

Year-end Report

2023



Ikano Bank AB (publ)

Year-End Report 2023

Second half year 2023

- Operating result before loan losses increased to SEK 234 m (151) mainly because of higher operating income.
- Net Interest Income excluding leasing increased to SEK 1,085 m (1,018) as a result of improved margins.
- Net commission income decreased to SEK 148 m (172). The decrease is mainly explained by higher costs related to customer onboarding.
- Leasing Net increased to SEK 187 m (177) as a result of increased margins.
- Loan losses amounted to SEK 384 m (335). The increase is explained by the macro-economic situation in the markets where Ikano Bank conducts its operations.
- Operating result amounted to SEK -150 m (-184).

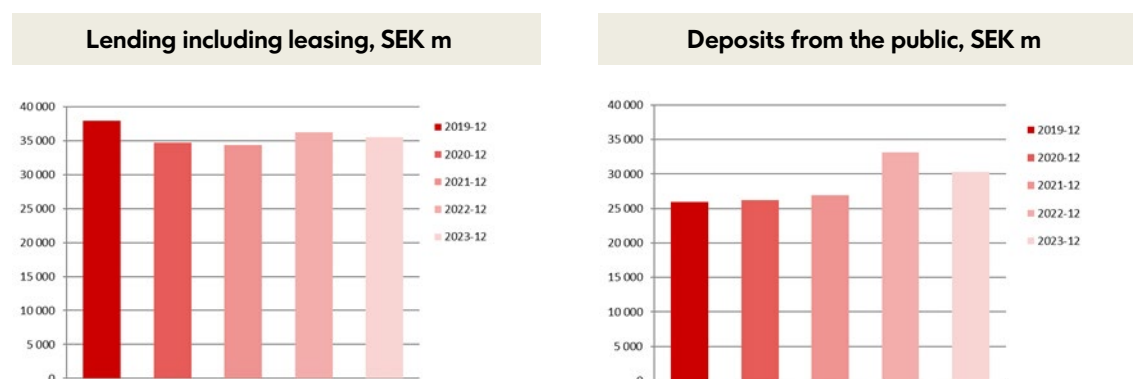
Full year 2023

- Operating result before loan losses increased to SEK 451 m (307) as a result of higher operating income.
- Net Interest Income excluding leasing increased to SEK 2,176 m (1,965).
- Net commission income decreased to SEK 288 m (299).
- Leasing Net marginally increased to SEK 361 m (359).
- Loan losses amounted to SEK 754 m (633), largely depending on the macroeconomic situation.
- Operating result amounted to SEK -303 m (-337).

SEK 000	Jul-Dec 2023	Jul-Dec 2022	Δ	Jan-Dec 2023	Jan-Dec 2022	Δ
Total operating income	3,320,427	3,196,837	4%	6,551,926	6,250,509	5%
where of net interest income excluding leasing	1,085,023	1,018,187	7%	2,175,754	1,964,843	11%
where of commission net	148,228	172,092	-14%	288,391	299,286	-4%
where of leasing income	2,159,191	2,052,996	5%	4,245,428	4,030,612	5%
Operating expenses before loan losses	-3,086,273	-3,046,040	1%	-6,100,776	-5,943,322	3%
Operating result before loan losses	234,154	150,797	55%	451,151	307,188	47%
Loan losses	-384,285	-334,648	15%	-754,048	-633,014	19%
Operating result	-150,131	-183,852	-18%	-302,897	-337,397	-10%

Key ratios	Jul-Dec 2023	Jul-Dec 2022	Δ	Jan-Dec 2023	Jan-Dec 2022	Δ
Common equity Tier 1 ratio	25.2%	25.8%	-0.6%	25.2%	25.8%	-0.6%
Return on adjusted equity	neg.	neg.	-	neg.	neg.	-
C/I-ratio before loan losses	0.85	0.89	-4.4%	0.85	0.89	-3.9%
Loan loss ratio	2.1%	1.9%	0.2%	2.1%	1.8%	0.3%

For definitions of performance measures, used to describe the Bank's operations, see the Bank's Annual Report 2022, page 71, available on the Bank's website: <https://ikanobank.se/om-banken/ekonomisk-information>.



CEO Statement

In 2023, we have continued to deliver on our multiannual plan for profitable growth and we are well on our way to becoming a fully digital bank, with better opportunities to offer simple financial services that suit the needs of the many people and businesses.

Products to improve the customer experience

Ikano Bank is undergoing a major transformation to become more competitive and customer-oriented, offering even better service and financial solutions in all our markets, while remaining close to our customers.

In our consumer business, we are pleased that our collaboration with IKEA continues to give good results. Together, we are growing in all our markets, driving volume and sales in a good way. In the Nordics, the Swedish IKEA loan, launched in late 2022, has been followed by a similar loan product on the Finnish market during 2023.

The launch in Finland is an excellent example of how we, with new technology and smart collaborations, can introduce new products in our markets quickly and cost-effectively. During the last months of 2023 we have also laid the foundation for a new payment infrastructure with launches in both Finland and Denmark.

We have a long-term strategy to develop our mortgage business together with Borgo. Despite fierce competition on the market, we continue to see good opportunities to help our customers with competitive mortgages, on fair terms.

Our business in the corporate segment shows good growth in both factoring and leasing. We are particularly pleased that the financing of green solutions has a good development. It is also positive that the tough times have only had a limited impact on the credit quality for companies in our loan portfolio.

A challenging environment affects the result

The economic and political situation in the world around us is challenging in many areas. There are signs of economic recovery, but in the short term, challenges for households and businesses continue. Therefore, it is important to us to continue to work actively to find opportunities and solutions for our customers.

The Bank's financial results are still affected by investments in our digital transformation, which is according to plan. But we also see negative effects of higher interest and inflationary pressure, which has led to increased credit losses in the consumer segment. This counteracts the effects of a higher reference rate

and a larger loan volume. We are constantly working to evaluate credit risk and have become more restrictive with our lending in certain segments. On the positive side we see our underlying business becoming strengthened, with strong volume growth both in our existing solutions and in our new cost-effective digital products.

Overall, Ikano Bank is financially strong, with good capitalisation and liquidity. We are fully focused on continuing to deliver on our strategy. At the same time, the current economy opens opportunities for consolidation, and we continuously evaluate potential acquisitions while phasing out certain older portfolios.

Our co-workers' commitment makes it possible

We are in the middle of a demanding process, and I note with pride the strong commitment among my co-workers. Every month we measure the co-workers' commitment and willingness to recommend us as a workplace, and during this autumn the eNPS increased to an all-time high level of 38.

Full focus on efficiency and customer-oriented growth

In 2024, we will continue to deliver on our change journey, and be there for our customers in a challenging situation. Our full focus will be on increasing efficiency in our operations, growing volumes and thereby creating the conditions for profitable growth. We anticipate reporting an improved result already in 2024.

Another focus area in 2024 is how we work with sustainability. With new EU directives significantly higher requirements are placed on all companies to report their impact on social and environmental sustainability factors. We welcome the change as part of our ambition to contribute to a sustainable society.

I am proud of the work we do together for our customers. A new bank is emerging, and we look forward to taking further steps on the journey to make Ikano Bank even more relevant and efficient.

Henrik Eklund

The Bank's result for the full year 2023

Operating result

Profit before loan losses increased to SEK 451 m (307) and operating result increased to SEK -303 m (-337). Rising reference interest rates strengthen underlying profitability, which together with the weaker Swedish krona contributes to increased income. Due to the Bank's ongoing transformation, combined with general cost inflation, operating expenses also increased by 7.6 percent.

In 2023, total income increased by 4.8 percent to SEK 6,552 m (6,251). Expenses increased by 2.6 percent to SEK 6,101 m (5,943). The result for 2023 was negatively affected by an increase in loan losses of SEK 121 m.

Net Interest Income, excluding leasing

Net Interest Income, excluding leasing, increased to SEK 2,176 m (1,965). The increase is primarily driven by higher margins as a result of higher reference interest rates.

Net leasing and net commission income

Leasing, net after interest income and interest expense, marginally increased to SEK 361 m (359).

Net commission income decreased to SEK 288 m (299). The decrease is mainly explained by higher costs related to customer onboarding.

Operating expenses

Operating expenses, excluding depreciation on leased assets held on behalf of customers, increased to SEK 2,595 m (2,411). The increase is primarily related to increased personnel costs and higher costs for depreciation of internally developed software which have been put into use, mainly related to the Bank's ongoing transformation.

Loan losses

Net loan losses increased to SEK 754 m (633). The increase is mainly attributable to the consumer loan portfolios in Sweden, Germany, and Poland due to the macroeconomic situation and to some extent exchange rates. Loan loss ratio increased to 2.1 percent (1.8).

The Bank's result for the second half-year 2023

Operating result

Profit before loan losses increased to SEK 234 m (151) and operating result increased to SEK -150 m (-184). Total income increased to SEK 3,320 m (3,197) while costs increased and amounted to SEK 3,086 m (3,046). Loan losses increased to SEK 384 m (335).

Net Interest Income, excluding leasing

Net Interest Income, excluding leasing, increased to SEK 1,085 m (1,018). The higher Net Interest Income in the second half-year follows the same trend as for the full year.

Net leasing and net commission income

Leasing, net after interest income and interest expense, increased to SEK 187 m (177). The higher Leasing net in the second half-year follows the same trend as for the full year.

Net commission income decreased to SEK 148 m (172). The lower net commission income in the second half-year follows the same trend as for the full year.

Operating expenses

Operating expenses, excluding depreciation on leased assets held on behalf of customers, increased to SEK 1,322 m (1,264). The expenses trend for the second half-year follows the same trend as for the full year.

Loan losses

Loan losses increased to SEK 384 m (335) due to higher provisions for expected loan losses. Loan loss ratio increased to 2.1 percent (1.9) during the second half-year. The second half-year largely follows the pattern of the first half of the year.

The Bank's position as of 31 December 2023

Deposits from the public

Deposits are an important part of the Bank's funding. At the year-end, deposits from the public accounted for 67.5 percent (68.4) of the Bank's total financing.

Deposits from the public however decreased by 8.3 percent to SEK 30,349 m (33,112). The decrease is primarily driven by the Swedish market where deposits from the public were at historically high level per 31 December 2022 due to high inflow at the end of 2022.

Loans to the public

The Bank's loans to the public decreased by 3.5 percent to SEK 25,405 m (26,331). The development varies between the Banks' markets, where lending in the UK, Sweden and Denmark decreased as a result of strategic changes in the portfolio mix.

Leasing assets held on behalf of customers increased by 1.5 percent to SEK 10,081 m (9,931) driven by an increase primarily in Denmark but also in Finland.

Demanding market conditions have affected the Bank's credit quality during the year. The development varies between the different markets, but above all the consumer loan portfolio in Sweden, Germany and Poland experienced an increase in credit losses. During the year, the Bank has tightened its credit regulations to maintain the credit quality in the portfolio. The market conditions have only had a limited impact on the credit quality for companies in our loan portfolio during 2023.

Liquidity reserve and the Bank's bonds

At the year-end, the Bank's liquidity reserve was 298 percent (372). The statutory limit is 100 percent.

The structural liquidity measure, Net Stable Funding Ratio (NSFR), amounted to 133 percent (137) at the end of 2023. The statutory limit is 100 percent.

The Bank's liquidity portfolio totalled SEK 6,148 m (9,240) as of year-end, which corresponds to 20.3 percent (28.0) of the Bank's total deposits from the public. The liquidity portfolio was higher as of 31 December 2022 because of historically high inflow of deposits from the public, which entailed higher investments in securities.

The Bank regularly obtains funding from the capital markets. The Bank's volume of issued securities decreased by SEK 449 m to SEK 1,900 m (2,349). In 2023, the Bank has issued 1 (1) new MTN bond with a maturity of two years. In January 2024, Ikano Bank issued a new MTN bond of SEK 600 m with a maturity of 3 years.

The loan, which was oversubscribed, was positively viewed by the market.

Capital

The Bank's own funds per 31 December 2023 amounted to SEK 8,880 m (9,332) to compare with the total capital requirement of SEK 6,659 m (6,737). The statutory own funds requirement for Pillar 1-risk amounted to SEK 2,815 m (2,896). Both the total capital ratio and the Tier 1 capital ratio for Ikano Bank were 25.2 percent (25.8).

Other information

Ikano Bank AB (publ), corporate identity number 516406-0922, is a limited liability company licensed to conduct banking business, with its registered office in Älmhult and its head office in Malmö, Sweden. The majority of Ikano Bank's 51 percent is owned by Ikano S.A. with registered office in Luxemburg, and since June 29, 2021 Ingka Investments B.V. with registered office in Leiden in the Netherlands owns the remaining 49 percent. Ikano Bank has operated its business under a banking license since 1995.

Operations

Ikano Bank offers simple banking and financing solutions on fair terms for the many people and businesses. The offer to consumers includes cards, loans, and savings accounts. Ikano Bank delivers sales finance services to retail partners, with IKEA as its largest partner, and provide businesses with leasing and factoring solutions.

Ikano Bank conducts banking operations in Sweden, the UK, Norway, Denmark, Finland, Germany, Austria, and Poland under the supervision of the Swedish Financial Supervisory Authority. The largest market is Sweden, where the Bank also has the broadest offering. There are three business lines: B2B, D2C, and Retail. The operations outside Sweden are operated as branches. The Bank delivers its services online and has no physical offices for customers to visit.

The Bank's operations in the UK are also subject to permission from British regulatory authorities. After Brexit, the Bank has operated under so-called Temporary Permissions Regime in the UK. In October 2023, the Bank's license application was approved by the British authority, the Prudential Regulatory Authority (PRA), to conduct operations in the form of a so-called Third Country Branch (TCB).

Ikano Bank has continued the strategic investment in the mortgage company Borgo together with a number of partners in the Swedish market and offers since 2021 mortgage loans in Sweden.

Management and Board of Directors

The Bank's management team was expanded on 1 January 2023 with Louise von Scheven as the new Chief Commercial Officer B2C.

Johan Bjurup, Chief Digital Officer, is leaving the Bank's management team on 29 February 2024 and Mikael Andersson has been appointed as acting CDO from 1 March 2024.

Annual Report

Ikano Bank's Annual Report will be available on the Bank's website on 26 March 2024.

Next reporting date

Ikano Bank reports its results half-yearly. The interim report for the first half of 2024 will be available on the Bank's website at the end of August 2024.

The Year-End report has not been subject to review by the company's auditors.

Income statement

SEK 000	Note	Jul-Dec 2023	Jul-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Interest income calculated according to the effective interest method	3	1 159 361	983 781	2 251 410	1 856 356
Other interest income	3	242 419	206 260	466 467	373 086
Leasing income	4	2 159 191	2 052 996	4 245 428	4 030 612
Interest expense	3	-523 934	-265 826	-920 093	-404 069
Dividends received		157	139	313	10 129
Commission income	5	278 557	287 061	556 218	559 140
Commission expense	5	-130 329	-114 969	-267 827	-259 854
Net commission income		148 228	172 092	288 391	299 286
Net gains and losses on financial transactions		31 372	8 712	78 426	9 664
Other operating income	6	103 634	38 683	141 583	75 445
Total income		3 320 427	3 196 837	6 551 926	6 250 509
General administrative expenses		-1 085 580	-1 030 824	-2 125 612	-1 990 182
Depreciation/amortisation and impairment of tangible and intangible assets		-1 934 918	-1 909 209	-3 830 032	-3 763 113
Other operating expenses		-65 774	-106 007	-145 131	-190 027
<i>Of which resolution fee cost</i>		-2 622	-3 076	-5 244	-7 663
Total expenses before loan losses		-3 086 273	-3 046 040	-6 100 776	-5 943 322
Profit before loan losses		234 154	150 797	451 151	307 188
Loan losses, net	7	-384 285	-334 648	-754 048	-633 014
Impairment of financial assets		-	-	-	-11 571
Operating result		-150 131	-183 852	-302 897	-337 397
Tax expense	8	-11 488	-58 741	-13 726	-3 403
Net result for the period		-161 619	-242 591	-316 623	-340 800

Statement of total comprehensive income

SEK 000	Jul-Dec 2023	Jul-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net result for the period	-161 619	-242 591	-316 623	-340 800
Other comprehensive income				
Items that can be reclassified to net profit or loss for the period				
Translation difference for the period, foreign branches	7 458	-4 856	5 151	-1 831
Change in financial assets valued at fair value via other comprehensive income	13 804	394	21 649	-32 492
Change in loss allowance for financial assets valued at fair value via other comprehensive income	-7 284	6 803	-7 944	6 741
Changes in fair value on cash flow hedges	-53 488	52 597	-69 877	139 540
Tax related to changes in translation differences for the year	27 306	37 964	-19 015	-19 950
Tax related to changes in financial assets valued at fair value via other comprehensive income	-2 844	-158	-4 460	6 617
Tax related to changes in fair value of cash flow hedges	-3 376	-9 750	-	-27 661
Other comprehensive income for the period, net of tax	-18 423	82 994	-74 495	70 964
Total comprehensive income for the period, net of tax	-180 043	-159 598	-391 118	-269 836

Balance sheet

SEK 000	Note	2023	2022
Assets			
Cash		0	30 138
Treasury bills		2 047 695	2 587 091
Loans to credit institutions		2 145 132	2 380 407
Loans to the public	9	25 404 966	26 331 020
Bonds and other interest-bearing securities		2 065 521	4 495 980
Shares and participations in associated companies		610 249	350 561
Shareholdings in other companies		52 316	43 304
Intangible assets		671 059	593 701
Tangible assets		10 089 534	9 939 561
- <i>Leasing assets</i>		10 080 922	9 931 266
- <i>Equipment</i>		8 612	8 295
Derivatives		407 598	163 170
Other assets		926 257	1 015 359
Deferred tax assets		133 768	121 848
Prepaid expenses and accrued income		403 537	365 285
Total assets		44 957 632	48 417 424
Liabilities, provisions and equity			
Liabilities to credit institutions		643 448	535 309
Deposits from the public	10	30 349 043	33 112 446
Issued securities	11	1 899 597	2 349 379
Derivatives		78 380	234 381
Other liabilities		901 123	822 403
Accrued expenses and deferred income		1 348 682	1 252 452
Provisions		138 853	121 428
- <i>Provisions for pensions</i>		49 179	44 549
- <i>Deferred tax liabilities</i>		11 620	29 111
- <i>Other provisions</i>		78 054	47 768
Total liabilities and provisions		35 359 125	38 427 798
Equity			
Restricted equity		1 018 440	939 617
Share capital		154 893	154 893
Statutory reserve		193 655	193 655
Fund for development expenses		669 892	591 069
Non-restricted equity		8 580 067	9 050 009
Share premium reserve		4 479 854	4 479 854
Fund for fair value		239 840	314 335
Retained earnings		4 176 996	4 596 620
Net result for the year		-316 623	-340 800
Total equity		9 598 507	9 989 626
Total liabilities, provisions and equity		44 957 632	48 417 424

Statement of changes in equity

SEK 000	Restricted equity			Non-restricted equity							Total equity
	Share capital	Statutory reserve	Fund for development expenses	Share premium reserve	Fund for fair value			Cash flow hedge reserve	Retained earnings or losses	Net result for the year	
					Fair value reserve	Translation reserve					
Opening balance 2022-01-01	154 893	193 655	569 903	4 479 854	7 068	235 974	329	4 718 985	-101 201	10 259 462	
Appropriation of profits	-	-	-	-	-	-	-	-101 201	101 201	-	
Change in fund for development expenses	-	-	21 165	-	-	-	-	-21 165	-	-	
Net result for the year	-	-	-	-	-	-	-	-	-340 800	-340 800	
Other comprehensive income for the year	-	-	-	-	-19 134	-21 781	111 879	-	-	70 964	
Total comprehensive income for the year	-	-	-	-	-19 134	-21 781	111 879	-	-340 800	-269 836	
Closing balance 2022-12-31	154 893	193 655	591 069	4 479 854	-12 066	214 193	112 208	4 596 620	-340 800	9 989 626	
Opening balance 2023-01-01	154 893	193 655	591 069	4 479 854	-12 066	214 193	112 208	4 596 620	-340 800	9 989 626	
Appropriation of profits	-	-	-	-	-	-	-	-340 800	340 800	-	
Change in fund for development expenses	-	-	78 824	-	-	-	-	-78 824	-	-	
Net result for the year	-	-	-	-	-	-	-	-	-316 623	-316 623	
Other comprehensive income for the year	-	-	-	-	9 245	-13 863	-69 877	-	-	-74 495	
Total comprehensive income for the year	-	-	-	-	9 245	-13 863	-69 877	-	-316 623	-391 118	
Closing balance 2023-12-31	154 893	193 655	669 892	4 479 854	-2 821	200 330	42 331	4 176 996	-316 623	9 598 507	

Cash flow statement

SEK '000	2023	2022
Operating activities		
Operating result	-302 897	-337 397
Adjustment for non-cash items	+4 967 202	+4 472 959
Cash flow from operating activities before changes in working capital	+4 664 305	+4 135 562
Cash flow from changes in working capital	-416 475	+1 873 532
Cash flow from operating activities	+4 247 830	+6 009 094
Cash flow from investing activities	-4 223 623	-3 981 966
Cash flow from financing activities	-330 372	-1 539 754
Cash flow for the year	-306 165	+487 374
Cash and cash equivalents at beginning of the year	+2 399 542	+1 830 999
Exchange rate difference	+35 317	+81 169
Cash and cash equivalents at the end of the year	+2 128 693	+2 399 542

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 include Cash as well as Loans to

credit institutions, SEK 2,145 m (2,410), with deductions for current liabilities to credit institutions SEK 16 m (11). No Cash and cash equivalents were utilised as collateral per 31 December 2023 (107).

Notes

1 Accounting principles

The year-end report is prepared in accordance with the Swedish Annual Accounts Act (1995:1559) 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), as well as the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for Legal Entities. Accordingly, the Bank applies statutory IFRS. This means that all IFRSs 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.

Unless otherwise stated, the accounting principles have been applied consistently to all periods presented in the financial statements.

No material changes in the significant assessments and estimates have taken place compared with 31 December 2022.

New and amended standards and interpretations applicable from 1 January 2023 are not considered to have had any significant

effect on the bank's financial position, results, or disclosures for 2023.

Alternative performance measures are used by Ikano Bank when it is relevant to monitor and describe Ikano Bank's financial situation and to provide additional useful information to users of financial statements. For a definition of all measures please see the latest Ikano Bank's Annual Report. The year-end report is presented in Swedish kronor (SEK), rounded to the nearest thousand (SEK 000) unless otherwise stated. Comparative figures in parentheses refer to the corresponding period last year unless otherwise stated.

New standards not yet applied

No new or amended IFRS standards or interpretations or changes in Swedish regulations that have been issued but are not yet applied are expected to have any significant effect on the bank's financial position, results, cash flow or disclosures.

2 Operating segments

2023	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/Austria	Poland	Shared functions ¹⁾	Total before eliminations	Eliminations	Total
SEK m											
Interest income	1 489	558	116	35	551	757	189	1 607	5 301	-2 580	2 721
Interest expense	-1 058	-311	-120	-39	-255	-335	-89	-1 296	-3 504	2 580	-923
Total net interest income	431	246	-4	-4	296	422	100	311	1 798	0	1 798
Payment service commissions	8	1	-	0	-	11	-	-	20	-	20
Lending commissions	134	57	36	20	25	15	-7	0	279	-	279
Compensation, mediated insurance	121	22	27	1	0	47	8	-	226	-	226
Other commissions	11	4	6	1	-	1	0	-	23	-	23
Commission income	274	83	69	22	25	73	9	0	556	-	556
Commission expense	-108	-13	-37	-10	-34	-39	-7	-12	-261	-	-261
Commission, net	166	71	32	11	-10	34	2	-12	295	-	295
Lease income	1 969	1 251	551	474	-	-	-	-	4 245	-	4 245
Depreciation on leasing assets	-1 601	-1 040	-453	-413	-	-	-	-	-3 506	-	-3 506
Leasing income, net	369	211	98	61	-	-	-	-	739	-	739
Net interest, fee and leasing income	966	529	127	68	286	457	102	299	2 833	-	2 833
Other income	65	16	19	4	1	15	3	736	858	-637	220
Other direct expenses	-29	-11	-9	-5	-13	-23	-1	-3	-93	-	-93
Operating margin before net loan losses and operational expenses	1 001	534	137	66	273	449	104	1 032	3 597	-637	2 959
Other expenses	-1 209	-424	-208	-107	-462	-618	-164	-718	-3 909	670	-3 238
Allocated overhead expenses	4	0	0	1	3	1	0	-	9	-33	-24
Operating result	-203	110	-70	-40	-186	-169	-60	314	-303	0	-303
Of which:											
Total internal income	0	152	-	-	135	193	-	2 737	3 217	-3 217	-
Total external income ²⁾	1 723	716	303	121	441	649	201	0	4 155	-	4 155
Total internal expenses	-1 882	-420	-208	-142	-327	-420	-95	278	-3 217	3 217	-
Appropriations	-	-	-	-	-	-	-	-	-	-	-
Tax expense	-	-49	8	-	-	3	0	24	-14	-	-14
Net result for the year	-203	61	-62	-40	-186	-166	-60	337	-317	0	-317

2022	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/Austria	Poland	Shared functions ¹⁾	Total before eliminations	Eliminations	Total
SEK m											
Interest income	842	419	110	29	520	496	130	638	3 183	-954	2 229
Interest expense	-393	-80	-68	-11	-159	-65	-57	-525	-1 358	954	-404
Total net interest income	449	339	42	18	361	431	73	112	1 825	0	1 825
Payment service commissions	8	1	-	0	-	9	-	-	18	-	18
Lending commissions	133	66	40	18	25	11	1	0	295	-	295
Compensation, mediated insurance	122	23	28	1	0	43	7	-	224	-	224
Other commissions	11	3	7	0	0	0	0	-	22	-	22
Commission income	273	94	74	20	25	64	8	0	559	-	559
Commission expense	-105	-16	-51	-9	-34	-32	-6	-2	-255	-	-255
Commission, net	168	78	24	11	-8	32	2	-2	304	-	304
Lease income	1 974	1 082	571	404	-	-	-	-	4 031	0	4 031
Depreciation on leasing assets	-1 714	-960	-498	-360	-	-	-	-	-3 533	-	-3 533
Leasing income, net	260	122	73	44	-	-	-	-	498	0	498
Net interest, fee and leasing income	877	538	138	73	353	463	75	110	2 628	-	2 628
Other income	41	14	25	4	1	2	2	932	1 020	-937	84
Other direct expenses	-46	-12	-10	-5	-46	-23	-1	-2	-144	-	-144
Operating margin before net loan losses and operational expenses	871	541	153	72	308	442	77	1 041	3 505	-937	2 568
Other expenses	-910	-483	-182	-79	-554	-541	-103	-1 001	-3 853	970	-2 883
Allocated overhead expenses	4	2	0	1	2	1	1	-	11	-33	-22
Operating result	-35	60	-28	-5	-245	-98	-25	39	-337	0	-337
Of which:											
Total internal income	0	45	-	-	69	33	-	1 744	1 891	-1 891	-
Total external income ²⁾	1 232	604	282	97	477	529	141	10	3 372	-	3 372
Total internal expenses	-232	-180	-154	-82	-386	-249	-52	-556	-1 891	1 891	-
Appropriations	-	-	-	-	-	-	-	-	-	-	-
Tax expense	-	-17	2	-	-	5	-7	13	-3	-	-3
Net result for the year	-35	43	-26	-5	-245	-93	-32	53	-341	0	-341

External Income	2023	2022
SEK m		
B2B	1 087	802
D2C	1 282	1 072
Retail	1 496	1 400
Other	290	99
Total external income	4 155	3 372

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

Balance sheet

2023	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/Austria	Poland	Eliminations	Total
SEK m									
Fixed assets other than financial instruments	675	-	1	-	-	4	0	-	680
Deferred tax assets	9	0	89	-	-	36	-	-	134
Other assets	29 447	5 974	2 899	1 648	4 640	7 595	1 392	-9 450	44 144
Total assets	30 130	5 975	2 989	1 648	4 640	7 635	1 392	-9 450	44 958
Liabilities and provisions	20 080	5 916	3 058	1 687	4 825	7 791	1 452	-9 450	35 359

2022	Sweden	Denmark	Norway	Finland	United Kingdom	Germany/Austria	Poland	Eliminations	Total
SEK m									
Fixed assets other than financial instruments	597	0	1	0	0	4	1	-	602
Deferred tax assets	-	8	92	-	-	22	-	-	122
Other assets	32 674	6 376	2 467	1 598	5 658	6 870	1 383	-9 332	47 694
Total assets	33 271	6 384	2 559	1 598	5 658	6 896	1 384	-9 332	48 417
Liabilities and provisions	22 943	6 388	2 568	1 599	5 902	6 993	1 417	-9 332	38 428

For more information on segment reporting see note 2 Accounting principles in the latest Annual Report for Ikano Bank.

3 Net interest income

SEK '000	Jul-Dec 2023	Jul-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Interest income				
Loans to credit institutions	40 484	12 627	53 297	13 927
Loans to the public	1 284 192	1 137 432	2 504 183	2 173 479
Interest-bearing securities	77 103	39 982	160 397	42 037
Total	1 401 780	1 190 041	2 717 877	2 229 443
<i>Of which: Interest income from financial assets not valued at fair value through profit or loss</i>	<i>1 324 677</i>	<i>1 150 059</i>	<i>2 557 480</i>	<i>2 187 406</i>
<i>Interest income from non-performing loans</i>	<i>31 626</i>	<i>22 554</i>	<i>55 916</i>	<i>36 942</i>
Interest expense				
Liabilities to credit institutions	-9 601	-6 930	-17 413	-13 528
Deposits from the public	-466 503	-174 360	-802 692	-248 072
<i>Of which: deposit guarantee fee</i>	<i>-21 865</i>	<i>-11 755</i>	<i>-40 287</i>	<i>-28 622</i>
Issued securities	-46 221	-32 117	-88 496	-50 020
Derivatives	4 722	-47 530	-4 812	-87 474
- Hedge accounting	43 081	11 477	78 634	8 540
- Not hedge accounting	-38 359	-59 007	-83 446	-96 014
Other interest expenses	-6 332	-4 889	-6 680	-4 975
Total	-523 934	-265 826	-920 093	-404 069
<i>Of which: Interest expense from financial assets not valued at fair value through profit or loss</i>	<i>-528 656</i>	<i>-218 297</i>	<i>-915 281</i>	<i>-316 595</i>
Total net interest income	877 846	924 215	1 797 784	1 825 374

4 Leasing income

SEK '000	Jul-Dec 2023	Jul-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Leasing income, gross	2 159 191	2 052 996	4 245 428	4 030 612
Less: Depreciation according to plan	-1 764 522	-1 781 976	-3 506 084	-3 532 541
Leasing income, net	394 669	271 020	739 345	498 072
Leasing income from financial lease agreements	2 159 191	2 052 996	4 245 428	4 030 612
Depreciation according to plan for assets that are financial lease agreements, but are recognised as operating leases	-1 764 522	-1 781 976	-3 506 084	-3 532 541
Leasing income, net for financial lease agreements	394 669	271 020	739 345	498 072
Interest income	3 673	4 135	7 666	7 868
Interest expenses	-210 851	-98 107	-385 636	-147 337
Leasing, net	187 492	177 048	361 374	358 603

5 Net commission

SEK '000	Jul-Dec 2023	Jul-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Commission income				
Payment service commissions	10 267	10 134	19 995	18 269
Lending commissions	143 398	148 482	287 954	295 005
Compensation, mediated insurance	127 347	115 864	225 702	223 736
Other commissions	-2 456	12 581	22 567	22 131
Total	278 557	287 061	556 218	559 140
Commission expense				
Payment service commissions	-3 606	-4 979	-7 246	-9 704
Lending commissions	-105 551	-109 343	-214 177	-209 762
Other commissions	-21 173	-648	-46 404	-40 388
Total	-130 329	-114 969	-267 827	-259 854
Net commission income	148 228	172 092	288 391	299 286

6 Other operating income

SEK '000	Jul-Dec 2023	Jul-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Realised gain arising from the disposal of tangible assets	19 197	21 638	42 456	38 819
Other operating income	84 436	17 046	99 127	36 626
Total	103 634	38 683	141 583	75 445

Other operating income for 2023 includes receivables of SEK 78,6 m related to pro-rata VAT for the 2012-2014 business years. The

management's assessment is that the bank will recover this amount in 2024 based on the Court of Appeal's ruling that was in the Bank's favour.

7 Loan losses, net

The table below shows net loan losses, including credit impairment provisions for credit commitments and undrawn limits.

Credit impairment provisions on assets measured at fair value via other comprehensive income amounted to SEK 2 m (10) and have been recognised in fair value reserve component of the equity. Loan loss ratio amounted to 2.1 percent (1.8).

The Bank is using a model for incorporating forward-looking information to calculate future expected loan losses in all Bank's markets. When needed it is supplemented with expert judgement. Loan losses are 19 percent higher in 2023 than in 2022. During the end of 2022, the bank increased the credit impairment provisions given the deterioration observed in the macro environment. As expected, the Bank has also

incurred increased realised loan losses during the year but also increased provisions for future losses. The picture is however different for private individuals and companies, where the credit quality in the corporate portfolio shows only marginal deterioration in 2023. The increased loan losses are mostly driven by consumer loans in Sweden, Germany, and Poland. As households are still heavily strained by higher interest rates, the higher level of loan losses is expected to remain in the beginning of 2024. In 2023, the bank has strengthened the process for credit checks, which has positively affected credit losses towards the end of the year. On the corporate side, loan losses have been low during the year but are expected to increase somewhat in 2024.

SEK 000	Jul-Dec 2023	Jul-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Stage 1 - Assets not credit impaired since initial recognition				
Change in credit impairment provisions	28 979	25 425	10 670	-15 875
Derecognition of loans	0	-3	0	-3
Reversal of previous provisions and recoveries	-5	-	-5	-
Net cost for the period for loan losses - stage 1	28 974	25 423	10 665	-15 877
Stage 2 - Assets with significant increase in credit risk since initial recognition but not credit-impaired				
Change in credit impairment provisions	-28 613	-10 695	-31 624	16 478
Derecognition of loans	-204 359	-228 300	-398 754	-459 029
Reversal of previous provisions and recoveries	99 858	103 898	193 557	211 137
Net cost for the period for loan losses - stage 2	-133 113	-135 097	-236 821	-231 414
Stage 3 - Credit-impaired assets				
Change in credit impairment provisions	-69 534	-60 346	-82 196	23 418
Derecognition of loans	-366 760	-293 755	-784 408	-652 909
Reversal of previous provisions and recoveries	156 147	129 128	338 711	243 769
Net cost for the period for loan losses - stage 3	-280 146	-224 974	-527 892	-385 723
Net cost for the period for loan losses - Total	-384 285	-334 648	-754 048	-633 014

8 Tax expense for the period

Tax on the result for the period amounted to SEK -13,7 m (-3,4) and consisted of current tax for the period of SEK -19 m (-35) on items reported in the income statement for the period in the Bank's branches, adjustment of taxes for previous

periods of SEK -1 m (-90) and changes in deferred taxes of SEK 6 m (121). Tax on taxable exchange rate differences regarding assets and liabilities in foreign branches increased the total tax by SEK 19 m (20) but is reported in other

comprehensive income. Total unutilised taxable deficit amounted to SEK 1,096 m as of 31 December 2023 (894). There are foreign taxes in the Bank's branches that can be utilised to reduce potential Swedish tax in the future.

Tax losses carried forward for which a deferred tax asset has not been booked as of December 31, 2023, is SEK 43 m (134), based on tax losses carried forward which are not deemed probable to be utilised during the coming years.

9 Loans to the public

SEK '000	2023	2022
Outstanding receivables, gross		
- Swedish currency	8 322 305	8 873 255
- Foreign currency	18 061 661	18 312 107
Total	26 383 966	27 185 363
Outstanding receivables per stage, gross		
- stage 1	22 091 356	22 878 418
- stage 2	3 706 582	3 871 015
- stage 3	586 029	435 930
Total outstanding receivables per stage, gross	26 383 966	27 185 363
<i>Of which: non-performing loans</i>	<i>586 029</i>	<i>435 930</i>
Provisions		
Provisions for assets in stage 1	-159 010	-166 570
Provisions for assets in stage 2	-441 449	-401 273
Provisions for assets in stage 3	-378 541	-286 500
Total provisions	-979 000	-854 343
Carrying amount, net		
- stage 1	21 932 346	22 711 848
- stage 2	3 265 133	3 469 742
- stage 3	207 487	149 431
Total carrying amount, net	25 404 966	26 331 020

10 Deposits from the public

SEK '000	2023	2022
Public		
- Swedish currency	16 315 945	18 860 571
- Foreign currency	14 033 098	14 251 875
Total	30 349 043	33 112 446
Deposits specified by category of borrower		
Corporate sector	1 955 041	1 806 113
Household sector	28 394 002	31 306 333
Total	30 349 043	33 112 446

11 Issued securities

SEK '000	2023	2022
Certificates of deposits	-	99 997
Senior unsecured bonds	1 899 597	2 249 382
Total	1 899 597	2 349 379

12 Contingent liabilities

SEK '000	2023	2022
Contingent liabilities		
PRI	984	891
Total	984	891
Commitments		
Loan commitments, irrevocable	2 446 346	2 575 104
Loan commitments, revocable	1 301 961	2 371 751
Granted, unused credit limits	20 594 386	23 846 786
Total	24 342 693	28 793 641

Commitments in a form of granted unused credit limits can be terminated with immediate effect to the extent permitted by the Consumer Credit Act. The Bank is subject to claims and in some cases has claims, in several civil cases that are conducted in a 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 probable. The dispute amounts are not considered to have a significant impact on the Bank's financial position or results.

13 Financial assets and liabilities

The following tables provide information on how fair value of financial instruments that are measured at fair value in the balance sheet is

determined (excluding the items included in hedge accounting).

Financial assets and liabilities at fair value in the balance sheet

2023 SEK '000	Level 1	Level 2	Level 3	Total
Financial assets through profit or loss				
Derivatives	-	356 707	50 892	407 598
Shares and participations in other companies	50 736	-	1 580	52 316
Financial assets at fair value through other comprehensive income				
Bonds and other interest-bearing securities	2 015 780	49 741	-	2 065 521
Treasurybills	1 997 994	49 701	-	2 047 695
Financial liabilities at fair value through profit or loss				
Derivatives	-	78 380	-	78 380

2022 SEK '000	Level 1	Level 2	Level 3	Total
Financial assets through profit or loss				
Derivatives	-	149 367	13 803	163 170
Shares and participations in other companies	41 885	-	1 419	43 304
Financial assets at fair value through other comprehensive income				
Bonds and other interest-bearing securities	3 553 678	942 302	-	4 495 980
Treasurybills	1 889 712	697 379	-	2 587 091
Financial liabilities at fair value through profit or loss				
Derivatives	-	234 381	-	234 381

Derivatives include interest rate and currency swaps as well as an option linked to share holdings in Borgo. The fair value of interest rate and currency swaps is calculated using established valuation techniques and observable market interest rates. The fair value of the option linked to share holdings in Borgo is calculated using a model where inputs that are not observable in the market are used therefore is

placed under Level 3 of the fair value hierarchy. Fair value of financial instruments that are not derivatives is based on future cash flows and current reference rates on the balance sheet date. The discount rate used is the market-based interest rate for similar instruments on the balance sheet date.

No changes between the levels have occurred during the year.

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 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. In the balance sheet, no amounts have been offset in 2023.

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

2023 SEK '000	Gross value	Offsetting in the Balance Sheet	Net in Balance Sheet	Amounts not offset in Balance sheet		
				Netting agreements	Issued/Received collateral	Net value
Derivatives	356 707	-	356 707	-78 380	-	278 327
Total financial assets	356 707	-	356 707	-78 380	-	278 327

Derivatives	78 380	-	78 380	-78 380	-360 300	-360 300
Total financial liabilities	78 380	-	78 380	-78 380	-360 300	-360 300

2022 SEK '000	Gross value	Offsetting in the Balance Sheet	Net in Balance Sheet	Amounts not offset in Balance sheet		
				Netting agreements	Issued/Received collateral	Net value
Derivatives	149 367	-	149 367	-234 381	106 958	21 944
Total financial assets	149 367	-	149 367	-234 381	106 958	21 944

Derivatives	234 381	-	234 381	-234 381	-32 915	-32 915
Total financial liabilities	234 381	-	234 381	-234 381	-32 915	-32 915

14 Risks and uncertainty factors

The Bank's earnings performance is affected by external factors including macroeconomic changes such as unemployment, fluctuations in interest and exchange rates. The global geopolitical situation with ongoing war in Ukraine and Middle East, increased inflation, and stagnant economic growth have given rise to risks and put further focus on credit risk, but also affects other types of risk such as operational risks.

The tax area is complex and leaves room for judgement. Practices and interpretations of applicable laws can be changed, sometimes retroactively. Different interpretations of the applicable law by Ikano Bank and by tax authorities can impact the Banks's operations,

result, and financial position.

Ikano Bank continuously evaluates its operational risks and focuses on the areas where the risks are the highest. The threat picture from geopolitical developments places increased demands on IT and information security.

The risk of fraud from organized crime is significant, and Ikano Bank invests in and continuously improves the bank's resilience and capacity to detect, prevent and investigate these crimes.

Further information about the Bank's risk management can be found in Ikano Bank's latest Annual Report and Ikano Bank's annual "Capital adequacy and risk management" report, available at www.ikanobank.se

15 Capital management and liquidity

According to EU 575/2013, the Bank is classified as "other institution" as it neither meets the requirements for "large" nor "small or non-complex" institution.

As of 31 December 2023, the Bank's own funds totalled SEK 8,880 m (9,332), all of which is Common Equity Tier 1 capital. The statutory own funds requirement for Pillar 1-risk totalled SEK 2,815 m (2,896), which means that the surplus Common Equity Tier 1 capital amounted to SEK 6,065 m (6,436). The internal own funds requirement (Pillar 2 requirements) totalled SEK 414 m (631), and the Pillar 2 guidance totalled SEK 1,935 m (1,991) which is covered by the 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 amount. For Ikano Bank, the capital conservation buffer totalled SEK 880 m (905) and is covered by the available Common Equity Tier 1 capital. The institution specific countercyclical capital buffer is determined by multiplying the total risk exposure amount by 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 capital buffer after weighting the applicable geographic requirements, which for the Bank means mainly Sweden, Norway and

Denmark amounted to 1.7 percent (0.9) of the total risk exposure amount or SEK 615 m (315). Ikano Bank's combined buffer requirement totalled SEK 1,495 m (1,219).

Both the Total Capital ratio and the Common Equity Tier 1 capital ratio for Ikano Bank was

25.2 percent (25.8). The change in capital ratios is mainly due to the negative result.

The leverage ratio for the Bank amounted to 19.7 percent (19.0) as of December 31, 2023. The legal minimum requirement is 3 percent.

Summary of own funds and risk exposure amount

	2023		2022	
	SEK 000	% of REA*	SEK 000	% of REA*
Common equity Tier 1	8 879 947	25.2%	9 331 514	25.8%
Tier 1 capital	8 879 947	25.2%	9 331 514	25.8%
Own funds	8 879 947	25.2%	9 331 514	25.8%
Total risk exposure amount	35 187 357		36 194 527	
Minimum capital requirement (Pillar 1)	2 814 989	8.0%	2 895 562	8.0%
Additional capital requirement (Pillar 2)	414 000	1.2%	631 000	1.7%
Pillar 2 guidance (P2G)	1 935 305	5.5%	1 990 699	5.5%
Combined buffer requirement	1 494 729	4.2%	1 219 499	3.4%
Capital conservation buffer	879 684	2.5%	904 863	2.5%
Counter-cyclical capital buffer	615 045	1.7%	314 636	0.9%
Total capital requirement	6 659 022	18.9%	6 736 760	18.6%
Available common equity Tier 1 Capital	6 064 959	17.2%	6 435 952	17.8%

* Risk-weighted exposure amount

Specification of own funds

SEK 000	2023	2022
Equity reported in the balance sheet	9 598 507	9 989 626
Share capital	154 893	154 893
Statutory reserve	193 655	193 655
Fund for development expenses	669 892	591 069
Share premium reserve	4 479 854	4 479 854
Fund for fair value	239 840	314 335
Retained earnings	4 176 996	4 596 620
Net result for the year	-316 623	-340 800
CET1 capital before regulatory adjustments	9 598 507	9 989 626
CET1 capital: regulatory adjustments		
Intangible assets	-671 059	-593 701
Cash flow hedge	-42 331	-112 208
Value adjustments due to the requirements for prudential valuation	-5 170	-7 729
Adjustment for IFRS 9 one-off effect according to transitional arrangements	-	55 526
Total Common Equity Tier 1 Capital	8 879 947	9 331 514
Total Tier 1 Capital	8 879 947	9 331 514
Total own funds	8 879 947	9 331 514

Specification of risk exposure amount and own funds requirements

SEK 000	2023		2022	
	Risk exposure amount	Own funds requirements	Risk exposure amount	Own funds requirements
Credit risk according to the standardised approach				
Exposures to regional governments or local authorities	2 420	194	1 267	101
Institutional exposure	510 945	40 876	743 553	59 484
Corporate exposure	5 758 479	460 678	5 297 915	423 833
Retail exposure	20 419 211	1 633 537	22 278 585	1 782 287
Equity exposure	1 577 939	126 235	919 707	73 577
Past due items	615 743	49 259	417 017	33 361
Covered bond exposure	130 812	10 465	143 729	11 498
Other items	515 540	41 243	463 325	37 066
Total credit risk	29 531 087	2 362 487	30 265 098	2 421 208
Operational risk according to the basic indicator approach	4 536 334	362 907	4 673 247	373 860
Foreign exchange risk according to the standardised approach	1 097 234	87 779	1 233 268	98 661
CVA risk according to the standardised approach	22 702	1 816	22 914	1 833
Total	35 187 357	2 814 989	36 194 527	2 895 562

Liquidity coverage ratio

SEK 000	2023-12-31	2023-09-30	2023-06-30	2023-03-31	2022-12-31
Total high-quality liquid assets (HQLA)	3 308 303	3 875 390	3 211 639	3 348 621	4 176 751
Cash outflows	4 442 077	4 585 029	4 590 458	4 099 188	4 489 702
Cash inflows	3 419 676	3 359 750	2 989 355	4 376 716	4 923 066
Total net cash outflows	1 110 519	1 225 279	1 601 103	1 024 797	1 122 426
Liquidity coverage ratio (%)	298%	316%	201%	327%	372%

Net stable funding ratio

SEK 000	2023-12-31	2023-09-30	2023-06-30	2023-03-31	2022-12-31
Total available stable funding	37 679 062	38 495 556	39 099 739	39 212 659	41 397 863
Total required stable funding	28 334 610	28 770 407	29 303 622	29 381 598	30 307 558
NSFR ratio (%)	133%	134%	133%	133%	137%

16 Liquidity

The Bank's liquidity reserve as of 31 December 2023 amounted to SEK 3,439 m (4,535) and consisted of high-quality liquid assets, eligible as collateral with the Swedish Central Bank.

The liquidity portfolio as of 31 December 2023 totalled SEK 6,148 m (9,240) excluding overdraft facilities and constituted 20 percent (28) of deposits from the public. The liquidity portfolio was higher as of 31 December 2022 because of historically high inflow of deposits from the public, which entailed higher investments in securities. The liquidity portfolio includes cash and balances with banks SEK 2,015 m (2,135), the liquidity reserve, SEK 3,439 m (4,535) and other interest-bearing securities, SEK 694 m (2,570). None of the assets is used as collateral and no non-

performing loans are attributable to the components of the liquidity portfolio. The assets are being valued at fair value.

In addition to the liquidity portfolio, committed credit facilities for a total of SEK 1,045 m (1,046) were available.

As of December 31, 2023, the Bank's liquidity reserve amounted to 298 percent (372).

The structural liquidity measure, Net Stable Funding Ratio, was 133 percent (137). A minimum requirement is 100 percent.

Additional information about the Bank's capital adequacy and liquidity risk management can be found in Ikano Bank's latest Annual Report and report on "Capital adequacy and risk management", available on www.ikanobank.se.

Summary of liquidity reserve

2023

SEK '000	Total	SEK	EUR	DKK	GBP	Other
Securities issued by public entities	2 006	993	553	281	179	-
Securities issued by financial corporations	286	188	99	-	-	-
Covered bonds	1 146	1 102	44	-	-	-
Liquidity reserv	3 439	2 283	696	281	179	-
Other operating liquidity invested in securities	-	-	-	-	-	-
Cash and balances in central banks and other banks	694	694	-	-	-	-
Total liquidity portfolio	2 015	1 203	134	82	357	239
Distribution per currency (%)	100%	68%	14%	6%	9%	4%
Other liquidity creating measures	-	-	-	-	-	-
Granted unused credit facilities	1 045	600	445	-	-	-

2022

SEK '000	Total	SEK	EUR	DKK	GBP	Other
Securities issued by public entities	2 594	1 786	55	343	410	-
Securities issued by financial corporations	503	273	230	-	-	-
Covered bonds	1 437	1 292	146	-	-	-
Liquidity reserv	4 535	3 351	431	343	410	-
Other operating liquidity invested in securities	-	-	-	-	-	-
Cash and balances in central banks and other banks	2 570	2 570	-	-	-	-
Total liquidity portfolio	2 135	1 396	135	158	345	103
Distribution per currency (%)	100%	79%	6%	5%	8%	1%
Other liquidity creating measures	-	-	-	-	-	-
Granted unused credit facilities	1 046	600	446	-	-	-

The Bank's long-term funding plan aims at a well-diversified funding, taking into account the allocation of risks and costs of financing. Deposits from the public are regarded as the main funding source. Additional information about the Bank's liquidity risk management can

be found in the Bank's latest Annual Report and the information on Capital adequacy and risk management for 2022. The documents are published on the Bank's website www.ikanobank.se.

17 Related-party transactions

Companies within the Ikano Group, companies within the Ingka Group as well as the Bank's associated companies are related parties to the Bank.

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 from related parties.

During 2023 the Bank has invested in a further 1,871,790 shares in Borgo AB (publ) at new share issues, at the amount of SEK 260 m. The balance sheet item of Shares in associated companies consists of 4,130,725 shares in Borgo AB (publ) as of the end of the period, which corresponds to an ownership share of 23.8 percent (25.6).

SEK 000	År	Sale of goods or services to a related party	Purchase of goods or services from a related party	Other (interest, dividend etc)	Receivables from related parties, December 31	Liabilities to related parties, December 31
Group companies	2023	403	-59 860	-	6 714	1 773
Group companies	2022	384	-57 333	-	9 771	907
Associated companies	2023	3 000	-805	0	612	2 023
Associated companies	2022	938	-755	9 888	938	2 630
Other related parties	2023	365 893	-21 969	-	142 496	2 163 545
Other related parties	2022	252 935	-9 442	-	81 271	2 013 627

18 Events after the balance sheet date

In January, Ikano Bank issued a new MTN bond of SEK 600 m with a maturity of 3 years. The loan,

which was oversubscribed, was positively accepted by the market.

Älmhult, Sweden, February 26, 2024

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