

Year-end Report 2024



Ikano Bank AB (publ) Year-End Report 2024

Second half-year 2024

- Operating result before loan losses increased to SEK 658 m (234) mainly because of non-recurring other operating income.
- Net Interest Income, excluding leasing, decreased to SEK 1,044 m (1,085) due to higher interest expenses.
- Net commission income decreased to SEK 107 m (148), mainly due to lower transaction volumes on various card products.
- Leasing Net amounted to SEK 176 m (187).
- Operating expenses marginally decreased to SEK 3,070 m (3,086).
- Loan losses increased to SEK 528 m (384) mainly explained by non-recurring reserve for acquired loan portfolio.
- Operating result increased to SEK 130 m (-150).

Full year 2024

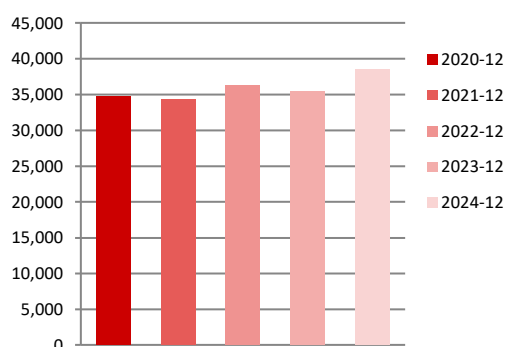
- Operating result before loan losses increased to SEK 789 m (451) mainly because of non-recurring other operating income.
- Net Interest Income, excluding leasing, decreased to SEK 2,067 m (2,176).
- Net commission income decreased to SEK 240 m (288).
- Leasing Net marginally decreased to SEK 354 m (361).
- Operating expenses increased to SEK 6,161 m (6,101).
- Loan losses increased to SEK 941 m (754) mainly explained by non-recurring reserve for acquired loan portfolio.
- Operating result amounted to SEK -152 m (-303).

<i>SEK 000</i>	Jul-Dec 2024	Jul-Dec 2023	Δ	Jan-Dec 2024	Jan-Dec 2023	Δ
Total operating income	3,728,188	3,320,427	12%	6,950,314	6,551,927	6%
<i>where of Net Interest Income, excluding leasing</i>	1,043,888	1,085,023	-4%	2,067,485	2,175,754	-5%
<i>where of commission net</i>	107,099	148,228	-28%	239,858	288,391	-17%
<i>where of leasing income</i>	2,122,094	2,159,191	-2%	4,254,198	4,245,428	0%
Operating expense before loan losses	-3,070,445	-3,086,273	-1%	-6,161,147	-6,100,776	1%
Operating result before loan losses	657,743	234,154	181%	789,166	451,151	75%
Loan losses	-528,144	-384,285	37%	-941,148	-754,048	25%
Operating result	129,599	-150,131	186%	-151,982	-302,897	50%

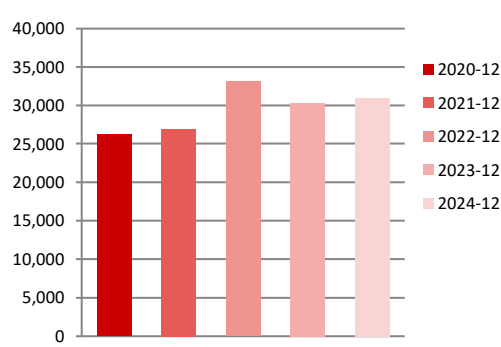
Key ratios	Jul-Dec 2024	Jul-Dec 2023	Δ	Jan-Dec 2024	Jan-Dec 2023	Δ
Common Equity Tier 1 capital ratio	22.4%	25.2%	-11%	22.4%	25.2%	-11%
Return on adjusted equity	2.1%	neg.	-	neg.	neg.	-
C/I-ratio before loan losses	0.67	0.85	-21%	0.77	0.85	-9%
Loan loss ratio	2.9%	2.1%	33%	2.5%	2.1%	21%

For definitions of performance measures, used to describe the Bank's operations, see the Bank's Annual Report for 2023 page 72, available on the Bank's website: <https://ikanobank.se/om-banken/ekonomisk-information>.

Lending including leasing, SEK m



Deposits from the public, SEK m



Comment from the CEO

On October 17, Ingka Group completed its acquisition of Ikano Bank, following approvals from relevant authorities. The deal means that Ingka Group is the Bank's sole owner and marks the start of a new chapter in our journey towards being a relevant and efficient digital bank with simple and accessible financial services for the many people and businesses. Being a wholly owned subsidiary of Ingka Group provides us with even better opportunities to benefit from IKEA's strong brand and large customer base. At the same time, we can contribute to the development of IKEA's business with fair and affordable financial services.

In connection with the change of ownership, I have stepped in as acting CEO. The change of ownership has also affected the composition of the board of directors, and Lone Fønss Schrøder, board member since 2022, has taken over as the new chairperson of the board.

Digital product development continues

The digitalisation of the Bank continues at full speed and in 2024 we have focused on the development of our new loan and savings platform for the Swedish market, while the launch of products within our retail offering continues. In addition, we continue the development of our new B2B platform, where the solution for our factoring product had a first delivery in December.

It is also pleasing that our credit card for IKEA Family won the German Fairness Awards for the third year in a row, showing that we are meeting consumer expectations.

Macroeconomics and investments weigh on the results

The global economy remains weak, and the geopolitical situation shows increasing uncertainty. Falling interest rates are starting to have a cautiously positive impact on economic development, but not with any major general impact on companies and consumers yet. In the consumer loan segment, we experience an intensified competition on a cautious market.

Even in the deposit market, competition is increasing, leading to more expensive financing and, consequently, lower margins. Also in the corporate segment, macroeconomic factors have led to a cautious market regarding new investments, which has resulted in increased competition.

For 2024, we show a result of -152 MSEK. This is an improvement compared to the previous year, although this is largely a result of non-recurrent income regarding the recovery of VAT paid in previous years. Adjusted for non-recurring items, the Bank is at a loss. The main reason for this is our large investments in new offerings and new infrastructure.

The weak economy has resulted in increased credit losses, which also weighs on the results, especially in the D2C segment. In October, we finalised our purchase of a consumer loan portfolio of SEK 3.4 billion, after completing the authorisation process. The acquisition has had a positive impact on our results, although we had to report expected future credit losses on healthy commitments, due to current accounting rules. The purchase is part of our growth strategy and has resulted in 23,000 new customers on the Swedish market.

Focusing on the future

During 2025 we will intensify our work to improve profitability and create the conditions for more efficient operations. We are well capitalised and have good liquidity, which makes it possible to implement measures that we consider necessary for the sustainable and profitable development of the Bank. At the same time, I see great opportunities for the Bank, through our launches of new products and the great possibilities that our deepened relationship with IKEA will give us. Together with all of our engaged and competent co-workers we will continue our journey, with the goal to contribute to a healthy economy for the many people and businesses.

Niclas Olsson

The Bank's results for the full year 2024

Operating result

Operating result increased to SEK -152 m (-303) which was driven primarily by increased income.

The Bank's total income increased by 6.1 percent to SEK 6,950 m (6,552). Expenses increased by 1.0 percent to SEK 6,161 m (6,101). The result was negatively affected by an increase in loan losses of SEK 187 m.

Net Interest Income, excluding leasing

Net Interest Income, excluding leasing, decreased to SEK 2,067 m (2,176). The decrease is primarily explained by increased interest expenses.

Net leasing and net commission income

Leasing, net after interest income and interest expense, marginally decreased to SEK 354 m (361).

Net commission income decreased to SEK 240 m (288). The decrease is mainly explained by lower transaction volumes on certain retailer card products partly as a result of product's phasing out.

Other operating income

Other operating income increased to SEK 749 m (142). The increase is primarily explained by accrued receivables of SEK 645 m (79) related to pro rata VAT for the 2017-2023 business years.

Operating expenses

Operating expenses, excluding depreciation on leased assets held on behalf of customers, increased to SEK 2,684 m (2,595). The increase primarily relates to higher costs for IT development as well as increased amortisation of intangible assets in use.

Loan losses

Net loan losses increased to SEK 941 m (754). Loan loss ratio amounted to 2.5 percent (2.1). The increase is primarily attributable to the Bank's consumer loan portfolio mainly as a result of two events:

- The Bank acquired a consumer loan portfolio from Nordnet Bank during the autumn. According to applicable accounting rules, an initial reserve for future loan losses was booked on day 1.
- The previously applied model of selling bad debts to the external collection suppliers for the Swedish portfolio ceased in the second half of 2024, which affected provisions and loan losses and leading to their increase in the short term.

Consequently, the level of expected recoveries has also been adjusted to reflect challenging market conditions. Loan losses for the corporate loan portfolio have increased compared to the previous year's low levels, primarily in Norway and Sweden.

The Bank's result for the second half-year 2024

Operating result

Operating result increased to SEK 130 m (-150). The increase is primarily driven by increased income, partially offset by higher loan losses. Total income increased to SEK 3,728 m (3,320) while costs decreased and amounted to SEK 3,070 m (3,086).

Net Interest Income, excluding leasing

Net Interest Income, excluding leasing, decreased to SEK 1,044 m (1,085). The lower Net Interest Income in the second half-year is primarily explained by increased interest expenses.

Net leasing and net commission income

Leasing, net after interest income and interest expense, decreased to SEK 176 m (187). The lower leasing net in the second half-year follows the same trend as for the full year.

Net commission income decreased to SEK 107 m (148). The lower net commission income in the second half-year follows the same trend as for the full year.

Other operating income

Other operating income increased to SEK 636 m (104). The increase is primarily explained by accrued receivables of SEK 584 m (79) related to pro rata VAT for the 2017-2023 business years.

Operating expenses

Operating expenses, excluding depreciation on leased assets held on behalf of customers, marginally increased to SEK 1,327 m (1,322). The increase primarily relates to higher costs for IT development and increased amortisation of intangible assets in use.

Loan losses

Loan losses increased to SEK 528 m (384) due to higher provisions for expected loan losses. Loan loss ratio amounted to 2.9 percent (2.1) during the second half-year. Apart from the day-1 effect from the acquisition of the consumer loan portfolio from Nordnet Bank and the adjustment of the recovery level for defaulted loans, the underlying portfolio has shown slightly lower loan losses during the second half of the year.

The Bank's position as of 31 December 2024

Deposits from the public

Deposits are an important part of the Bank's funding, and as of 31 December 2024, deposits from the public accounted for 63.5 percent (67.5) of the Bank's total financing.

Deposits from the public increased to SEK 31,001 m (30,349). The increase is primarily driven by marketing activities in Germany aimed at increasing of deposits.

Loans to the public

Loans to the public increased by 11.1 percent to SEK 28,231 m (25,405). The increase is mainly attributable to the acquisition of a consumer loan portfolio from Nordnet Bank.

Leasing assets held on behalf of customers increased by 2.3 percent to SEK 10,309 m (10,081), driven by an increase primarily in Denmark, but also in Norway.

Demanding market conditions have affected the credit quality of the Bank's loan portfolio during 2024. A certain improvement has been seen in the second half of 2024. The development varies between the different markets with the biggest increase in loan losses in Sweden. The increase in loan losses in the corporate loan portfolio is however attributable to a handful of individual large exposures rather than a general risk increase for the entire portfolio. Loan losses in the Bank's consumer loan portfolio have been slightly lower in 2024 compared to last year as a result of measures taken. The acquisition of a consumer loan portfolio from Nordnet Bank as well as a reduction in the expected recovery level on defaulted loans in Sweden have increased loan losses on an absolute level as earlier described.

Liquidity and the Bank's bonds

As of 31 December 2024, the Bank's liquidity reserve was 267 percent (298). The statutory limit is 100 percent.

The structural liquidity measure, Net Stable Funding Ratio (NSFR), was 119 percent (133) as of 31 December 2024. The statutory limit is 100 percent.

The Bank's liquidity portfolio totalled SEK 6,382 m (6,148), which corresponds to 20.6 percent (20.3) of the Bank's total deposits from the public. The increase of the liquidity portfolio is explained by higher 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 increased to SEK 2,236 m (1,900). In January 2024 the Bank issued an MTN-bond of SEK 600 m with a maturity of three years. During the last quarter of 2024, the Bank issued short-term commercial papers totally of SEK 640 m.

Demand for the Bank's short-term commercial paper programme as well as for the Bank's bond programme has been good.

Capital

The Bank's own funds amounted to SEK 8,572 m (8,880) per 31 December 2024, to compare with the total capital requirement of SEK 7,368 m (6,659). The statutory own funds requirement for Pillar 1-risk amounted to SEK 3,065 m (2,815). Both the total capital ratio and the Common Equity Tier 1 capital ratio for Ikano Bank were 22.4 percent (25.2). The change in capital ratios is mainly due to the negative result and higher risk-weighted exposure amount.

Other information

Ikano Bank AB (publ), corporate identity number 516406-0922, is a limited liability company licensed to conduct banking business, with registered office in Älmhult and head office in Malmö, Sweden. Ikano Bank is fully owned by IFS Holding AB with registered office in Älmhult, Sweden, which is a subsidiary of Ingka Holding B.V. with registered office in Leiden, the Netherlands.

On 17 October 2024, Ingka Group completed acquisition of Ikano Bank by acquiring the remaining 51 percent of the shares in the Bank from Ikano S.A., following the required approvals from regulatory authorities.

The Swedish FSA (SFSA) has conducted a review of the Bank's AML processes. The final outcome from the review is still pending.

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. In the UK, the Bank conducts operations in the form of Third Country Branch (TCB) approved by the British authority, the Prudential Regulatory Authority (PRA).

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.

In October 2024, the Bank completed the acquisition of a consumer loan portfolio from Nordnet Bank at time of takeover worth SEK 3.4 bn. The purchase price amounted to SEK 3.5 bn.

Since 2021 Ikano Bank, together with a number of partners in the Swedish market, has a strategic investment in the mortgage company Borgo which offers mortgage loans in Sweden.

Management and Board of Directors

On 17 October 2024, in connection with Ingka's acquisition of the Bank, the composition of the Board of Directors in the Bank has changed. Lone Fønss Schrøder, a Board member since 2022 and member of the Ingka Supervisory Board, has been elected as chairperson of the Board. Peter van der Poel, managing director of Ingka Investments B.V., has been elected as new Board member and deputy chairperson. Mats Håkansson, Lars Torsén, Yohann Adolphe and Nigel Hinshelwood have left the Board. Niclas Olsson, Chief Financial Officer of the Bank, has been appointed as acting Chief Executive Officer of the Bank after Henrik Eklund left his position as a result of ownership change. Klas von Otter, Head of Finance Governance, has been appointed as acting Chief Financial Officer.

Anna Wanby, Chief Legal Officer, has been appointed as acting Deputy CEO on 19 December 2024.

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

Anna Werntoft, Chief Transformation Officer, has left the Bank's management team on 30 April 2024. As a result of organisational changes within the Bank, the role has not been replaced.

Events after the balance sheet date

The Bank has started a buyback program for all its MTN-bonds with the intention of replacing them with internal financing from the group company.

Next reporting date

The year-end report is not subject to review by the Bank's auditors.

Ikano Bank's Annual Report will be available on the Bank's website on 12 April 2025.

Ikano Bank reports its results semi-annually. The interim report for the first half of 2025 will be available on the Bank's website at the end of August 2025.

Income statement

SEK 000	Note	Jul-Dec 2024	Jul-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Interest income calculated according to the effective interest method	3	1,184,301	1,159,361	2,374,204	2,251,410
Other interest income	3	232,626	242,419	449,866	466,467
Leasing income	4	2,122,094	2,159,191	4,254,198	4,245,428
Interest expense	3	-575,998	-523,934	-1,179,376	-920,093
Dividends received		397	157	552	314
Commission income	5	251,335	278,557	522,330	556,218
Commission expense	5	-144,236	-130,329	-282,472	-267,827
Net gains and losses on financial transactions		21,939	31,372	62,300	78,426
Other operating income	6	635,730	103,634	748,712	141,583
Total income		3,728,188	3,320,427	6,950,314	6,551,926
General administrative expenses		-1,105,976	-1,085,580	-2,198,136	-2,125,612
Depreciation/amortisation and impairments of tangible and intangible assets	4	-1,896,161	-1,934,918	-3,819,491	-3,830,032
Other operating expenses		-68,307	-65,774	-143,520	-145,131
<i>of which resolution fee cost</i>		-2,350	-2,622	-4,701	-5,244
Total expenses before loan losses		-3,070,444	-3,086,273	-6,161,147	-6,100,776
Profit before loan losses		657,743	234,154	789,167	451,151
Loan losses, net	7	-528,144	-384,285	-941,148	-754,048
Operating result		129,599	-150,131	-151,982	-302,897
Tax expense	8	-51,624	-11,488	-33,989	-13,726
Net result for the period		77,975	-161,619	-185,971	-316,623

Statement of total comprehensive income

SEK 000	Jul-Dec 2024	Jul-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net result for the period	77,975	-161,619	-185,971	-316,623
Other comprehensive income				
Items that can be reclassified to net profit or loss for the period				
Translation difference for the period, foreign branches	-6,356	19,217	-22,124	5,151
Change in financial assets measured at fair value through other comprehensive income	-3,146	13,804	5,909	21,649
Change in loss allowance for financial assets measured at fair value through other comprehensive income	225	-7,284	19	-7,944
Change in fair value for cash flow hedges	-50,569	-53,489	-57,551	-69,877
Tax related to changes in translation differences for the period	5,411	15,547	-16,971	-19,015
Tax related to changes in financial assets measured at fair value through other comprehensive income	648	-2,843	-1,217	-4,460
Tax related to changes in fair value of cash flow hedges	-	-3,376	-	-
Other comprehensive income for the period, net of tax	-53,787	-18,423	-91,935	-74,495
Total comprehensive income for the period, net of tax	24,188	-180,042	-277,906	-391,118

Balance sheet

SEK 000	Note	2024	2023
Assets			
Treasury bills		2,018,314	2,047,695
Loans to credit institutions		3,002,305	2,145,132
Loans to the public	9	28,231,293	25,404,966
Bonds and other interest-bearing securities		1,528,979	2,065,521
Shares and participations in associated companies		739,678	610,249
Shareholdings in other companies		73,148	52,316
Intangible assets		757,450	671,059
Tangible assets		10,318,591	10,089,534
- Leasing assets		10,308,919	10,080,922
- Equipment		9,672	8,612
Derivatives		197,422	407,598
Other assets		1,456,313	926,257
Deferred tax assets		143,025	133,768
Prepaid expenses and accrued income		390,882	403,537
Total assets		48,857,398	44,957,632
Liabilities, provisions and equity			
Liabilities to credit institutions		3,124,385	643,448
Deposits from the public	10	31,001,419	30,349,043
Issued securities	11	2,235,855	1,899,597
Derivatives		67,433	78,380
Other liabilities		1,416,494	901,123
Accrued expenses and deferred income		1,584,347	1,348,682
Provisions		106,864	138,853
- Provisions for pensions		52,189	49,179
- Deferred tax liabilities		13,580	11,620
- Other provisions		41,095	78,054
Total liabilities and provisions		39,536,797	35,359,125
Equity			
Restricted equity		1,105,848	1,018,440
Share capital		154,893	154,893
Statutory reserve		193,655	193,655
Fund for development expenses		757,300	669,892
Non-restricted equity		8,214,753	8,580,067
Share premium reserve		4,479,854	4,479,854
Fund for fair value		147,904	239,840
Retained earnings		3,772,966	4,176,996
Net result for the year		-185,971	-316,623
Total equity		9,320,601	9,598,507
Total liabilities, provisions and equity		48,857,398	44,957,632

Statement of changes in equity

	Restricted equity			Non-restricted equity							Total equity
	Share capital	Statutory reserve	Fund for development expenses	Share premium reserve	Fair value reserve	Translation reserve	Cash flow hedge reserve	Retained earnings or losses	Net result for the year		
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	-	-	-	-	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	
Opening balance 2024-01-01	154,893	193,655	669,892	4,479,854	-2,821	200,330	42,331	4,176,996	-316,623	9,598,507	
Appropriation of profits	-	-	-	-	-	-	-	-316,623	316,623	-	
Change in fund for development expenses	-	-	87,407	-	-	-	-	-87,407	-	-	
Net result for the year	-	-	-	-	-	-	-	-	-185,971	-185,971	
Other comprehensive income for the year	-	-	-	-	4,711	-39,096	-57,551	-	-	-91,935	
Total comprehensive income	-	-	-	-	4,711	-39,096	-57,551	-	-185,971	-277,906	
Closing balance 2024-12-31	154,893	193,655	757,300	4,479,854	1,890	161,234	-15,220	3,772,966	-185,971	9,320,601	

Cash flow statement

SEK 000

	2024	2023
Operating activities		
Operating result	-151,982	-302,897
Adjustment for non-cash items	4,651,906	4,967,313
Cash flows from operating activities before changes in working capital	4,499,924	4,664,415
Cash flows from changes in working capital	-2,384,519	-252,868
Cash flows from operating activities	2,115,405	4,411,548
Cash flows from investing activities	-4,129,049	-4,376,247
Cash flows from financing activities	2,832,574	-330,372
Cash flow for the year	818,930	-295,072
Cash and cash equivalents at beginning of the year	2,128,693	2,399,542
Exchange rate difference in cash and cash equivalents	42,299	24,224
Cash and cash equivalents at the end of the year	2,989,922	2,128,693

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 3,002 m (2,145), with deductions for current liabilities to credit institutions SEK 12 m (16). Cash and cash equivalents include funds utilised as collateral of SEK 33 m (0).

Notes

1 Accounting principles

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

The changes in accounting regulations applicable from 1 January 2024 have not had any impact on Ikano Bank's financial statements, capital adequacy, large exposures, or other aspects according to the applicable regulatory requirements. The year-end report of the Bank has been prepared in accordance with the same accounting policies and calculation methods that were applied in the Annual Report for 2023.

The IASB published the new IFRS 18 — Presentation and Disclosure in Financial Statements standard on 9 April 2024, which supersedes IAS 1 Presentation of Financial Statements. Assuming that IFRS 18 is adopted by the EU, and the date of implementation proposed

by the IASB is not changed, this standard is to be applied as of the 2027 financial year. IFRS 18 sets out new requirements for the presentation and disclosure of information in financial statements, with a particular focus on the income statement and enhanced transparency surrounding management-defined performance measures.

The standard is not expected to entail any financial effects for Ikano Bank, as IFRS 18 focuses on presentation and disclosure in financial statements. The Bank plans to commence work on analysing the effects of the new standard.

None of the other forthcoming changes in the accounting regulations issued for application are deemed to have a material impact on the Bank's financial statements, capital adequacy, large exposures, or other aspects according to the applicable regulatory requirements. 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 Annual Report for 2023, page 72.

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

2 Operating segments

2024	SEK m										
	Sweden	Denmark	Norway	Finland	United Kingdom	Germany / Austria	Poland	Shared functions ¹⁾	Total before eliminations	Eliminations	Total
Interest income	1,479	516	146	49	521	960	212	1,802	5,685	-2,857	2,828
Interest expense	-1,097	-356	-162	-51	-297	-491	-93	-1,493	-4,040	2,857	-1,183
Total net interest income	382	159	-16	-2	224	469	119	309	1,645	-	1,645
Payment service commissions	7	1	-	0	-	10	-	-	18	-	18
Lending commissions	122	54	40	17	20	18	1	-	272	-	272
Compensation, mediated insurance	125	21	29	1	-	40	7	-	223	-	223
Other commissions	6	3	5	1	-	1	0	-	16	-	16
Commission income	260	79	74	19	20	69	9	-	529	-	529
Commission expense	-66	-6	-25	-14	-28	-24	-2	0	-165	-	-165
Commission, net	195	72	50	5	-9	45	6	0	364	-	364
Lease income	1,917	1,295	559	484	-	-	-	-	4,254	-	4,254
Depreciation on leasing assets	-1,559	-1,061	-446	-412	-	-	-	-	-3,477	-	-3,477
Leasing Income, net	358	234	113	72	-	-	-	-	777	-	777
Net Interest, fee and leasing income	935	465	147	75	215	514	125	309	2,785	-	2,785
Other income	95	14	18	5	1	2	2	1,105	1,240	-428	812
Other direct expenses	-79	-19	-20	-9	-25	-44	-9	-8	-213	-	-213
Operating margin before net loan losses and operational expenses	950	460	144	71	191	472	118	1,407	3,813	-428	3,384
Other expenses	-1,019	-304	-209	-91	-214	-534	-142	-1,489	-4,003	487	-3,516
Allocated overhead expenses	13	5	1	2	8	8	2	-	39	-59	-20
Operating result	-56	161	-64	-18	-16	-54	-22	-83	-152	-	-152
Of which:											
<i>Total internal income</i>	-12	164	-	-	177	316	-	2641	3286	-3286	-
<i>Total external income²⁾</i>	2,408	678	351	145	358	711	222	1	4873	-	4873
<i>Total internal expenses</i>	-1,864	-310	-212	-114	-109	-345	-80	-251	-3286	3286	-
Appropriations	-	-	-	-	-	-	-	-	-	-	-
Tax expense	-	-66	-4	-	-	11	(3.01)	29	-34	-	-34
Net result for the year	-56	95	-68	-18	-16	-44	-25	-54	-186	-	-186

2023	SEK m										
	Sweden	Denmark	Norway	Finland	United Kingdom	Germany / Austria	Poland	Shared functions ¹⁾	Total before eliminations	Eliminations	Total
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	-	1,798
Payment service commissions	8	1	-	0	-	11	-	-	20	-	20
Lending commissions	134	57	36	20	25	15	1	-	288	-	288
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	-	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	-	-303
Of which:											
<i>Total internal income</i>	-	152	-	-	135	193	-	2,737	3,217	-3,217	-
<i>Total external income²⁾</i>	1,723	716	303	121	441	649	201	0	4,155	-	4,155
<i>Total internal expenses</i>	-1,882	-420	-208	-142	-327	-420	-95	278	-3,217	3,217	-
Appropriations	-	-	-	-	-	-	-	-	-	-	-
Tax expense	-	-49	8	-	-	3	-	24	-14	-	-14
Net result for the year	-203	61	-62	-40	-186	-166	-60	337	-317	-	-317

- 1) Shared functions also include the Treasury function.
- 2) An explanation of the relationship between the segmented income information (in the table below) and income information provided for each segment (in the table above).

External income

SEK m	2024	2023
B2B	1,124	1,087
D2C	1,344	1,282
Retail	1,446	1,496
Other	959	290
Total external income	4,873	4,155

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

Balance sheet

2024

SEK m	Sweden	Denmark	Norway	Finland	United Kingdom	Germany / Austria	Poland	Eliminations	Total
Fixed assets other than financial instruments	762	0	0	0	-	4	0	-	767
Deferred tax assets	3	-	92	-	-	48	-	-	143
Other assets	31,982	6,076	2,838	1,703	3,534	9,228	2,055	-9,468	47,947
Total assets	32,748	6,076	2,930	1,703	3,534	9,279	2,056	-9,468	48,857
Liabilities and provisions	23,338	5,982	2,997	1,722	3,559	9,326	2,081	-9,468	39,537

2023

SEK m	Sweden	Denmark	Norway	Finland	United Kingdom	Germany / Austria	Poland	Eliminations	Total
Fixed assets other than financial instruments	675	0	1	0	-	4	0	-	680
Deferred tax assets	9	-	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

3 Net Interest Income

SEK 000

	Jul-Dec 2024	Jul-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Interest income				
Loans to credit institutions	32,197	40,484	63,668	53,297
Loans to the public	1,304,747	1,284,193	2,549,860	2,504,183
Interest-bearing securities	79,984	77,103	210,542	160,397
Total	1,416,927	1,401,780	2,824,070	2,717,877
<i>Of which: Interest income from financial assets not measured at fair value through profit or loss</i>	1,336,943	1,324,677	2,613,528	2,557,480
<i>Of which: Interest income from non-performing loans</i>	49,450	37,282	84,725	61,572
Interest expense				
Liabilities to credit institutions	-33,894	-9,601	-40,068	-17,413
Deposits from the public	-464,826	-466,503	-1,014,299	-802,692
<i>Of which: Deposit guarantee fee</i>	-17,111	-21,865	-35,263	-40,287
Issued securities	-48,694	-46,221	-101,801	-88,496
Derivatives	-27,587	4,722	-17,272	-4,812
- Hedge accounting	25,793	43,081	62,824	78,634
- Not hedge accounting	-53,379	-38,359	-80,096	-83,446
Other interest expenses	-996	-6,332	-5,935	-6,680
Total	-575,998	-523,934	-1,179,376	-920,093
<i>Of which: Interest income from financial assets not measured at fair value through profit or loss</i>	-548,411	-528,656	-1,162,104	-915,281
Total net interest income	840,930	877,846	1,644,694	1,797,784

4 Net leasing income

SEK 000	Jul-Dec 2024	Jul-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Leasing income, gross	2,122,094	2,159,191	4,254,198	4,245,428
Less: Depreciation according to plan	-1,743,169	-1,764,522	-3,477,016	-3,506,084
Leasing income, net	378,925	394,669	777,183	739,345
Leasing income from financial lease agreements	2,122,094	2,159,191	4,254,198	4,245,428
Depreciation according to plan for assets that are financial lease agreements, but are recognised as operating leases	-1,743,169	-1,764,522	-3,477,016	-3,506,084
Leasing income, net for financial lease agreements	378,925	394,669	777,183	739,345
Interest income	3,767	3,673	7,761	7,666
Interest expenses	-206,727	-210,851	-430,553	-385,636
Leasing, net	175,966	187,492	354,391	361,374

5 Net Commission Income

SEK 000	Jul-Dec 2024	Jul-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Commission income				
Payment service commissions	9,712	10,267	18,164	19,995
Lending commissions	129,919	143,399	265,120	287,954
Compensation, mediated insurance	104,176	114,151	223,265	225,702
Other commissions	7,528	10,740	15,781	22,567
Total	251,336	278,557	522,330	556,218
Commission expenses				
Payment service commissions	-2,892	-3,606	-6,177	-7,246
Lending commissions	-119,801	-105,551	-230,354	-214,177
Other commissions	-21,543	-21,173	-45,941	-46,404
Total	-144,236	-130,329	-282,472	-267,827
Net commission income	107,099	148,228	239,858	288,391

6 Other operating income

SEK 000	Jul-Dec 2024	Jul-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Realised gain arising from the disposal of tangible assets	17,890	19,197	36,320	42,456
Pro rata VAT for previous years	583,854	78,594	644,554	78,594
Other operating income	33,985	5,842	67,838	20,533
Total	635,730	103,634	748,712	141,583

Other operating income for 2024 includes receivables of SEK 645 m (79) related to pro rata VAT for the 2017-2023 business years. The Bank has requested a reconsideration of the pro rata VAT for 2017-2023 according to the turnover

based calculation method in line with the Supreme Administrative Court ruling from 16 October 2023. The management's assessment is that the Bank will recover the full recognised amount.

7 Loan losses, net

SEK 000	Jul-Dec 2024	Jul-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Stage 1 - Assets without significant increase in credit risk since initial recognition				
Change in credit impairments	-45,365	28,979	-42,282	10,670
Derecognition of loans	-2	0	-1	0
Reversals and recoveries	0	-5	-	-5
Net cost for the period for loan losses - stage 1	-45,367	28,974	-42,283	10,665
Stage 2 - Assets with significant increase in credit risk since initial recognition but not credit impaired				
Change in credit impairments	-31,103	-28,613	-42,362	-31,624
Derecognition of loans	-261,221	-204,359	-474,135	-398,754
Reversals and recoveries	127,637	99,858	230,993	193,557
Net cost for the period for loan losses - stage 2	-164,687	-133,113	-285,504	-236,821
Stage 3 - Credit impaired assets				
Change in credit impairments	-98,541	-69,534	-100,880	-82,196
Derecognition of loans	-307,611	-366,760	-773,296	-784,408
Reversals and recoveries	88,062	156,147	260,815	338,711
Net cost for the period for loan losses - stage 3	-318,090	-280,146	-613,360	-527,892
Net cost for the period for loan losses - Total	-528,144	-384,285	-941,148	-754,048

8 Tax expense for the period

Tax on the result for the period amounted to SEK -34 m (-14) and consisted of current tax for the period of SEK -31 m (-19) on items reported in the income statement for the period in the Bank's branches, adjustment of taxes for previous periods of SEK -11 m (-1), and changes in deferred taxes of SEK 8 m (6). Tax on taxable exchange rate differences regarding assets and liabilities in foreign branches increased the total tax by SEK 17 m (19) but is reported in other comprehensive income. Total unutilised taxable

deficit amounted to SEK 1,330 m as of 31 December 2024 (1,096). There are foreign taxes in the Bank's branches that can be utilised to reduce potential Swedish tax in the future. The total tax losses, which are reported gross via the income statement and other comprehensive income and for which the deferred tax asset has not been booked as of 31 December 2024, is SEK 54 m (43), 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	2024	2023
Outstanding receivables, gross		
- Swedish currency	11,408,813	8,322,305
- Foreign currency	18,040,319	18,061,661
Total	29,449,131	26,383,966
Outstanding receivables per stage, gross		
- stage 1	24,657,798	22,091,355
- stage 2	3,986,760	3,706,582
- stage 3	804,573	586,029
Total outstanding receivables per stage, gross	29,449,131	26,383,966
<i>Of which: Non-performing loans</i>	<i>804,573</i>	<i>586,029</i>
Provisions		
Provisions for assets in stage 1	-199,842	-159,010
Provisions for assets in stage 2	-502,460	-441,449
Provisions for assets in stage 3	-515,536	-378,541
Total provisions	-1,217,839	-979,000
Carrying amount, net		
- stage 1	24,457,956	21,932,345
- stage 2	3,484,300	3,265,133
- stage 3	289,037	207,488
Carrying amount, net	28,231,293	25,404,966

10 Deposits from the public

SEK 000	2024	2023
Public		
- Swedish currency	15,248,750	16,315,945
- Foreign currency	15,752,669	14,033,098
Total	31,001,419	30,349,043
Deposits specified by category of borrower		
Corporate sector	2,141,078	1,955,041
Household sector	28,860,341	28,394,002
Total	31,001,419	30,349,043

11 Issued securities

SEK 000	2024	2023
Certificates of deposits	636,225	-
Senior unsecured bonds	1,599,630	1,899,597
Total	2,235,855	1,899,597

12 Contingent liabilities

SEK 000	2024	2023
Liability to PRI Pension guarantee	1,044	984
Litigation claims above made provisions	2,367	-
Total	3,411	984

The Bank is subject to claims and in some cases has claims, in several civil cases that are conducted in a general court. Provisions are made when an outflow of resources as a result of

litigation is probable. The dispute amounts are not considered to have a significant impact on the Bank's financial position or results as of 31 December 2024.

13 Commitments

SEK 000	2024	2023
Loan commitments, irrevocable	2,556,564	2,446,346
Loan commitments, revocable	1,253,703	1,301,961
Unused credit limits	21,450,411	20,594,386
Total	25,260,678	24,342,693

Commitments in a form of granted unused credits can be terminated with immediate effect to the

extent it is permitted under the Consumer Credit Act.

14 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.

Financial assets and liabilities that are reported at fair value in the balance sheet

2024

SEK 000	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivatives	-	94,763	102,658	197,422
Shares and participations in other companies	73,148	-	-	73,148
Financial assets at fair value through other comprehensive income				
Bonds and other interest-bearing securities	1,528,979	-	-	1,528,979
Treasury bills	1,819,087	199,227	-	2,018,314
Financial liabilities at fair value through profit or loss				
Derivatives	-	67,433	-	67,433

2023

SEK 000	Level 1	Level 2	Level 3	Total
Financial assets at fair value 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
Treasury bills	1,997,994	49,701	-	2,047,695
Financial liabilities at fair value through profit or loss				
Derivatives	-	78,380	-	78,380

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 a 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 as of 31 December 2024.

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.

2024

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	94,763	-	94,763	-67,433	32,800	60,130
Total financial assets	94,763	-	94,763	-67,433	32,800	60,130
Derivatives	67,433	-	67,433	-67,433	-59,200	-59,200
Total financial liabilities	67,433	-	67,433	-67,433	-59,200	-59,200

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

15 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, relatively high inflation, and stagnant economic growth have given rise to risks and put further focus on credit risk in the Bank's lending.

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 Bank'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

16 Capital analysis

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 2024, the Bank's own funds totalled SEK 8,572 m (8,880), all of which is

Common Equity Tier 1 capital. The statutory own funds requirement for Pillar 1-risk totalled SEK 3,065 m (2,815) which means that the surplus Common Equity Tier 1 capital amounted to SEK 5,507 m (6,065). The internal own funds requirement (Pillar 2 requirements) totalled

SEK 571 m (414), and the Pillar 2 guidance totalled SEK 2,107 m (1,935) 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 958 m (880) 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, Denmark, Germany and the UK, amounted to 1.7 percent (1.7) of the total risk exposure amount or SEK 667 m (615) as of 31 December 2024. Ikano Bank's combined buffer requirement totalled SEK 1,625 m (1,495).

As of 31 December 2024 both the total capital ratio and the Common Equity Tier 1 capital ratio for Ikano Bank was 22.4 percent (25.2). The change in capital ratios is mainly due to the negative result and increased risk-weighted exposure amount.

The leverage ratio for the Bank per 31 December 2024 was 17.6 percent (19.7). A legal minimum requirement is 3 percent.

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

	2024		2023	
	SEK 000	% av REA*	SEK 000	% av REA*
Common Equity Tier 1	8,572,145	22.4%	8,879,508	25.2%
Tier 1 capital	8,572,145	22.4%	8,879,508	25.2%
Own funds	8,572,145	22.4%	8,879,508	25.2%
Total risk exposure amount	38,313,950		35,187,357	
Minimum capital requirement (Pillar 1)	3,065,116	8.0%	2,814,989	8.0%
Additional capital requirement (Pillar 2)	570,878	1.5%	414,000	1.2%
Pillar 2 guidance (P2G)	2,107,267	5.5%	1,935,305	5.5%
Combined buffer requirement	1,624,572	4.2%	1,494,729	4.2%
Capital conservation buffer	957,849	2.5%	879,684	2.5%
Counter-cyclical capital buffer	666,723	1.7%	615,045	1.7%
Total capital requirement	7,367,833	19.2%	6,659,022	18.9%
Available Common Equity Tier 1 Capital	5,507,029	14.4%	6,064,519	17.2%

* Risk-weighted exposure amount

Specification of own funds

SEK 000	2024	2023
Equity reported in the balance sheet	9,320,601	9,598,507
Share capital	154,893	154,893
Statutory reserve	193,655	193,655
Fund for development expenses	757,300	669,892
Share premium reserve	4,479,854	4,479,854
Fund for fair value	147,904	239,840
Retained earnings	3,772,966	4,176,996
Net result for the year	-185,971	-316,623
CET1 capital before regulatory adjustments	9,320,601	9,598,507
CET1 capital: regulatory adjustments		
Intangible assets	-757,450	-671,059
Cash flow hedge	15,220	-42,331
Value adjustments due to the requirements for prudential valuation	-4,568	-5,170
Insufficient coverage for non-performing exposures	-1,658	-440
Total Common Equity Tier 1 Capital	8,572,145	8,879,508
Total Tier 1 Capital	8,572,145	8,879,508
Total own funds	8,572,145	8,879,508

Specification of risk exposure amount and own funds requirements

SEK 000	2024		2023	
	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	2,334	187	2,420	194
Institutional exposure	624,597	49,968	510,945	40,876
Corporate exposure	6,589,653	527,172	5,758,479	460,678
Retail exposure	21,885,359	1,750,829	20,419,211	1,633,537
Equity exposure	1,922,342	153,787	1,577,939	126,235
Past due items	770,827	61,666	615,743	49,259
Covered bond exposure	102,719	8,218	130,812	10,465
Other items	535,513	42,841	515,540	41,243
Total credit risk	32,433,345	2,594,668	29,531,087	2,362,487
Operational risk according to the basic indicator approach	4,771,315	381,705	4,536,334	362,907
Foreign exchange risk according to the standardised approach	1,081,363	86,509	1,097,234	87,779
CVA risk according to the standardised approach	27,928	2,234	22,702	1,816
Total	38,313,950	3,065,116	35,187,357	2,814,989

17 Liquidity

The Bank's liquidity reserve as of 31 December 2024 amounted to SEK 3,356 m (3,439) and consisted of high-quality liquid assets, eligible as collateral with the Swedish Central Bank.

The liquidity portfolio as of 31 December 2024 totalled SEK 6,382 m (6,148) excluding overdraft facilities and constituted 20.6 percent (20.3) of deposits from the public. The increase of the liquidity portfolio is explained by higher deposits from the public, which entailed higher investments in securities.

The liquidity portfolio includes cash and balances with banks SEK 2,825 m (2,015), the liquidity reserve, SEK 3,356 m (3,439) and other interest-bearing securities SEK 201 m (694). 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 2,058 m (1,045) were available.

As of 31 December 2024, the Bank's liquidity coverage ratio amounted to 267 percent (298). The statutory limit is 100 percent.

The structural liquidity measure, Net Stable Funding Ratio, was 119 percent (133). 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

2024

SEK m	Total	SEK	EUR	DKK	GBP	Other
Securities issued by public entities	2,023	1,117	339	429	138	-
Securities issued by financial corporations	305	192	113	-	-	-
Covered bonds	1,028	765	263	-	-	-
Liquidity reserve	3,356	2,074	715	429	138	-
Other operating liquidity invested in securities	201	201	-	-	-	-
Cash and balances in central banks and other banks	2,825	914	677	272	386	576
Total liquidity portfolio	6,382	3,189	1,392	701	524	576
Distribution per currency (%)	100%	50%	22%	11%	8%	9%
Granted unused credit facilities	2,058	1,600	458	-	-	-

2023

SEK m	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 reserve	3,439	2,283	696	281	179	-
Other operating liquidity invested in securities	694	694	-	-	-	-
Cash and balances in central banks and other banks	2,015	1,203	134	82	357	239
Total liquidity portfolio	6,148	4,180	831	363	535	239
Distribution per currency (%)	100%	68%	14%	6%	9%	4%
Granted unused credit facilities	1,045	600	445	-	-	-

The Bank's long-term funding plan aims at a 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 2023. The documents are published on the Bank's website www.ikanobank.se.

18 Transactions with related parties

On October 17, 2024, Ingka Group completed the acquisition of Ikano Bank by acquiring the remaining 51 percent of the shares in the Bank

from Ikano S.A. which affected the composition of the Bank's related parties. Transactions with Ingka Group which in the previous period were

presented under Other related parties are presented as of 31 December 2024 under transactions with Group companies. Income and expenses related to transactions with related parties for 2024 are broken down by respective ownership company and for the relevant ownership period during the year, are shown in the table below.

Companies within the Ingka Group and Bank's associated companies are related parties to the Bank as of 31 December 2024.

Consolidated financial statements are prepared by IFS Holding AB with registered office in Älmhult, Sweden, which is a subsidiary of Ingka Holding B.V. with registered office in Leiden, the Netherlands. Transactions with related parties are priced on commercial, market-based terms. No non-performing loans are attributable to the outstanding receivables from related parties.

SEK 000	Year	Income	Expenses	Receivables from related parties, 31 December	Liabilities to related parties, 31 December
Group companies (Ingka Group)	2024	94,449	-6,831	69,865	2,741,381
Group companies (Ingka Group)	2023	-	-	-	-
Group companies (Ikano Group)	2024	1,368	-44,815	-	-
Group companies (Ikano Group)	2023	403	-59,860	6,714	1,773
Associated companies	2024	5,805	-938	915	2,115
Associated companies	2023	3,000	-805	612	2,023
Other related parties (Ingka Group)	2024	344,391	-18,452	-	-
Other related parties (Ingka Group)	2023	365,893	-21,969	57,496	2,163,545

During 2024 the Bank has further invested in 1,013,976 shares in Borgo AB (publ) at new share issues, at the amount of SEK 129,428 m. The balance sheet item of Shares in associated

companies consists of 5,144,701 shares in Borgo AB (publ) as of 31 December 2024, which corresponds to an ownership share of 23.1 percent (23.8).

19 Events after the balance sheet date

The Bank has started a buyback program for all its MTN-bonds with the intention of replacing them with internal financing from group company.

Signatures

The Board of Directors and the acting CEO certify that this year-end 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.

Älmhult, date according to digital signature.

Lone Fønss Schrøder
Chairperson

Heather Jackson
Board member

Dr. Diederick van Thiel
Board member

Mikael Palmquist
Board member

Lars Ljungälv
Board member

Viveka Strangert
Board member

Peter van der Poel
Board member

Niclas Olsson
Acting CEO