

Malmö 26 February 2021

Ikano Bank AB (publ) Year-End Report 2020

“2020 is the first year in our two-year strategy to lay the foundation for the new bank. The work is proceeding according to plan. The goal of our transformation is to become more relevant to our customers, continue to work for a sustainable society and be an attractive employer.

Without doubt 2020 will be remembered as the year when everything was turned upside down and many things we take for granted changed completely. It is also the year, when we at Ikano Bank are in the middle of our biggest transformation ever. With committed employees and innovative solutions, we are launching a new platform, making us a fully digitalised, simple and caring bank for the many people.”

Henrik Eklund, CEO, Ikano Bank AB (publ)

Results for the full year 2020

- Business volume amounted to SEK 60,968 m (63,887)
- Lending, including leasing, amounted to SEK 34,745 m (37,929)
- Deposits from the public amounted to SEK 26,223 m (25,958)
- Profit before loan losses decreased by 10.4 percent to SEK 799 m (891)
- C/I-ratio before loan losses was 70.2 percent (69.6)
- Operating result decreased to SEK 23 m (189) and was affected by increased provisions for expected loan losses
- The result is positively affected by decreasing costs, -4.7 percent
- Net interest income decreased by 5.5 percent to SEK 1,867 m (1,944)
- Net result for the year, after tax was, negatively affected by tax on translation differences in the branches and amounted to SEK -167 m (465): The comparison is also disturbed by the previous year's dissolution of untaxed reserves of SEK 281 m
- Return on equity decreased to 0.3 percent (2.5)
- Total Capital ratio is the same as the Common equity Tier 1 ratio of 16.9 percent (15.4)
- The liquidity reserve totalled SEK 3,073 m (3,053) and the total liquidity portfolio amounted to SEK 6,246 m (6,038)

Results for the second half year 2020

- Operating result increased by 14.4 percent to SEK 104 m (90). This is mainly explained by decreased loan losses
- Net interest income decreased by 7.4 percent to SEK 901 m (972)
- Return on equity for the second half of the year amounted to 2.7 percent (2,4)

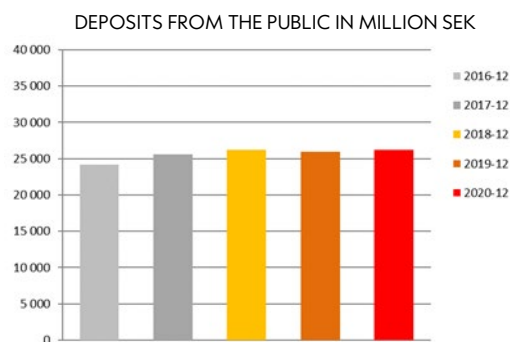
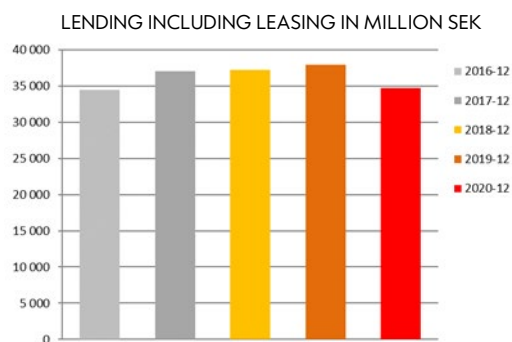
Outlook for 2021

- Extensive investments will be made to streamline and improve the Bank's competitiveness. The goal is to become a fully digitalized bank for the many people, which is also expected to create conditions for an improved result in the future.
- Ingka Group is to become part-owner of the Bank, which today is fully owned by Ikano S.A. The transaction will be completed through a new share issue following approvals by relevant regulatory authorities. A closer partnership with Ingka creates opportunities for the Bank to further accelerate its transformation and make financial services available for more of the many people.
- The global pandemic is expected to continue to have an impact on earnings.

Key ratios

	Jul-Dec 2020	Jul-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Total Capital ratio	16.9%	17.7%	16.9%	17.7%
Common equity Tier 1 ratio	16.9%	15.4%	16.9%	15.4%
Investment margin	4.1%	4.3%	4.1%	4.3%
Return on adjusted equity	2.7%	2.4%	0.3%	2.5%
Leverage ratio	12.7%	12.1%	12.7%	12.1%
C/I-ratio before loan losses	68.2%	68.6%	70.2%	69.6%
Loan loss ratio	2.0%	2.0%	2.1%	1.9%

For definitions of alternative performance measures used to describe the Bank's activities see the Bank's Annual Report for 2019, available on the Bank's website www.ikano.se/om-banken/ekonomisk-information. Comparative figures in parentheses refer to the same period of the previous year unless otherwise stated.



This is information that Ikano Bank AB (publ) is required to disclose in accordance with the Securities Market Act. The information was submitted for publication on 26 February 2021 at 11:00 AM.

Ikano Bank's Interim Report is available on the Bank's website: www.ikano.se/om-banken/ekonomisk-information

For more information

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About Ikano Bank

Ikano Bank AB (publ) creates possibilities for better living by offering simple, fair and affordable services, enabling a healthy economy for the many people. Our offer includes savings and loan products for consumers, sales support services for retailers, and leasing and factoring solutions for businesses. We conduct business in Sweden, Denmark, Finland, Norway, the UK, Poland, Germany and Austria, and is part of Ikano. Ikano is an international group of companies active within banking, real estate, production, insurance, analytics and retail. Ikano Group was established in 1988 and is owned by the Kamprad family.