experience, efficiency and offer.

Key ratios	Jul-Dec 2017	Jul-Dec 2016	31 Dec 2017	31 Dec 2016
Total Capital ratio	16.5%	16.6%	16.5%	16.6%
Common equity Tier 1 ratio	14.3%	14.3%	14.3%	14.3%
Investment margin	4.6%	5.3%	4.6%	5.2%
Return on adjusted equity	2.1%	1.3%	6.2%	7.2%
Leverage ratio	10.9%	10.5%	10.9%	10.5%
C/I-ratio before loan losses	72.4%	80.5%	66.3%	74.2%
Loan loss ratio	1.7%	1.5%	1.6%	0.9%

LENDING INCLUDING LEASING IN SEK MILLION



DEPOSITS IN SEK MILION



For more information

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About Ikano Bank

Ikano Bank offers simple and attractive 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.

About Ikano

Ikano is a multinational group with operations in banking, insurance, manufacturing, housing and retailing. The Ikano Group was founded in 1988 and is owned by the Kamprad family. For more information, go to www.ikanogroup.com

This is information that Ikano Bank AB (publ) is required to disclose in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication on 28 February 2018 at 11:00 AM.