

Malmö 28 February, 2020

## Ikano Bank AB (publ) Year End report 2019

### The transformation of the Bank continues

“During 2019, we have devoted ourselves to continue the improvement work we started at the beginning of the year; work that permeates the entire bank. Several measures have been taken and I would particularly like to highlight that we have developed and implemented a new strategy for the Bank. The goal is that by focusing on improving in six key focus areas over the next two years we will create an even more digital and entrepreneurial driven bank. A new management team has been formed to manage this work.”

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

### Results for the full year 2019

- Lending, including leasing, increased to SEK 37,929 m (37,187)
- Deposits from the public decreased with 1 percent to SEK 25,958 m (26,206)
- Business volume amounted to SEK 63,887 m (63,394)
- Profit before loan losses increased by 7 percent to SEK 891 m (834)
- C/I ratio improved to 69.6 percent (71.1)
- Operating result decreased to SEK 189 m (359). Operating result for 2018 is affected by increased loan losses
- The result for 2019 is positively impacted by an increased net leasing, net commission income and net interest income
- Net interest income increased by 0.4 percent to SEK 1,944 m (1,935)
- Net result for the year amounted to SEK 465 m (541) and was affected by dissolution of untaxed reserves
- Return on equity decreased to 2.5 percent (4.9)
- Common equity Tier 1 ratio totalled 15.4 percent (14.9) and the total capital ratio was 17.7 percent (17.2)
- The liquidity reserve totalled SEK 3,053 m (2,508) and the total liquidity portfolio amounted to SEK 6,038 m (5,640)

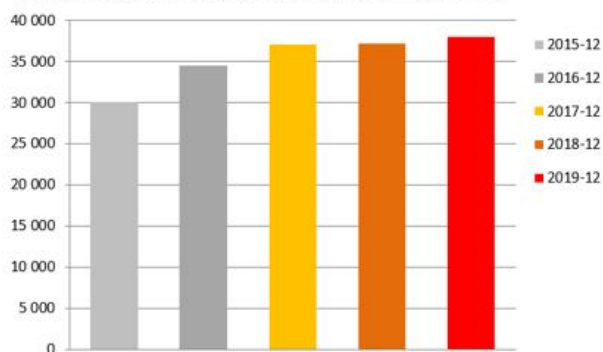
### Results for the second half year 2019

- Operating result decreased by 27 percent to SEK 90 m (123). This is mainly explained by increased loan losses
- Net interest income increased by 2 percent to SEK 972 m (957)
- Return on equity for the second half of the year amounted to 1.2 percent (3.4)

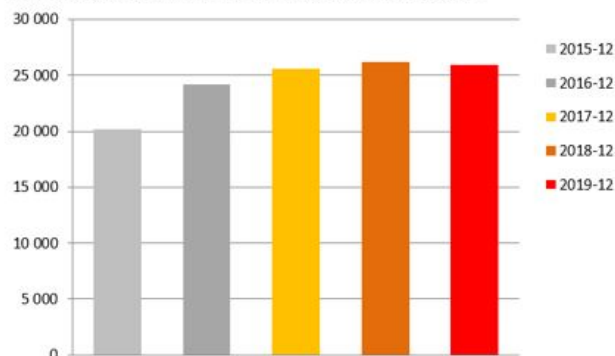
Outlook for 2020: The transformation of the Bank continues with full focus on improving our digital presence, lower our costs and strengthen sales, efficiency and customer offer. We can already see positive effects of the improvement work that are expected to result in improved key ratios over time. The Bank operates in a challenging industry but is financially strong with favourable market position. The work to further develop and improve our digital experience, efficiency and customer offer continues. Ikano Bank expects retained business volumes in 2020.

Key ratios	Jul-Dec 2019	Jul-Dec 2018	31 Dec 2019	31 Dec 2018
Total Capital ratio	17.7%	17.2%	17.7%	17.2%
Common equity Tier 1 ratio	15.4%	14.9%	15.4%	14.9%
Investment margin	4.3%	4.3%	4.3%	4.4%
Return on adjusted equity	2.4%	3.4%	2.5%	4.9%
Leverage ratio	12.1%	11.8%	12.1%	11.8%
C/I-ratio before loan losses	68.6%	70.3%	69.6%	71.1%
Loan loss ratio	2.0%	1.7%	1.9%	1.3%

LENDING INCLUDING LEASING IN SEK MILLION



DEPOSITS FROM THE PUBLIC IN SEK MILLION



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

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

#### For more information

Henrik Eklund, CEO or Pontus Sardal, CFO  
 tel: 010-330 40 00

#### About Ikano Bank

Ikano Bank offers smart and simple savings and loan products for consumers, sales support services for retailers, and leasing and factoring solutions for corporate customers. Ikano Bank has a presence in Sweden, Denmark, Finland, Norway, the UK, Poland, Germany and Austria.

#### About Ikano

Ikano is a multinational group with operations in banking, insurance, production, housing and retailing. The Ikano Group was founded in 1988 and is owned by the Kamprad family.

For more information, go to [www.ikanobank.se](http://www.ikanobank.se)