Capital adequacy and risk management

2022

Capital adequacy and risk management

This information refers to Ikano Bank AB (publ) ("Ikano Bank" or the "Bank"), Corporate Identity Number 516406-0922. The document contains information regarding the Bank's capital adequacy and risk management and refers to such information required for the own funds and own funds requirements in accordance with regulation (EU) No 575/2013 and the Swedish Financial Supervisory Authority's regulations regarding regulatory requirements and capital buffers (2014:12 and amendment provisions).

Operations

Ikano Bank AB (publ) conducts banking operations in Sweden, the UK, Norway, Denmark, Finland, Germany, Austria and Poland under the supervision of the Swedish Financial Supervisory Authority. The Bank's Business in UK, after the end of the transitional period requires authorisation from the British supervisory authorities. During the processing of the bank's British authorisation application, the bank operates under the so-called Temporary Permissions Regime in the UK. There are three business lines in the Bank: Corporate, Sales Finance and Consumer. The operations outside Sweden are operated as branches.

Corporate

Within the Corporate business line financial solutions for corporate clients in the form of leasing agreements, object financing, invoice purchasing and factoring are offered. These operations are primarily conducted through partner arrangements. This business line is represented in Sweden, Denmark, Norway and Finland.

Sales finance

Services for financing and sales support, mainly to the retail sector, are managed and marketed within the Sales Finance business line. This business line is represented in all geographic markets. The services offered comprise of consumer finance for sales support in the form of store cards and credit cards with Visa and MasterCard, loyalty cards, bonus management and information services for sales support. The largest partner within Sales Finance is IKEA.

Consumer

The Consumer business line is aimed at private individuals and offers simple, beneficial products and services for savings and loans. The customers carry out part of the work themselves on the internet or by telephone, which enables an efficient handling whereby the Bank can offer customers cost-efficient and competitive products.

Lending is offered as unsecured loans and Visa credit cards. Lending is provided as unsecured loans and card products in Sweden, Denmark, Norway, Poland and Germany. Unsecured loans are also offered in the UK market. Deposits are offered in the Swedish, Danish, German and UK markets. The Bank offers, under a distribution agreement with an associated company, mortgages on the Swedish market.

Significant events during the year

The purchase of a loan portfolio from Basisbank in Denmark, at the point of acquisition worth approximately DKK 2 bn, was completed in February 2022.

The Bank has, together with a number of partners, continued to invest in the fintech company Borgo.

Risks and risk management

The Bank's earnings are affected by external changes that are not within the company's control. The Bank's profitability is affected by factors including macroeconomic change such as unemployment, as well as fluctuations in interest and exchange rates. Risk management is an integrated component of the Bank's daily operations. In its business operations, the Bank is exposed to several risks such as credit risk, operational risk and strategic risk, but it must also manage liquidity risk, foreign exchange risk and interest rate risk.

The Board of Directors and CEO are ultimately responsible for risk management at Ikano Bank. Risk management is intended to ensure that the risks do not exceed the risk appetites set by the Board. The Bank's risks are controlled centrally, but the responsibility for risk management rests primarily with the business, functions and branches. This means that operating businesses own and manage the risk in daily operations. The central independent risk control function is responsible for monitoring and evaluating risk management.

In the Bank the three lines of defence model is implemented where the operational business acts as 1st line of defence with the main responsibility for identification, assessment, mitigation and ownership of risks. The risk control and Compliance function are independent functions within the 2nd line of defence and are responsible for oversight and guidance. Internal Audit, the 3rd line of defence, provides independent assurance to the Board.

The Bank's risk strategy aims to identify, measure, report and mitigate the risks that the Bank deems material. The risk strategy is updated annually, and this is done in conjunction with the Bank's business planning and internal capital assessment. The risk strategy is approved annually by the Board. The Bank's CRO (Chief Risk Officer) annually presents a plan for the development of the Bank's tools and methods to improve the Bank's risk management.

The Bank's Board has established three committees covering risk and compliance matters, - the Audit, Risk- & Compliance Committee, the People and Remuneration Committee, and the Digital, Business and Transformation Committee.

For more information on the Bank's risks and organisation for risk management see the Annual Report 2022, note 3.

Recovery Planning

Ikano Bank has drawn up a recovery plan and implemented processes around a regular update of recovery indicators in accordance with the Bank Recovery and Resolution Directive, EBA guidelines and Swedish legislation. The recovery plan is a tool to identify options potentially available to counter extreme crisis scenarios and is an integral part of the Bank's risk and capital management framework.

Credit risk

Credit risk is the Bank's largest risk and is defined as the risk that the counterparty does not fulfil its contractual obligations. Credit risk arises in lending operations, the investment of the Bank's operating liquidity, overnight investment and for derivatives with positive market values.

Ikano Bank's credit risk appetite is aligned with the overall business plan and risk strategy. It is regulated through the Credit Risk Policy and in more detailed Credit Risk Directives for B2B and B2C respectively. Risk limits and complementary risk indicators for credit risk are used to monitor the credit portfolios, both on aggregated and individual country level. A sustainable repayment ability and an adequate financial position of the customer or counterparty are key factors when granting credits.

The Bank's lending operations consist of the products leasing, factoring, credit cards and unsecured loans. All products are designed for high quantity management. The Bank applies scoring models in the assessment of credit risk.

During the application process, the risk of default is calculated before credit is granted. The result of the initial application gives a score on a scale reflecting the probability of the customer going into default. The assessment is supplemented with customer information as well as information from external sources, example credit bureaus, mainly Bisnode, UC and Experian, to assess repayment capacity before the credit is finally approved. Most of the Bank's scoring models are internally developed but there are also externally developed and generic models, mostly corporate models. If the risk exceeds the internally accepted maximum risk exposure, the credit is denied. In addition to application scoring, Ikano Bank utilises various types of behavioural scoring models.

The Bank's expected credit loss models are based on the IFRS 9 framework; see note 2 Accounting principles in the Annual Report for a description of the Bank's models. These models are all internally developed and form the foundation for the classification in the tables below.

The Bank has a diversified loan portfolio in terms of customer, product, objects and geographical market which means that no significant credit risk concentrations exist. No single customer accounts for more than 1.0 % of the loan book. Concentration risks are monitored regularly and reported at least quarterly.

Loans to consumers are predominantly unsecured, apart from distributed mortgage loans. Mortgage loans are distributed under an agreement with an associated company where the Bank is not carrying the credit risk but earns a provision.

To mitigate credit risks in corporate leasing and factoring the Bank request various third-party undertakings, such as a repurchase agreements, third party or financial guarantee contract. In certain instances of factoring cases (and in exceptional instances also for leasing cases) the Bank decides to buy credit protection from credit insurance companies.

If a leasing customer defaults and is not able to service the leasing payments, the leased object will be repossessed and sold to minimize credit losses, i.e., reduce the LGD (loss given default). An assessment and estimation of the object value is therefore done when evaluating lease credit applications and monitoring the leasing portfolio. The aim is to ensure that the object can be successfully identified and repossessed (claimed) if required, a correct object valuation (not only at lease contract initiation but also during the contract life) and the existence of a liquid market for object sale. To minimize legal risks, it must also be secured that a lease contract fulfils the applicable local laws and regulations. As a rule, the Bank only accepts objects that are assessed to have a liquid secondary market over the full term of the lease contract. Therefore, the lease credit application shall always contain information about secondary markets available for object trading (sale) as well as the secondary market values. When assessment needed the Bank obtain external independent valuations of objects.

The tables below specify exposures in the credit portfolio, i.e., Loans to the public and Leasing receivables, before and after credit impairment provisions, broken down by industries etc. Credit impairment provisions are measured according to an expected credit loss model in line with the accounting standard IFRS 9. All loans, performing as well as non-performing, will carry a credit impairment provision already from initial recognition at inception (loss allowance) depending on their stage allocation.
The exposures are allocated to one of three stages:

• Stage 1 - Performing exposures where the credit risk has not increased significantly since initial recognition.
• Stage 2 - Performing exposures where the risk of default has increased significantly since initial recognition, but the asset is still not classified as credit-impaired.
• Stage 3 - Credit-impaired exposures.

Regardless of which stage a loan is allocated to, the provisions will be calculated according to Ikano Bank's internal IFRS 9 models. The key inputs used to calculate expected credit losses are probability of default (PD), loss given default (LGD), exposure at default (EAD) and expected lifetime. Expected credit losses reflect both historical data and probability weighted forward-looking scenarios. Forward-looking scenarios are estimated by assessing how the economy will develop using specific macro models.

A loan is classified as non-performing or credit impaired (stage 3) if one or more events have occurred that have an impact on the estimated future cash flows from the asset or group of assets. Payments that are more than 45–90 days overdue, depending on the product and market, are generally considered by the Bank as objective evidence that a loan is non-performing. Other objective evidence may be information about significant financial difficulties.

Past-due loans refer to overdrawn accounts and loans where amounts due for payment have not been paid in accordance with the terms of the loan agreements.

EU CR1 - Performing and non-performing exposures and related provisions

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and				On performing exposures	On non-performing exposures
2022 SEK000		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Cash balances at central banks and other demand deposits															
Loans and advances	36 981 135	29 352 034	7 629 101	777 717	53 685	724 032	655 200	182 149	473 052	463 348	11 720	451 628	-	1 178 408	84 840
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	92 691	82 851	9 840	1 040	-	1 040	131	19	113	140	-	140	-	217	-
Credit institutions	3 368	3 068	300	97	-	97	10	6	5	11	-	11	-	23	-
Other financial corporations	15 309	12 494	2 815	509	-	509	44	22	22	278	-	278	-	129	-
Non-financial corporations	11 070 971	7 255 442	3 815 530	356 755	35 614	321 141	102 156	16 141	86 015	188 951	1 146	187 805	-	1 173 610	84 629
Of which SMEs	7 642 161	4 808 957	2 833 204	257 578	17 261	240 317	63 083	9 644	53 438	131 090	952	130 139	-	900 742	64 872
Households	25 798 796	21 998 179	3 800 616	419 315	18 071	401 244	552 859	165 962	386 897	273 968	10 574	263 394	-	4 429	211
Debt securities	7 083 071	7 083 071	-	-	-	-	10 248	10 248	-	-	-	-	-	-	-
Central banks				-	-	-	-	-	-	-	-	-	-	-	-
General governments	2 587 091	2 587 091		-	-	-	830	830	-	-	-	-	-	-	-
Credit institutions	1 826 313	1 826 313		-	-	-	634	634	-	-	-	-	-	-	-
Other financial corporations	328 885	328 885		-	-	-	102	102	-	-	-	-	-	-	-
Non-financial corporations	2 340 783	2 340 783		-	-	-	8 682	8 682	-	-	-	-	-	-	-
Off-balance-sheet exposures	28 716 490	28 139 212	577 278	77 152	77 152	0	22 670	12 561	10 109	77	77	0		0	0
Central banks	-	-	-	185	185	-	-	-	-	-	-	-		-	-
General governments	211 160	203 660	7 500	15	15	-	9	7	2	-	-	-		-	-
Credit institutions	2 762	2 698	64	11	11	-	0	0	0	-	-	-		-	-
Other financial corporations	6 554	6 404	150	5	5	-	1	0	0	-	-	-		-	-
Non-financial corporations	5 787 970	5 683 914	104 057	17 755	17 755	-	3 217	2 865	352	-	-	-		-	-
Households	22 708 043	22 242 536	465 507	59 180	59 180	-	19 444	9 689	9 755	77	77	-		-	-
Total	**72 780 695**	**64 574 316**	**8 206 379**	**854 868**	**130 837**	**724 032**	**688 119**	**204 958**	**483 160**	**463 425**	**11 797**	**451 628**	**0**	**1 178 408**	**84 840**

Impairment for total portfolio has increased with SEK 23 m over the year. Impairment for performing exposures has Increased with SEK 36 m and impairment for the non-performing portfolio has decreased with SEK 13 m. The decrease is not only in absolute numbers but also as a proportion of exposures since last year. The portfolio of non-performing loans and advances has decreased with SEK 13 m. For Non-financial corporations there is a slight increase of SEK 5 m while Households have decreased with SEK 17 m.

EU CR1-A: Maturity of exposures

	Net exposure value					
2022 SEK 000	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	-	3 287 454	16 741 946	9 627 679	6 983 224	36 640 303
Debt securities	-	4 540 603	2 532 220	-	-	7 072 823
Total	-	7 828 057	19 274 166	9 627 679	6 983 224	43 713 126

Exposures with maturity within a year increased from SEK 5 bn to SEK 8 bn.

EU CR2: Changes in the stock of non-performing loans and advances

2022 SEK 000	Gross carrying amount
Initial stock of non-performing loans and advances	758 598
Inflows to non-performing portfolios	466 465
Outflows from non-performing portfolios	447 346
Outflows due to write-offs	268 371
Outflow due to other situations	178 975
Final stock of non-performing loans and advances	777 717

Non-performing loans increased over the last year with SEK 19 m. Although a slight deterioration in quality during 2002, the stock is still lower than at the start of 2021.

Forbearance

Forbearance is a measure made when a counterparty is experiencing financial difficulty in meeting its financial commitments and the Bank decides to grant a concession, which implies that the contractual terms are amended in favour of the customer. The most common forbearance measure applied by the Bank is amortisation holidays. Other forbearance measures include refinancing with new loan terms. Changes in contractual terms may be so significant that the loan is also considered impaired.

EU CQ1 - Credit quality of forborne exposures

	Gross carrying amount/nominal amount of exposures with forbearance measures				**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**		**Collateral received and financial guarantees received on forborne exposures**	
		Non-performing forborne						
2022 SEK 000	Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with
Cash balances at central banks and other demand deposits								
Loans and advances	562 808	191 365	188 519	181 831	73 973	102 317	21 511	972
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-
Non-financial corporations	35 368	21 648	21 466	21 642	1 430	16 751	21 511	972
Households	527 440	169 717	167 053	160 189	72 543	85 567	-	-
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	-	-	-	-	-	-	-	-
Total	**562 808**	**191 365**	**188 519**	**181 831**	**73 973**	**102 317**	**21 511**	**972**

The total amount of forborne exposures has increased with SEK 113 m since last year. The quality of those exposures has however increased as a larger proportion are classified as Performing. Overall, the number of forborne exposures is limited.

EU CQ3 - Credit quality of performing and non-performing exposures by past due days

2022 SEK 000	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits												
Loans and advances	36 981 134	36 459 640	521 495	777 717	64 613	254 911	169 061	144 931	120 254	12 378	11 568	742 046
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	92 691	91 580	1 111	2 633	-	2 130	503	-	-	-	-	2 633
Credit institutions	3 119	3 119	-	118	-	118	-	-	-	-	-	118
Other financial corporations	15 309	15 309	-	2 117	-	-	-	2 117	-	-	-	2 117
Non-financial corporations	11 198 504	11 010 243	188 261	353 533	45 847	130 970	68 884	56 969	48 200	2 497	167	312 971
Of which SMEs	7 642 161	7 537 542	104 619	257 578	34 251	111 514	53 047	43 086	15 246	413	21	239 154
Households	25 671 511	25 339 388	332 123	419 315	18 766	121 693	99 674	85 845	72 054	9 881	11 402	424 206
Debt securities	7 083 071	7 083 071	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	2 587 091	2 587 091	-	-	-	-	-	-	-	-	-	-
Credit institutions	1 826 313	1 826 313	-	-	-	-	-	-	-	-	-	-
Other financial corporations	328 885	328 885	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	2 340 783	2 340 783	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	28 716 490			77 152								77 152
Central banks	-			185								185
General governments	211 160			15								15
Credit institutions	2 762			11								11
Other financial corporations	6 554			5								5
Non-financial corporations	5 787 970			17 755								17 755
Households	22 708 043			59 180								59 180
Total	**72 780 695**	**43 542 711**	**521 495**	**854 868**	**64 613**	**254 911**	**169 061**	**144 931**	**120 254**	**12 378**	**11 568**	**819 198**

Exposures in total increase with SEK 2.3 bn in total, most of it comes from Loans and advances and Debt securities. The Loan book shows an increase of SEK 1,9 bn. Quality of the Loan Book has improved as can be seen through higher proportions of Performing exposures.

EU CQ4 - Quality of non-performing exposures by geography

2022 SEK 000	Gross carrying/nominal amount	Of which non-performing	Of which defaulted	Of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
On-balance-sheet exposures	**37 758 851**	**777 717**	**742 046**	**724 032**	**1 118 549**		
Germany	6 674 675	76 021	52 498	51 223	134 444		
Denmark	6 398 564	61 789	60 134	58 674	207 518		
Finland	1 608 674	49 160	50 884	49 649	31 452		
Norway	2 509 202	115 883	115 089	112 295	96 704		
Poland	1 268 172	23 393	24 492	23 898	31 790		
Sweden	13 758 234	300 553	289 459	282 432	396 365		
UK	5 541 330	150 916	149 491	145 862	220 277		
Off-balance-sheet exposures	**28 793 641**	**77 152**	**77 152**			**22 747**	
Germany	9 419 425	12 882	12 882			7 373	
Denmark	1 244 945	6	6			2 165	
Finland	1 048 370	19 986	19 986			989	
Norway	4 373 254	682	682			1 922	
Poland	69 153	5 440	5 440			252,0	
Sweden	11 035 408	37 945	37 945			6 153	
UK	1 603 087	212	212			3 892	
Total	**66 552 493**	**854 868**	**819 198**	**724 032**	**1 118 549**	**22 747**	

In total, 2,1 % are non-performing loans. Norway, Finland and UK stand out with higher proportions than the average. Norway sells their non-performing loans yearly which entails they will gradually build a small portfolio which later will be sold.

EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

2022 SEK 000	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment		
			Of which defaulted			
Agriculture, forestry and fishing	700 110	21 765	19 268	10 962	13 365	-
Mining and quarrying	91 676	195	172	262	693	-
Manufacturing	1 355 954	20 131	17 821	19 898	18 001	-
Electricity, gas, steam and air conditioning supply	41 876	-	-	-	519	-
Water supply	118 520	-	-	-	877	-
Construction	1 756 680	49 319	43 660	45 373	37 762	-
Wholesale and retail trade	2 257 152	40 162	35 554	40 043	32 296	-
Transport and storage	991 416	25 425	22 508	20 396	16 454	-
Accommodation and food service activities	634 109	86 766	76 811	84 712	78 206	-
Information and communication	341 943	28 328	25 078	27 919	28 263	-
Financial and insurance activities	130 393	6 854	6 067	3 993	4 802	-
Real estate activities	359 887	10 555	9 344	10 042	7 116	-
Professional, scientific and technical activities	644 137	15 724	13 920	13 100	12 282	-
Administrative and support service activities	1 022 665	13 248	11 728	12 726	13 223	-
Public administration and defense, compulsory social security	48 205	1 011	895	-	62	-
Education	156 810	147	130	148	984	-
Human health services and social work activities	319 183	3 697	3 273	3 650	4 827	-
Arts, entertainment and recreation	407 547	26 425	23 393	23 694	17 516	-
Other services	173 772	3 784	3 350	4 223	3 861	-
Total	**11 552 037**	**353 533**	**312 971**	**321 141**	**291 107**	**-**

On a total level the Bank has 3,1 % in non-performing exposures for non-financial corporations. Not surprisingly, Accommodation and food is the highest by 13,7 %. For the industries with the highest exposures, both Wholesale and retail trade and Manufacturing stands out with proportions under 2 %.

EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

2022 SEK000	Unsecured carrying amount	Secured carrying amount	Of which **secured by collateral**	Of which **secured by financial guarantees**	Of which **secured by credit derivatives**
Loans and advances					
Debt securities	5 652 315	1 430 756	1 985 849	0	
Total	5 652 315	1 430 756	1 985 849	0	
Of which non-performing exposures					
Of which defaulted					

EU CR4 – standardised approach – Credit risk exposure and CRM effects

2022 SEKm — Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
Central governments or central banks	3 612	191	3 612	0	0	0,0%
Regional government or local authorities	6	16	6	0	1	20,0%
Public sector entities	0	0	0	0	0	0,0%
Multilateral development banks	99	0	99	0	0	0,0%
International organisations	0	0	0	0	0	0,0%
Institutions	2 850	11	2 850	0	711	25,0%
Corporates	5 742	3 631	5 742	348	5 298	87,0%
Retail	30 789	22 115	30 789	675	22 279	70,8%
Secured by mortgages on immovable property	0	0	0	0	0	0,0%
Exposures in default	359	77	359	0	417	116,1%
Exposures associated with particularly high risk	0	0	0	0	0	0,0%
Covered bonds	1 437	0	1 437	0	144	10,0%
Institutions and corporates with a short-term credit assessment	0	0	0	0	0	0,0%
Collective investment undertakings	0	0	0	0	0	0,0%
Equity	394	0	394	0	920	233,5%
Other items	493	0	493	0	463	93,9%
TOTAL	**45 781**	**26 042**	**45 781**	**1 023**	**30 233**	**64,6%**

The standardised approach is used for all Ikano Bank's credit risk exposures. There is no significant change to the composition of Ikano Bank's credit risk exposure compared to 202

EU CR5 – standardised approach

2022 SEKm	Exposure classes	Risk weight															
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Total	Of which unrated
Central governments or central banks		3 612	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**3 612**	0
Regional government or local authorities		0	0	0	0	6	0	0	0	0	0	0	0	0	0	0	**6**	6
Public sector entities		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**	0
Multilateral development banks		99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**99**	0
International organisations		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**	0
Institutions		0	0	0	0	2 378	0	472	0	0	0	0	0	0	0	0	**2 850**	0
Corporates		0	0	0	0	106	0	1 299	0	0	4 684	0	0	0	0	0	**6 089**	6 089
Retail exposures		0	0	0	0	0	0	0	0	31 463	0	0	0	0	0	0	**31 463**	31 463
Exposures secured by mortgages on immovable property		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**	0
Exposures in default		0	0	0	0	0	0	0	0	0	243	116	0	0	0	0	**359**	359
Exposures associated with particularly high risk		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**	0
Covered bonds		0	0	0	1 437	0	0	0	0	0	0	0	0	0	0	0	**1 437**	0
Exposures to institutions and corporates with a short-term credit assessment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**	0
Units or shares in collective investment undertakings		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**	0
Equity exposures		0	0	0	0	0	0	0	0	0	43	0	351	0	0	0	**394**	1
Other items		30	0	0	0	0	0	0	0	0	463	0	0	0	0	0	**493**	493
TOTAL		**3 741**	**0**	**0**	**1 437**	**2 491**	**0**	**1 771**	**0**	**31 463**	**5 433**	**116**	**351**	**0**	**0**	**0**	**46 804**	**38 413**

In 2022 Ikano Bank has an equity exposure with risk weight 250 % due to shares and participations in Borgo AB.

Counterparty risk

The credit risk that occurs in trading with financial instruments is called counterparty risk. This is the risk that the counterparty in a financial transaction may be unable to fulfil their payment obligations or deliver the securities in accordance with what has been agreed upon. Exposure per counterparty group is limited through limits and rating requirements based on rating according to Standard and Poor's (or equivalent according to Moody's). Adherence to these limits is followed up on by Treasury daily and reported to management monthly and the Board quarterly. A breach of a limit is reported immediately to management and the Board.

Ikano Bank establishes ISDA Master Agreements supplemented with credit support annex (CSA) agreements with all financial counterparties to ensure a well-functioning netting and collateral management process.

EU CCR1 – Analysis of CCR exposure by approach

2022 SEKm	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU - Original Exposure Method (for derivatives)	0	0		1	0	0	0	0
EU - Simplified SA-CCR (for derivatives)	0	0		1	0	0	0	0
SA-CCR (for derivatives)	0	105		1	184	146	146	29
IMM (for derivatives and SFTs)					0	0	0	0
Of which securities financing transactions netting sets					0	0	0	0
Of which derivatives and long settlement transactions netting sets					0	0	0	0
Of which from contractual cross-product netting sets					0	0	0	0
Financial collateral simple method (for SFTs)					0	0	0	0
Financial collateral comprehensive method (for SFTs)					0	0	0	0
VaR for SFTs					0	0	0	0
Total					**184**	**146**	**146**	**29**

Ikano Bank uses the standardized approach (SA-CCR) method for calculating derivative exposures.

EU CCR2 – Transactions subject to own funds requirements for CVA risk

2022 SEKm	Exposure value	RWEA
Total transactions subject to the Advanced method	0	0
(i) VaR component (including the 3× multiplier)		0
(ii) stressed VaR component (including the 3× multiplier)		0
Transactions subject to the Standardised method	146	23
Transactions subject to the Alternative approach (Based on the Original Exposure Method)	0	0
Total transactions subject to own funds requirements for CVA risk	**146**	**23**

CVA capital charge is calculated using the standardized method. CVA RWEA increased by SEK 6.5 m compared to 2021.

EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

2022 SEKm — Exposure classes	Risk weight											Total exposure value
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
Central governments or central banks	0	0	0	0	0	0	0	0	0	0	0	0
Regional government or local authorities	0	0	0	0	0	0	0	0	0	0	0	0
Public sector entities	0	0	0	0	0	0	0	0	0	0	0	0
Multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0
International organisations	0	0	0	0	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	160	0	0	0	0	0	0	160
Corporates	0	0	0	0	0	0	0	0	0	0	0	0
Retail	0	0	0	0	0	0	0	0	0	0	0	0
Institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0	0	0	0	0
Other items	0	0	0	0	0	0	0	0	0	0	0	0
Total exposure value	**0**	**0**	**0**	**0**	**160**	**0**	**0**	**0**	**0**	**0**	**0**	**160**

CCR exposures increased by SEK 44 m compared to 2021. There is no change in the composition of exposures.

EU CCR5 – Composition of collateral for CCR exposures

2022 SEK	Collateral used in derivative transactions				Collateral used in SFTs			
Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic currency	32 914 791	0	0	0	0	0	0	0
Cash – other currencies	0	0	0	0	0	0	0	0
Domestic sovereign debt	0	0	0	0	0	0	0	0
Other sovereign debt	0	0	0	0	0	0	0	0
Government agency debt	0	0	0	0	0	0	0	0
Corporate bonds	0	0	0	0	0	0	0	0
Equity securities	0	0	0	0	0	0	0	0
Other collateral	0	0	0	0	0	0	0	0
Total	**32 914 791**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Operational risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, human error, systems or external events. This definition includes regulatory and legal risk, but not strategic risk.

Ikano Bank, as a digital bank, is strongly dependent on IT systems and technical infrastructure. Follow-up of incidents and improvements in accessibility and resilience are prioritised areas. The Bank has an incident reporting system where incidents are reported, managed and monitored.

The Risk Control function is responsible for establishing and maintaining the risk management framework and supporting in co-ordination of the work with addressing operational risk exposures in business operations. Responsibility for managing operational risk lies with each business area. Operational risk assessments are continuously carried out within the Banks processes to ensure that risks are identified, managed and documented together with relevant mitigating action plans or compensating internal controls.

The New Product Approval Process (NPAP) is performed to assess and manage risks before introducing new products, services, systems, processes or markets or making significant changes to existing ones. The goal is to ensure efficient processes and minimise operational risks and regulatory incompliance so that the Bank's customers and other stakeholders are ensured that Ikano Bank has a high level of security and accessibility.

The Bank's risk appetite for operational risk is defined based on several different criteria. All criteria are monitored continuously and reported on by the risk control Function to the Bank's Board of Directors and management.

EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

2022 SEKm	Banking activities	Relevant indicator Year-3	Year-2	Last year	Own funds requirements	Risk exposure amount
Banking activities subject to basic indicator approach (BIA)		2 723	2 467	2 287	374	4 673
Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches						
Subject to TSA:						
Subject to ASA:						
Banking activities subject to advanced measurement approaches AMA						

Market risk

Market risk is the risk of decreases in profits due to adverse market fluctuations in interest rates and currencies. Market risk is managed by the Bank's Treasury function within risk appetite and limits set for interest rate and foreign exchange risk. Adherence to these limits is followed up on by Treasury daily and reported to management monthly and the Board quarterly. A breach of a limit is reported immediately to management and to the Board. The Bank has an Asset and Allocation Committee that regularly monitor the aggregated market risk of the Bank. The Bank does not trade on its own behalf or on behalf of clients with derivatives or financial instruments. Therefore, the Bank has no capital requirement in accordance with the regulations for trading. Securities are held solely to maintain sufficient liquidity in accordance with the liquidity regulations. Derivatives are traded to minimise positions in business balances arising in the deposit and lending operations for customers.

EU MR1 - Market risk under the standardised approach

2022 SEKm	RWEAs
Outright products	
Interest rate risk (general and specific)	
Equity risk (general and specific)	
Foreign exchange risk	1 233
Commodity risk	
Options	
Simplified approach	
Delta-plus approach	
Scenario approach	
Securitisation (specific risk)	
Total	**1 233**

Risk weighted exposure amount for market risk increases with SEK 12 m compared to 2021

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows from the Bank's assets will fluctuate because of changes in currency rates. For Ikano Bank, currency exposure arises in the context of translation exposure in foreign operations as well as the payment flows, transaction exposures, in loans and investments in foreign currency and borrowing in foreign currency. The majority of the Bank's cash flows in all currencies are managed in a common cash pool. Net exposures are managed centrally by the Treasury function and are mainly mitigated by currency derivatives.

A sensitivity analysis shows that an increase in the exchange rate by 10 percent increase the overall net exposure by SEK –4.9 m (-4.5). In the Bank's income statement, exchange rate results with SEK 2.5 m (8.9) are included in Net gains and losses on financial transactions.

The Bank's risk appetite for currency risk is defined in terms of total outstanding exposure in all currencies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market rates. Interest rate risk arises when lending and borrowing are not optimally matched. The Bank’s deposits and lending are primarily short-term with a maturity period no longer than three months.

In accordance with the Bank’s steering documents, interest rate risk must be minimised so that any possible effect on the result is limited. The Bank's risk tolerance to interest rate risk is defined as profit and loss effect at 200 basis point shifts of all yield curves. This amount shall not exceed 3.5 % of the Bank's own funds.

The Bank applies cash flow hedge for certain deposits at variable interest rates as the hedged risk is the uncertainty in future interest cash flows. For hedging, interest rate swaps are used. Swaps are measured at fair value in the balance sheet. In the income statement the accrued and paid interest are reported as interest expense and other changes in the value of the interest rate swap are recognized in other comprehensive income and accumulated in the fair value reserve in equity to the extent that the cash flow hedge has been effective until the hedged item affects profit or loss. All the ineffectiveness of the hedge is recognized in the income statement item Net gains and losses on financial transactions and amounted in 2022 to SEK -6.5 m.

The Bank also limits the interest rate risk separately for the investments and the borrowing portfolio managed by the Treasury function. Such measurements result in an indirect limitation of volume and fixed interest periods on the Bank's interest-bearing investments and total net exposure.

The fixed interest periods for both the Bank's assets and liabilities in the balance sheet and for non-balance sheet items are shown in the table below.

A sensitivity analysis shows that a change of one (1) percentage point in the market rate of interest increases/reduces the net interest income for the next 12-month period by SEK 36.9 m (30.6), given the interest-bearing assets and liabilities that exist on the closing date. A parallel increase of one (1) percentage point in the interest rate curve would have an effect on equity after tax of SEK –15.8 m (-17.1) and SEK 16,.3 m (17.8) with a parallel decrease of the interest rate curve.

As of 31 December 2022, the Bank had interest rate swaps with a contract value of SEK 3.4 bn (3.0). The swaps' net fair value as of 31 December 2022 totalled SEK 144.9 m (6.8) consisting of assets of SEK 146.3 m (10.2) and liabilities of SEK 1.4 m (3.4) m.

Interest rate risks of non-trading book activities (IRRBB)

The framework for the interest rate risk management of the Bank is set by the Finance Policy, the Risk Appetite Statement decided by the Board and Guidelines. The Board has decided to have a centralised interest rate risk management approach and it is Treasury that ensures that the Bank meets its limits and early warnings and acts in compliance with the regulatory framework for interest rate risk and the Bank's Finance Policy and Guidelines. The Risk control function is responsible to independently identify, quantify and report the interest rate risk exposure. The Bank measures the NPV risk dimension, i.e., the net value impact on the equity of the Bank as interest rate sensitive positions change in value when market rates move. The Bank also measures interest rate risk with an earnings-based metric, NII, which measures the change of the net interest income over a particular time horizon resulting from a sudden interest rate movement.

Long term goal for interest risk is to use natural hedges meaning a balance sheet composed of assets and liabilities with the same currency, amount and base rate and maturity profile. For the remaining mismatches interest rate swaps are used. Limits and trigger levels are checked monthly and are followed up with hedging decision.

The NPV interest rate risk is stress tested by a sudden and unexpected upward and downward change in interest rates of 200 basis points. For the NII modelling a sudden and unexpected upward and downward change in interest rates of 25 basis points is used as the main scenario. In addition to the main scenario, the forecasted interest rates the next 12 month is used. Both reports are preformed monthly. Worse case IRRBB scenario have during 2022 decreased from 2.81 % to 1.58 % of capital base which is well below internal limits. Main part of decrease in GBP due to decrease in fixed rate.

EU IRRBB1 - Interest rate risks of non-trading book activities

2022 SEKm				
Supervisory shock scenarios	**Changes of the economic value of equity**		**Changes of the net interest income**	
	Current period	**Last period**	**Current period**	**Last period**
Parallel up	-138	-253	12	12
Parallel down	148	275	-12	-12
Steepener	-22	-50		
Flattener	22	52		
Short rates up	-118	-206		
Short rates down	123	218		

Parallel up and down is the most severe interest shock scenarios

Liquidity risk

Ikano Bank defines liquidity risk as the risk of being unable to make payment when due, without significantly increasing the costs, or ultimately, not being able to meet payment obligations to any degree. The definition is also linked to the risk of being unable to receive renewed financing on maturity, so-called refinancing risk.

The strategies and processes regarding the management of the liquidity risk are described in internal steering documents.

The matching of assets and liabilities, both in terms of maturity and volume, along with a good access to multiple funding sources forms the basis of the Bank's liquidity and financing strategy. The liquidity level must always be sufficient; this means there should always be a liquidity reserve and the Bank should always be able to fulfil its payment commitments and be able to strengthen liquidity without delay when necessary. The Bank's management and control of liquidity risks are centralised, and the liquidity risk is reflected in the Bank's internal pricing.

The Bank's liquidity management and liquidity risks are handled by the Bank's central Treasury function in close cooperation with the local business units. The management of liquidity risk is controlled by the independent risk control function. The Bank's Board of Directors and management receive continuous reporting regarding the liquidity positions and development of liquidity.

Liquidity risk is managed through effective liquidity planning, application of limits, measurement and analysis. Controls and monitoring are conducted against the Bank's liquidity limits specified in the Bank's steering documents. Liquidity planning is a significant component of the liquidity management, and forecasts are drawn up regularly to manage and control the Bank's total liquidity. Future cash requirements are monitored daily, as is the limit for minimum intra-day liquidity.

The Bank carries out regular stress tests on liquidity to increase its preparedness and assess the ability of the Bank to meet its payment obligations under conditions deviating from normal conditions. The analyses are based on the Bank's risk tolerance and include both company-specific and market-wide scenarios with varying degrees of stress and duration. Examples of events analysed include large withdrawals of deposits by the public, as well as market financing ceasing to be available. The Bank has a contingency funding plan containing action plans in the event of disruptions and if the supply of liquidity is limited. The contingency funding plan is used if three or more of the Bank's defined internal risk indicators signal a heightened risk.

Measurement and monitoring of the balance sheet structure and liquidity exposure with respect to the remaining maturity of assets and liabilities are carried out continuously. Both contractual maturity and behavioural-modelled maturity are analysed.

Deposits from the public are comprised of both fixed term and non-fixed term deposits. Most of the deposits from the public are "on demand" since the counterparty in most cases has an option to choose when repayment should take place. Analyses of the behavioural cash flows show however that the deposits constitute a long-term stable source of financing, which implies that the maturity distribution of deposits from the public is, in practice, distributed over several time intervals. Ikano Bank offers a variety of card products where a majority implies that the customer receives a credit. Customer behaviour is monitored carefully, and history shows that this item is at a stable level, i.e., customers' utilization rate follows a stable pattern.

The Bank performs monthly stress tests of increased outflow of deposits from the public and increased utilization in customers' unused credit. A liquidity reserve in addition to committed and uncommitted credit facilities is maintained to be able to handle potential changes in the customer's expected behaviour.

The Bank's risk appetite is defined by two different measures of liquidity: The survival horizon is defined as the length of time the Bank can survive without cash inflow in a stressed scenario regarding both bank-specific situations and the financial markets in general. The model is conservative as it assumes that the Bank will continue to engage in lending activities and to repay funding according to contractual maturity combined with stress assumptions regarding deposit outflow and the customers' use of credits limits. The Bank's risk tolerance is to be able to operate more than two months without seeking external financing. The second measure is the Bank's liquidity coverage ratio, which shall exceed 125 percent according to the bank's internal limit. The LCR show how the Bank's high quality liquid assets relate to the net cash outflow during a 30-day period of stress.

Drivers for largest volatility in the LCR measurements are funding maturities as bank loan and MTN maturities. On the LCR insignificant currencies FX swaps create the highest volatility over time.

LCR has increased and this is due to a higher liquidity buffer.

Liquidity portfolio and liquidity reserve

Ikano Bank's liquidity is managed within the framework of the Bank's liquidity portfolio. The liquidity portfolio consists of deposits with banks, short-term lending to credit institutions and investments in liquid interest-bearing securities, which can be sold and converted into cash on short notice. The Bank also has other liquidity creating measures at its disposal, such as immediately accessible overdraft facilities as well as committed credit facilities. The composition and size of the Bank's liquidity portfolio and liquidity reserve is regulated in the Bank's steering documents, which are adopted by the Bank's Board of Directors.

The liquidity portfolio is divided into three categories: liquidity reserve, intra-day liquidity and operational liquidity.

The Bank's liquidity reserve, in accordance with the steering documents, shall always total at least 10 % of deposits from the public. In addition to the liquidity reserve, the Bank shall maintain an intra-day liquidity of at least 3 % of deposits from the public. Consequently, the liquidity portfolio shall always amount to at least 13 % of deposits from the public.

The liquidity reserve, along with other operating liquidity, is invested in interest-bearing securities in the markets where the Bank operates. Steering documents define that quality levels of securities included in the Bank's liquidity reserve are in line with the LCR Delegated Act. Intra-day liquidity manages the Bank's daily payment commitments. The liquidity in this portfolio is to be available within one day, and shall consist of funds in bank accounts, investments available the next banking day (overnight) and committed bank overdraft facilities in the Bank's cash pool.

The liquidity reserve is to constitute a separate reserve of high-quality liquid assets, which are to be quickly convertible in case of market stress situations that affect the Bank's funding options. The liquidity reserve is invested in interest-bearing securities with a high credit rating in the Swedish market. The assets are to be available for realisation and conversion into cash at short notice. Unused bank overdraft facilities are not included in the liquidity portfolio. Most of the funding is in SEK. The Bank's operational liquidity is managed in the operational liquidity portfolio. The assets in the portfolio consist of interest-bearing securities in the Swedish market. Investments in this portfolio are to have a minimum rating of

BBB+ rating according to Standard and Poor's (or equivalent according to Moody's).

The Bank's liquidity reserve amounts to SEK 4.5 bn and consists of high-quality assets, liquid in private markets and eligible as collateral with the Swedish Central Bank.

As of Dec-22 the liquidity portfolio stands for 28 % deposit. None of the assets are being utilised as collateral and no non-performing loans exist. In addition to the liquidity portfolio, committed credit facilities for a total of SEK 1.1 bn are available. As of 31 December 2022, the Bank's LCR totalled 372 %. This measure shows how the Bank's highly liquid assets relate to net outflows over a thirty-day period under strained market conditions. A statutory limit for the liquidity coverage ratio of 100 %.

The Net Stable Funding Ratio (NSFR) is a measure of the Bank's structural liquidity, defined as the ratio between available stable funding and required stable funding. The EU has issued a minimum requirement of 100 % to come into effect in June 2021. Net Stable Funding Ratio (NSFR) for Ikano Bank was 137 % at year-end 2022.

Encumbered assets

Asset Encumbrance is reported quarterly by Ikano Bank. According to the proportionality principle Ikano Bank is not a full reporter as the asset encumbrance level of the Bank is lower than stipulated limits. Encumbered assets include pledged assets in derivatives transactions and minimum reserve in central banks. All other assets are unencumbered. Ikano Bank has a non-complex portfolio with simple products and no trading book. Sources of encumbrance include derivatives (liabilities) and pledged assets in derivatives transactions.

Information on the Bank's encumbered assets can be found in the Bank's Annual Report and its website www.ikanobank.se.

EU AE1 - Encumbered and unencumbered assets

2022 SEKm	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered		Fair value of unencumbered assets	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
Assets of the disclosing institution	275	0			48 142	4 285		
Equity instruments	0	0	0	0	394	0	394	0
Debt securities	0	0	0	0	7 083	4 285	7 043	4 300
of which: covered bonds	0	0	0	0	1 431	1 370	1 376	1 376
of which: securitisations	0	0	0	0	0	0	0	0
of which: issued by general governments	0	0	0	0	2 817	2 817	2 824	2 824
of which: issued by financial corporations	0	0	0	0	742	99	745	99
of which: issued by non-financial corporations	0	0	0	0	2 093	0	2 098	0
Other assets	**275**	**0**			**40 665**	**0**		

EU AE2 - Collateral received and own debt securities issued

2022 SEKm	Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own	
		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
Collateral received by the disclosing institution	0	0	0	0
Loans on demand	0	0	0	0
Equity instruments	0	0	0	0
Debt securities	0	0	0	0
of which: covered bonds	0	0	0	0
of which: securitisations	0	0	0	0
of which: issued by general governments	0	0	0	0
of which: issued by financial corporations	0	0	0	0
of which: issued by non-financial corporations	0	0	0	0
Loans and advances other than loans on demand	0	0	0	0
Other collateral received	0	0	0	0
Own debt securities issued other than own covered bonds or securitisations	0	0	0	0
Own covered bonds and securitisations issued and not yet pledged			0	0
TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	**275**	**0**		

EU AE3 - Sources of encumbrance

2022 SEKm	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
Carrying amount of selected financial liabilities	234	107

Sources of funding

The aim of the long-term funding plan is a diversified funding which takes into account the spread of risk and funding costs.

EU LIQ1 - Quantitative information of LCR

2022 SEKm	Total unweighted value (average)				Total weighted value (average)			
Quarter ending on (DD Month YYY)	2022-12-31	2022-09-30	2022-06-30	2022-03-31	2022-12-31	2022-09-30	2022-06-30	2022-03-31
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA)					3 414	3 456	3 874	3 856
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	27 010	25 499	25 468	25 381	2 272	2 158	2 161	2 129
Stable deposits	3 137	2 997	3 000	3 386	157	150	150	169
Less stable deposits	20 688	19 675	19 686	19 172	2 113	2 005	2 008	1 957
Unsecured wholesale funding	1 853	1 792	1 747	2 135	754	766	791	975
Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0	0	0	0	0	0	0
Non-operational deposits (all counterparties)	1 702	1 650	1 602	1 943	602	624	646	783
Unsecured debt	151	142	145	192	151	142	145	192
Secured wholesale funding					0	0	0	0
Additional requirements	2 025	53	51	44	162	53	51	44
Outflows related to derivative exposures and other collateral requirements	72	53	51	44	72	53	51	44
Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
Credit and liquidity facilities	1 954	0	0	0	90	0	0	0
Other contractual funding obligations	638	592	572	634	0	0	0	0
Other contingent funding obligations	4 804	4 923	4 933	4 693	242	246	247	235
TOTAL CASH OUTFLOWS					4 183	4 069	4 115	4 249
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	0	0	0	0	0	0	0	0
Inflows from fully performing exposures	3 245	3 076	3 277	3 546	2 526	2 357	2 546	2 823
Other cash inflows	717	192	225	231	329	192	225	231
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
(Excess inflows from a related specialised credit institution)					0	0	0	0
TOTAL CASH INFLOWS	3 963	3 268	3 502	3 778	2 855	2 548	2 772	3 054
Fully exempt inflows	0	0	0	0	0	0	0	0
Inflows subject to 90% cap	0	0	0	0	0	0	0	0
Inflows subject to 75% cap	3 963	3 268	3 502	3 778	2 855	2 548	2 772	3 054
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					3 414	3 456	3 874	3 856
TOTAL NET CASH OUTFLOWS					1 328	1 520	1 343	1 195
LIQUIDITY COVERAGE RATIO					257%	227%	288%	323%

LCR increasing due to higher liquidity buffer.

EU LIQ2 - Net Stable Funding Ratio

2022 SEKm	Unweighted value by residual maturity				Weighted value
	No maturity	<6 months	6 months to <1yr	≥1yr	
Available stable funding (ASF) Items					
Capital items and instruments	**9 332**	**0**	**0**	**0**	**9 332**
Own funds	9 332	0	0	0	9 332
Other capital instruments		0	0	0	0
Retail deposits		**26 750**	**1 941**	**2 678**	**28 791**
Stable deposits		5 332	492	722	6 255
Less stable deposits		21 417	1 449	1 957	22 536
Wholesale funding:		**3 375**	**600**	**1 891**	**3 248**
Operational deposits		0	0	0	0
Other wholesale funding		3 375	600	1 918	3 275
Interdependent liabilities		**0**	**0**	**0**	**0**
Other liabilities:	**10**	**899**	**0**	**0**	**0**
NSFR derivative liabilities	**10**				
All other liabilities and capital instruments not included in the above categories		899	0	0	0
Total available stable funding (ASF)					**41 398**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					**153**
Assets encumbered for a residual maturity of one year or more in a cover pool		**0**	**0**	**0**	**0**
Deposits held at other financial institutions for operational purposes		**0**	**0**	**0**	**0**
Performing loans and securities:		**10 273**	**5 332**	**24 430**	**27 768**
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		0	0	0	0
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		2 124	15	74	294
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		6 422	4 723	25 065	25 515
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		37	16	69	72
Performing residential mortgages, of which:		0	0	0	0
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0	0	0	0
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		1 727	420	878	
Interdependent assets		**0**	**0**	**0**	**0**
Other assets:		**1 289**	**26**	**397**	**956**
Physical traded commodities				0	0
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			0		0
NSFR derivative assets		0			0
NSFR derivative liabilities before deduction of variation margin posted		109			5
All other assets not included in the above categories		1 180	26	397	950
Off-balance sheet items		**25 977**	**0**	**0**	**168**
Total RSF					**30 308**
Net Stable Funding Ratio (%)					**137%**

The Net Stable Funding Ratio is up by two percent compared to the previous year.

Capital management and capital adequacy

Below, information is provided regarding own funds and own funds requirements in accordance with among others regulation (EU) No 575/2013 and SFSA regulations regarding prudential requirements and capital buffers (2014:12).

The capital requirements regulations help to strengthen resilience against financial losses and thereby protect the Bank's customers. The regulations state that the Bank's own funds shall cover the minimum statutory own funds requirements, which for Ikano Bank include the requirements for credit risk, credit valuation adjustment risk (CVA risk), operational risk and foreign exchange risk. In addition, the own funds requirements include further identified risks in the operation in accordance with the Bank's internal capital adequacy assessment process and the requirements stipulated by the Board of Directors, also referred to as Pillar 2 requirements and statutory requirements for capital buffers.

Ikano Bank has quantified tolerance levels for the CET 1 ratio and total capital ratio above regulatory requirements. The margins represent buffers adapted to the Bank's risk profile to cover identified risks based on probability and financial impact. To meet the anticipated expansion of loans, maintain strategic freedom of action and handle external changes, the Board of Directors has also expressed target levels for the Bank's capital ratios as part of the Risk appetite framework.

To ensure that Ikano Bank's capital situation is satisfactory to cover the risks that the Bank is or may be exposed to, an internal capital and liquidity adequacy assessment (ICAAP/ILAAP) is conducted at least annually. The ICAAP/ILAAP is the Board's tool for assessing the need for changes in the own funds requirement and liquidity position. In the assessment process, stress tests and scenario analyses are carried out to assess potential additional own funds requirements, including strategic decisions or external events that affect the business and its development.

As a part of this process, a risk analysis is performed to ensure underlying risks are adequately addressed and mirror the Bank's actual risk profile and capital requirements. The risk control function is responsible for monitoring the process of the Bank's capital adequacy assessment. The assessment of capital requirements resulting from the ICAAP are regularly reported to the SFSA.

As of 31 December 2022, the Bank had own funds of SEK 9.3 bn (9.8) all of which is common equity Tier 1. The statutory own funds requirement for Pillar 1-risk amounted to SEK 2.9 bn (2.6). After a statutory minimum for common equity Tier 1 capital has been allocated to cover the own funds requirement calculated in accordance with Pillar 1, a further SEK 6.4 bn (7.1) remain available as common equity Tier 1 capital. The internal own funds requirement in addition to Pillar 1 requirements totalled SEK 631 m and is covered by available capital.

Capital buffers

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 amounts. For Ikano Bank, the capital conservation buffer totals SEK 905 m and is covered by the available common equity Tier 1 capital. The countercyclical buffer is determined by multiplying the total risk exposure amount with 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 buffer amounts to 0.87 percent or SEK 315 m after weighting the applicable geographic requirements, which for the Bank now mainly means Norway. Ikano Bank's combined buffer requirement is SEK 1 219 m.

The total capital ratio was 25.8 % (29.5), the same as the common equity Tier 1 capital ratio.

EU KM1 - Overview of risk weighted exposure amounts

SEKm	2022-12-31	2022-06-30	2021-12-31
Available own funds (amounts)			
Common Equity Tier 1 (CET1) capital	9 332	9 538	9 769
Tier 1 capital	9 332	9 538	9 769
Total capital	9 332	9 538	9 769
Risk-weighted exposure amounts			
Total risk exposure amount	36 195	34 746	33 085
Capital ratios (as a percentage of risk-weighted exposure amount)			
Common Equity Tier 1 ratio (%)	25,8%	27,5%	29,5%
Tier 1 ratio (%)	25,8%	27,5%	29,5%
Total capital ratio (%)	25,8%	27,5%	29,5%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	4,5%	4,5%	4,5%
of which: to be made up of CET1 capital (percentage points)	1,5%	1,5%	1,5%
of which: to be made up of Tier 1 capital (percentage points)	6,0%	6,0%	6,0%
Total SREP own funds requirements (%)	8,0%	8,0%	8,0%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)			
Capital conservation buffer (%)	2,5%	2,5%	2,5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0,0%	0,0%	0,0%
Institution specific countercyclical capital buffer (%)	0,9%	0,1%	0,1%
Systemic risk buffer (%)	0,0%	0,0%	0,0%
Global Systemically Important Institution buffer (%)	0,0%	0,0%	0,0%
Other Systemically Important Institution buffer (%)	0,0%	0,0%	0,0%
Combined buffer requirement (%)	3,4%	2,6%	2,6%
Overall capital requirements (%)	11,4%	10,6%	10,6%
CET1 available after meeting the total SREP own funds requirements (%)	12,4%	18,8%	21,0%
Leverage ratio			
Total exposure measure	49 138	45 749	45 195
Leverage ratio (%)	19,0%	20,8%	21,6%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
Additional own funds requirements to address the risk of excessive leverage (%)	0,0%	0,0%	0,0%
of which: to be made up of CET1 capital (percentage points)	0,0%	0,0%	0,0%
Total SREP leverage ratio requirements (%)	3,0%	0,0%	0,0%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
Leverage ratio buffer requirement (%)	0,0%	0,0%	0,0%
Overall leverage ratio requirement (%)	3,0%	0,0%	0,0%
Liquidity Coverage Ratio			
Total high-quality liquid assets (HQLA) (Weighted value -average)	4 177	3 165	4 325
Cash outflows - Total weighted value	4 490	3 992	4 063
Cash inflows - Total weighted value	4 923	2 643	2 524
Total net cash outflows (adjusted value)	1 122	1 350	1 539
Liquidity coverage ratio (%)	372,0%	235,0%	281,0%
Net Stable Funding Ratio			
Total available stable funding	41 398	39 142	36 959
Total required stable funding	30 308	28 717	27 287
NSFR ratio (%)	137,0%	136,0%	135,0%

EU OV1 - Overview of risk weighted exposure amounts

SEKm	Total risk exposure amounts (TREA)		Total own funds requirements
	2022-12-31	**2021-12-31**	**2022-12-31**
Credit risk (excluding CCR)	30 233	26 899	2 419
Of which the standardised approach	30 233	26 899	2 419
Of which the Foundation IRB (F-IRB) approach	0	0	0
Of which slotting approach	0	0	0
Of which equities under the simple riskweighted approach	0	0	0
Of which the Advanced IRB (A-IRB) approach	0	0	0
Counterparty credit risk - CCR	55	40	4
Of which the standardised approach	29	23	2
Of which internal model method (IMM)	0	0	0
Of which exposures to a CCP	0	0	0
Of which credit valuation adjustment - CVA	23	16	2
Of which other CCR	3	0	0
Not applicable			
Not applicable			
Not applicable			
Not applicable			
Not applicable			
Settlement risk	0	0	0
Securitisation exposures in the non-trading book (after the cap)	0	0	0
Of which SEC-IRBA approach	0	0	0
Of which SEC-ERBA (including IAA)	0	0	0
Of which SEC-SA approach	0	0	0
Of which 1250% / deduction	0	0	0
Position, foreign exchange and commodities risks (Market risk)	1 233	1 221	99
Of which the standardised approach	1 233	1 221	99
Of which IMA	0		
Large exposures	0		
Operational risk	4 673	4 926	374
Of which basic indicator approach	4 673	4 926	374
Of which standardised approach	0	0	0
Of which advanced measurement approach	0	0	0
Amounts below the thresholds for deduction (subject to 250% risk weight)	876	285	70
Not applicable			
Not applicable			
Not applicable			
Not applicable			
Total	**36 195**	**33 085**	**2 896**

EUR CC1 - Composition of regulatory own funds

2022 SEKm	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Capital instruments and the related share premium accounts	155	C
of which: Capital instrument	155	
of which: Share premium	0	
Retained earnings	9 861	D + E + F + H
Accumulated other comprehensive income (and other reserves)	314	G
Funds for general banking risk	0	
Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts su	0	
Minority interests (amount allowed in consolidated CET1)	0	
Independently reviewed interim profits net of any foreseeable charge or dividend	-341	I
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**9 990**	
Additional value adjustments (negative amount)	-8	
Intangible assets (net of related tax liability) (negative amount)	-594	A
Not applicable		
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0	
Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-112	
Negative amounts resulting from the calculation of expected loss amounts	0	
Any increase in equity that results from securitised assets (negative amount)	0	
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	
Defined-benefit pension fund assets (negative amount)	0	
Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	0	
Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
Not applicable		
Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0	
of which: qualifying holdings outside the financial sector (negative amount)	0	
of which: securitisation positions (negative amount)	0	
of which: free deliveries (negative amount)	0	
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0	
Amount exceeding the 17,65% threshold (negative amount)	0	
of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0	
Not applicable		
of which: deferred tax assets arising from temporary differences	0	
Losses for the current financial year (negative amount)	-341	I
Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	0	
Not applicable		
Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	0	
Other regulatory adjustments	56	
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**-999**	
Common Equity Tier 1 (CET1) capital	**9 332**	
Capital instruments and the related share premium accounts	0	
of which: classified as equity under applicable accounting standards	0	
of which: classified as liabilities under applicable accounting standards	0	
Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	0	
Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	0	
Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	0	
Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0	
of which: instruments issued by subsidiaries subject to phase out	0	
Additional Tier 1 (AT1) capital before regulatory adjustments	**0**	
Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	0	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	

Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	
Not applicable		
Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	0	
Other regulatory adjustments to AT1 capital	0	
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**0**	
Additional Tier 1 (AT1) capital	**0**	
Tier 1 capital (T1 = CET1 + AT1)	**9 332**	
Capital instruments and the related share premium accounts	0	
Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	0	
Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	0	
Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	0	
Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0	
of which: instruments issued by subsidiaries subject to phase out	0	
Credit risk adjustments	0	
Tier 2 (T2) capital before regulatory adjustments	**0**	
Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
Not applicable	0	
Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	
Not applicable		
Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	0	
Other regulatory adjustments to T2 capital	0	
Total regulatory adjustments to Tier 2 (T2) capital	**0**	
Tier 2 (T2) capital	**0**	
Total capital (TC = T1 + T2)	**9 332**	
Total Risk exposure amount	**36 195**	
Common Equity Tier 1 capital	25,8%	
Tier 1 capital	25,8%	
Total capital	25,8%	
Institution CET1 overall capital requirements	7,9%	
of which: capital conservation buffer requirement	2,5%	
of which: countercyclical capital buffer requirement	0,9%	
of which: systemic risk buffer requirement	0,0%	
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0,0%	
of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0,0%	
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	12,4%	
Not applicable		
Not applicable		
Not applicable		
Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	0	
Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	0	
Not applicable		
Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	0	
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	0	
Cap on inclusion of credit risk adjustments in T2 under standardised approach	452	
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	0	
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	0	
Current cap on CET1 instruments subject to phase out arrangements		
Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
Current cap on AT1 instruments subject to phase out arrangements		
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
Current cap on T2 instruments subject to phase out arrangements		
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Own funds

The Bank's own funds totalled SEK 9.332 m (9.769) whereof all is Tier 1 capital. Of the Bank's Tier 1 capital, all components have characteristics to be qualified as common equity Tier 1 capital. The different components of the common equity Tier 1 capital are share capital, statutory reserves, fund for development expenses, fund for fair value (excluding the cash flow reserve), retained earnings, untaxed reserves and the year's audited result. Share capital consists of 19,616 shares with a quota value of SEK 7.896. The reserve fund is included in the restricted capital that cannot be distributed to shareholders. The fund for fair value consists of a translation reserve that arises upon consolidation of the Bank's foreign branches and the fair value reserve arising from unrealised fair value adjustments on the Bank's financial assets valued at fair value through other comprehensive income. Retained profit and loss consists of the Bank's accumulated earnings and a capital contribution by the shareholders. The Bank has no untaxed reserves per 31 of December 2022.

Deductions from the CET 1 capital were made for intangible assets. The Bank's intangible assets consist of capitalised expenditures for internally generated and acquired software and IT systems. Cumulative value of the effective portion of cash flow hedging instruments that are recognized in fund for fair value amounting to SEK 112 m (7) is not included in the Bank's Own funds, recognised as a deduction from common equity Tier 1. Also, an Additional Value Adjustment has been deducted from CET 1 in line with EBA's technical standard for prudent valuation. Aim of the deduction is to adjust for uncertainty of positions measured and recognised at fair value.

At 31 December 2022, the Bank has no deferred tax liabilities that rely on future profitability and that under certain circumstances should have been deducted from Own funds. Below is a specification of Ikano Bank's Own funds as of 31 December 2022.

The Bank's balance sheet is further described in the Bank's Annual Report for 2022.

EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

2022 SEK 000	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period end	As at period end	
Assets - *Breakdown by asset classes according to the balance sheet in the published financial statements*			
Cash	30 138		
Treasury bills	2 587 091		
Loans to credit institutions	2 380 407		
Loans to the public	26 331 020		
Bonds and other interest-bearing securities	4 495 980		
Shares and participations in associated companies	350 561		
Shareholdings in other companies	43 304		
Intangible assets	593 701		A
Tangible assets	9 939 560		
- Leasing assets	9 931 266		
- Equipment	8 295		
Other assets	1 178 531		
Deferred tax assets	121 848		
Prepaid expenses and accrued income	365 285		
Total assets	**48 417 424**		
Liabilities - *Breakdown by liability classes according to the balance sheet in the published financial statements*			
Liabilities to credit institutions	535 309		
Deposits from the public	33 112 446		
Issued securities	2 349 379		
Other liabilities	1 056 784		
Accrued expenses and deferred income	1 252 452		
Provisions	121 428		
- Provisions for pensions	44 549		
- Deferred tax liabilities	29 111		
- Other provisions	47 768		
Subordinated liabilities	0		
Total liabilities	**38 427 798**		
Untaxed reserves	**0**		B
Shareholders' Equity			
Share capital	154 893		C
Statutory reserve	193 655		D
Fund for development expenses	591 069		E
Share premium reserve	4 479 854		F
Fund for fair value	314 335		G
Retained earnings	4 596 620		H
Net result for the year	-340 800		I
Total shareholders' equity	**9 989 626**		

Risk exposure amount and own funds requirements

In calculating the risk exposure amounts for credit risk in accordance with pillar 1, the Bank uses the standardised approach, which includes seventeen exposure classes with defined, weighted risks. The risk exposure amount for credit risk is SEK 30.265 m (26.922), which results in an own funds requirement of SEK 2.421 m (2.154).

The Bank uses Standard and Poor's rating for the calculation of the own funds requirement for Bonds and other interest-bearing securities, distributed across respective exposure classes according to regulations.

The risk exposure amount for operational risks is calculated in accordance with the basic indicator approach, which means that the risk-exposure amount constitutes 15 percent of the average operating income for the three previous financial years.

The Bank's risk exposure amount for operational risk is SEK 4.673 m (4.926), resulting in an own funds requirement of SEK 373 m (394).

The risk exposure amount for foreign exchange risk covers on and off-balance sheet items measured at the current market value and converted to Swedish kronor in accordance with the closing rate. Own funds requirements of eight percent are applied to the total net position in foreign currency subject to capital requirements for foreign exchange risk. The Bank's risk exposure amount for foreign exchange risk is SEK 1.233 m (1 221), with an own funds requirement of SEK 99 m (97).

The Bank's risk exposure amount for CVA risk is SEK 23 m (16), giving an own funds requirement of SEK 2 m (1).

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	General credit exposures		Own fund requirements				
2022 SEKm	Exposure value under the standardised approach	Total exposure value	Relevant credit risk exposures - Credit risk	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Breakdown by country:							
Sweden	16 827	16 827	985	985	12 309	0,42	1,0%
Norway	3 299	3 299	181	181	2 262	0,08	2,0%
Denmark	6 234	6 234	353	353	4 413	0,15	2,0%
Finland	1 743	1 743	101	101	1 259	0,04	0,0%
United Kingdom	5 443	5 443	328	328	4 105	0,14	0,0%
Germany	4 792	4 792	290	290	3 621	0,12	0,0%
Poland	1 303	1 303	80	80	994	0,03	0,0%
Austria	157	157	9	9	118	0	0,0%
Others	439	439	35	35	438	0,01	
Total	**40 237**	**40 237**	**2 362**	**2 362**	**29 520**	**0**	

EU CCyB2 - Amount of institution-specific countercyclical capital buffer

2022 SEKm	
Total risk exposure amount	36 195
Institution specific countercyclical capital buffer rate	0,87%
Institution specific countercyclical capital buffer	315

The institution-specific countercyclical buffer amounts to 0.87 % or SEK 315 m after weighting the applicable geographic requirements.

Comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9

SEKm	2022-12-31	2021-06-30	2021-12-31
Available capital (amounts)			
Common Equity Tier 1 (CET1) capital	9 332	9 538	9 769
Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9 276	9 482	9 658
Tier 1 capital	9 332	9 538	9 769
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9 276	9 482	9 658
Total capital	9 332	9 538	9 769
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9 276	9 482	9 658
Risk-weighted assets (amounts)			
Total risk-weighted assets	36 195	34 746	33 085
Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	36 181	34 731	33 044
Capital ratios			
Common Equity Tier 1 (as a percentage of risk exposure amount)	25,8%	27,5%	29,5%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	25,6%	27,3%	29,2%
Tier 1 (as a percentage of risk exposure amount)	25,8%	27,5%	29,5%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	25,6%	27,3%	29,2%
Total capital (as a percentage of risk exposure amount)	25,8%	27,5%	29,5%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	25,6%	27,3%	29,2%
Leverage ratio			
Leverage ratio total exposure measure	49 138	45 749	45 195
Leverage ratio	19,0%	20,8%	21,6%
Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18,9%	20,8%	21,4%

The impact on capital ratios of the transitional rules for phasing in the IFRS 9 one-off effect is decreasing each year as the factor used for the add back is decreasing.

Leverage ratio

The leverage ratio is a measure that provides an alternative to the risk-based capital requirement. The aim is that there should be a clear and simple measure of capital strength. The measurement implemented when the revised Capital Requirements Regulation entered into force in 2021.

The leverage ratio is calculated using the Tier 1 capital as a percentage of total assets. For the Bank, the leverage ratio per 31 December 2022 is 19,0% (21.6) and thus above the proposed binding measure. For the Bank, the leverage ratio per 31 December 2022 is 19,0% (21.6) and thus above the proposed binding measure.

EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

2022 SEKm	Applicable amount
Total assets as per published financial statements	48 417
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	0
(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	0
(Adjustment for temporary exemption of exposures to central banks (if applicable))	0
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	0
Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	0
Adjustment for eligible cash pooling transactions	0
Adjustment for derivative financial instruments	-226
Adjustment for securities financing transactions (SFTs)	0
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	3 117
(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	0
(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0
(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	0
Other adjustments	-2 170
Total exposure measure	49 138

Leverage ratio exposure measures increased by SEK 3 943 m, mainly due to increased assets.

EU LR2 - LRCom: Leverage ratio common disclosure

	CRR leverage ratio exposures	
SEKm	2022-12-31	2021-12-31
On-balance sheet items (excluding derivatives, SFTs, but including collateral)	46 389	42 165
Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	0
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0	0
(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0	0
(General credit risk adjustments to on-balance sheet items)	0	0
(Asset amounts deducted in determining Tier 1 capital)	-594	-572
Total on-balance sheet exposures (excluding derivatives and SFTs)	**45 795**	**41 593**
Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	30	0
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	0	0
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	196	203
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0	0
Exposure determined under Original Exposure Method	0	0
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	0	0
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	0	0
(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	0	0
Adjusted effective notional amount of written credit derivatives	0	0
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	0
Total derivatives exposures	226	203
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	0	0
(Netted amounts of cash payables and cash receivables of gross SFT assets)	0	0
Counterparty credit risk exposure for SFT assets	0	0
Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	0	0
Agent transaction exposures	0	0
(Exempted CCP leg of client-cleared SFT exposure)	0	0
Total securities financing transaction exposures	0	0
Off-balance sheet exposures at gross notional amount	26 042	29 759
(Adjustments for conversion to credit equivalent amounts)	-22 925	-26 361
(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	0	0
Off-balance sheet exposures	3 117	3 399
(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0	0
(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	0	0
(Excluded exposures of public development banks (or units) - Public sector investments)	0	0
(Excluded exposures of public development banks (or units) - Promotional loans)	0	0
(Excluded passing-through promotional loan exposures by non-public development banks (or units))	0	0
(Excluded guaranteed parts of exposures arising from export credits)	0	0
(Excluded excess collateral deposited at triparty agents)	0	0
(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	0	0
(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	0	0
(Reduction of the exposure value of pre-financing or intermediate loans)	0	0
(Total exempted exposures)	**0**	**0**

Tier 1 capital	9 332	9 769
Total exposure measure	**49 138**	**45 195**
Leverage ratio (%)	19,0%	21,6%
Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	19,0%	21,6%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	19,0%	21,6%
Regulatory minimum leverage ratio requirement (%)	3,0%	3,0%
Additional own funds requirements to address the risk of excessive leverage (%)	0,0%	0,0%
of which: to be made up of CET1 capital	0,0%	0,0%
Leverage ratio buffer requirement (%)	0,0%	0,0%
Overall leverage ratio requirement (%)	3,0%	3,0%
Choice on transitional arrangements for the definition of the capital measure	-	-
Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable		
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	0	0
Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	49 138	45 195
Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	49 138	45 195
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	19,0%	22,0%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	19,0%	22,0%

The leverage ratio has decreased to 19.0 % in 2022 compared to 21.6 % in 2021.

EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

2022 SEKm	**CRR leverage ratio exposures**
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	46 389
Trading book exposures	0
Banking book exposures, of which:	46 389
Covered bonds	1 437
Exposures treated as sovereigns	3 711
Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	6
Institutions	2 864
Secured by mortgages of immovable properties	0
Retail exposures	30 789
Corporates	5 742
Exposures in default	359
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	1 481

An increase in corporates exposures has the highest impact on the increase of on-balance sheet exposures compared to 2021.

EU REMA - Remuneration policy

In accordance with the Swedish Financial Supervisory Authority's regulations FFFS 2011:1/2014:22 the Bank must have a remuneration policy which sets the grounds and principles on which remuneration shall be based, applied and monitored. The remuneration policy promotes sound and effective risk management and counteract excessive risk-taking behaviour. The remuneration policy is reviewed on an annual basis or more frequently if necessary. The Policy shall be re-approved annually by the Board even if no amendments are made. Further information on remuneration can be obtained in the Annual Report for 2022.

Decision making process

The Board is responsible for adopting the Policy based on an assessment of the risks associated with the Policy and Ikano Bank's remuneration system, and for ensuring that the Policy is applied and followed up. The Board shall further decide on new models for variable remuneration, remuneration to the executive management and country managers, and to employees responsible for control functions (i.e., the risk control function, the compliance function and the internal audit function) and on actions to follow-up Ikano Bank's compliance with the Policy. For the said purposes, the Board has instructed the People & Remuneration Committee, to prepare relevant decisions. The Chief Executive Officer and the Chief People and Communications Officer are responsible for the day-to-day application of this Policy and the preparation of proposals and decision to the People & Remuneration Committee and the Board.

The Committee shall be constituted in such a way as to enable it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital and liquidity. The Committee is responsible for the preparation of significant decisions regarding remuneration, including those which have implications for the risk and risk management of Ikano Bank and which are to be taken by the Board in its supervisory function. Furthermore, the Committee is responsible for the preparation of the board decisions. The Committee shall consist of at least two members and not more than four members. The Board shall assign the chairperson of the Committee. The chairperson and other members of the Committee shall be members of the Board of Directors who are not employed by Ikano Bank. The members of the Committee shall have sufficient knowledge and experience on issues of risk management and compensation to be able to independently evaluate the adequacy of Ikano Bank's Compensation & Benefits Policy. When preparing decisions, the Committee shall take into account the long-term interests of the shareholder and other relevant stakeholders in Ikano Bank. The Committee shall once a year conduct an independent assessment of the Policy and Ikano Bank's remuneration systems. The Chief Risk Officer or other relevant control function of Ikano Bank shall be involved in such evaluation process.

Variable remuneration

In accordance with the Regulation, "variable remuneration" means remuneration where the amount or size is not determined in advance. The Bank applies one model of variable remuneration, the Performance Incentive Plan as described below. The structure of this model will always ensure that the Bank's total variable remuneration does not limit the ability of the Bank to maintain, or strengthen, as needed, a sufficient capital base. Under this model, variable payments will always be in line with Ikano Bank's and, where applicable, the relevant business unit's objectives. Any new future variable remuneration model must be approved by the Board. Employees in

control functions shall not be entitled to any variable remuneration. Cash-based variable remuneration instruments only depending on the position of the staff member and boards approval of participation.

All disbursements are subject to a so-called risk adjustment procedure. Ex ante risk adjustment: Each year a subjective risk adjustment will be made by the CEO, CFO, CRO, CCO and People & Remuneration Committee when it is clear whether the targets for performance incentive plans have been met. Within the scope of this risk adjustment, a presentation of Ikano Banks capital base, Ikano Banks and each business unit's credit losses, results, etc. will be made. The CEO, CFO, CRO and People & Remuneration committee will then assess whether the total amount of variable remuneration is reasonable considering the circumstances and present the outcome of the assessment to the Board. Ex post risk alignment: In addition, before each disbursement date (also the first one), an ex-post risk adjustment will be made. Ikano Bank has reserved the right at all times to draw back and/or reduce the deferred remuneration in case something happens with the results or the individual performance before disbursements are made. Deferred variable remuneration will be disbursed only if this is justified considering the performance and financial position of Ikano Bank and the relevant business unit and considering the performance of the employee concerned. No disbursements will be made if Ikano Banks liquidity coverage ratio or capital adequacy is below the limits set forth in the risk appetite statement. Furthermore, no individual variable remuneration will be disbursed if Ikano Bank discovers that the employee is the issue owner of any overdue red internal audit or compliance findings or is responsible for any serious misconduct or disloyalty, to the extent that the Board deems the payment (as a whole or in part) not to be justified in light of such behaviour or finding. Ikano Bank will decide to reduce or cancel the deferred remuneration also if Ikano Bank cannot be considered to maintain its business or needs government guarantees in accordance with the Government Guarantees to Credit Institutions Act of 2008.

Variable remuneration for identified staff shall never exceed 100 % of the employee's fixed annual salary. Variable remuneration schemes are closely connected to current and future risks through an entry gate measurement "risk over risk adjusted loan book". Additionally, there are ex ante and ex post risk adjustment procedures in place as described above. Ikano Bank's remuneration system and compliance is assessed once a year through a risk analysis. Based on the risk analysis, Ikano Bank identifies certain employees whose professional activities are deemed to have material impact on Ikano Bank's risk profile (identified staff) in accordance with EU regulation 604/2014. Ikano Bank's Chief Risk Officer (or anyone appointed by CRO) will be involved in the risk analysis and the listing of identified staff. The risk analysis and the list of identified staff shall be documented and presented to the board at least once a year. The list shall be kept at the common HR department. Most of the employees categorized as identified staff are, however, not entitled to any variable remuneration at all. Ikano benefits from a derogation laid-out in Article CRD 94(3) a. The derogation is applied for Article 94 (1) l and m. Its applicable to 23 staff members with a total fixed remuneration in 2022 of SEK 43 m and disbursed variable remuneration of SEK 0,2 m.

EU REM1 - Remuneration awarded for the financial year

2022 SEKm		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff	0	1	10	12
	Total fixed remuneration	0,0	5,0	19,5	18,0
	Of which: cash-based	0,0	5,0	19,5	18,0
	(Not applicable in the EU)				
	Of which: shares or equivalent ownership interests	0,0	0,0	0,0	0,0
	Of which: share-linked instruments or equivalent non-cash instruments	0,0	0,0	0,0	0,0
	Of which: other instruments	0,0	0,0	0,0	0,0
	(Not applicable in the EU)				
	Of which: other forms	0,0	0,0	0,0	0,0
	(Not applicable in the EU)				
Variable remuneration	Number of identified staff	0	1	10	12
	Total variable remuneration	0,0	0,0	0,0	0,2
	Of which: cash-based	0,0	0,0	0,0	0,2
	Of which: deferred	0,0	0,0	0,0	0,2
	Of which: shares or equivalent ownership interests	0,0	0,0	0,0	0,0
	Of which: deferred	0,0	0,0	0,0	0,0
	Of which: share-linked instruments or equivalent non-cash instruments	0,0	0,0	0,0	0,0
	Of which: deferred	0,0	0,0	0,0	0,0
	Of which: other instruments	0,0	0,0	0,0	0,0
	Of which: deferred	0,0	0,0	0,0	0,0
	Of which: other forms	0,0	0,0	0,0	0,0
	Of which: deferred	0,0	0,0	0,0	0,0
Total remuneration		**0,0**	**5,0**	**19,5**	**18,2**

Ikano Bank has not awarded any remuneration resulting the variable remuneration schemes for this financial year in 2022.

EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

2022 SEK	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
Guaranteed variable remuneration awards - Number of identified staff	0	1	10	12
Guaranteed variable remuneration awards -Total amount	0	0	0	0
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
Severance payments awarded in previous periods, that have been paid out during the financial year				
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	0	0	0	0
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	0	0	0	0
Severance payments awarded during the financial year				
Severance payments awarded during the financial year - Number of identified staff	0	0	0	0
Severance payments awarded during the financial year - Total amount	0	0	0	0
Of which paid during the financial year				
Of which deferred				
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
Of which highest payment that has been awarded to a single person				

Ikano Bank has not offered guaranteed variable remuneration to its management body, senior management or other identified staff in 2022 (SEK 0 in 2021). As a rule, Ikano Bank does not offer guaranteed variable remuneration.

EU REM3 - Deferred remuneration

Deferred and retained remuneration 2022 SEK	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
MB Supervisory function								
Cash-based	0	0	0	0	0	0	0	0
Shares or equivalent ownership	0	0	0	0	0	0	0	0
non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
MB Management function								
Cash-based	0	0	0	0	0	0	0	0
Shares or equivalent ownership	0	0	0	0	0	0	0	0
non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Other senior management								
Cash-based	0	0	0	0	0	0	0	0
Shares or equivalent ownership	0	0	0	0	0	0	0	0
non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Other identified staff								
Cash-based	471 251	235 625	235 625	0	0	0	0	0
Shares or equivalent ownership	0	0	0	0	0	0	0	0
non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Total amount	**471 251**	**235 625**	**235 625**	**0**	**0**	**0**	**0**	**0**

The vested amounts in 2022 and fore coming years are based on short-term incentive plans from the years 2018-2021. Variable remuneration is paid in four instalments where at least 60% is deferred until 2022 and one-off disbursement for variable remuneration schemes as-of 2022.

EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

2022 SEKm	Management body remuneration			Business areas						Total
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	
Total number of identified staff	**0,0**	**1,0**	**1,0**	**0,0**	**7,0**	**0,0**	**13,0**	**2,0**	**0,0**	**23,0**
Of which: members of the MB	0,0	1,0	**1,0**	0,0	0,0	0,0	0,0	0,0	0,0	**1,0**
Of which: other senior managemer	0,0	0,0	**0,0**	0,0	0,0	0,0	8,0	2,0	0,0	**10,0**
Of which: other identified staff	0,0	0,0	**0,0**	0,0	7,0	0,0	5,0	0,0	0,0	**12,0**
Total remuneration of identified sta	**0,0**	**5,0**	**5,0**	**0,0**	**15,2**	**0,0**	**19,0**	**3,6**	**0,0**	**42,7**
Of which: variable remuneration	0,0	0,0	**0,0**	0,0	0,2	0,0	0,0	0,0	0,0	**0,2**
Of which: fixed remuneration	0,0	5,0	**5,0**	0,0	14,9	0,0	19,0	3,6	0,0	**42,5**

The assessment of the identified staff is based on the RTS 2021/923 & Directive 2013/36/EU.

Board of directors			
	Mats Håkansson	**Lars Thorsén**	**Diederick van Thiel**
	Elected in 2009. Chairperson of the Board since 2013 and member of the Audit, Risk and Compliance Committee, the Credit committee and the Digital, Business and Transformation Committee. VP of Ikano S.A., Former CFO Ikano S.A. and Authorised Public Accountant at Arthur Andersen in Sweden. Other assignments: Board assignments in several subsidiaries within the Ikano Group.	Elected in 2015. Board member and member of the Sustainability Committee. CEO Ikano S.A. since 2015. Previously long career in international management, procurement and supply chain including the position as Regional Purchase Manager of IKEA Asia Pacific.	Elected in 2014. Board member and chairperson of the Sustainability Committee, member of the Digital, Business and Transformation Committee. Entrepreneur and business angel since 2010 specialised in big data, AI and robotisation
Education	MSc in Business and Economics.	BA in International Economics and Finance at Copenhagen Business School.	MBA from Erasmus University Rotterdam and IMD Lausanne. PhD Candidate and Professor of 'AI in marketing & risk strategies' at Jheronimus Academy of Data Science.
Number of directorships	7	6	5

Board of directors			
	Heather Jackson	**Yohann Adolphe**	**Viveka Strangert**
	Elected in 2014. Board member and chairperson of the People and Remuneration Committee and member of the Digital, Business and Transformation Committee. Experience from the finance and retail sectors from leading roles working within change, operations, technology, and digital transformation.	Elected in 2018. Board member and member of the Audit, Risk and Compliance Committee. Since 2013, Group CFO at Ikano (joined in 2005). Previously manager within the Corporate Finance department at Deloitte. Other assignments: board member at various Ikano Group entities.	Elected in 2019. Chairperson of the Audit, Risk and Compliance Committee and member of the Credit committee. Experience from the financial sector having worked various leading positions at KPMG, Swedbank, DnB NOR and Old Mutual/Skandia.
Education	BA Modern History, Oxford University.	Engineer in Industrial Processes, Master in Business Administration, Chartered Financial Analyst, Financial Risk Manager certified by GARP.	Master in Philosophy and Master of Laws, LL. M. from Stockholm University.
Number of directorships	6	7	5

Board of directors			
	Lars Ljungälv Elected in 2019. Chairperson of the Credit Committee and member of the People and Remuneration Committee. CEO of Bergendahl & Son AB. Lars has held many leading positions in the financial industry. His previous assignments include executive positions at Swedbank, CEO of Sparbanken Öresund AB and Färs och Frosta Sparbank AB.	**Nigel Hinshelwood** Elected in 2022. Board member and deputy chairperson. Chairperson of the Digital, Business and Transformation Committee. Member of the Audit, Risk and Compliance Committee, Credit Committee and the People and Remuneration Committee. International experience from the financial sector. Other assignments; Senior independent Director of Lloyds Bank Plc and Bank of Scotland Plc, Chairman of AXA XL UK and Lloyd's, member of the Adobe International Advisory Board.	**Mikael Palmquist** Elected in 2021. Board member and member of the Digital, Business and Transformation Committee. Deputy Retail Operations Manager for Ingka Group since 2018 and experience from working in various leading positions in Ingka Group (formerly IKEA Group).
Education	Bachelor of Science in Business Administration and Economics from the University of Lund.	HCIMA, Oxford Brookes University.	Master of Science in Business Administration, Göteborg School of Economics, Sweden.
Number of directorships	6	4	15

Board of directors	
	Lone Fønss Schrøder Elected in 2022. Member of the Audit, Risk and Compliance Committee. Experience from various leading positions within large international corporate groups and listed companies. CEO of Concordium. Board member of Ingka Holding, Volvo Cars, Geely Sweden Holdings, and Aker Group.
Education	Master of Laws of University of Copenhagen, Denmark.
Number of directorships	7

Chief executive officer	
	Henrik Eklund CEO of the bank since 2019. Joined the bank in 2018 as COO, after 12 years in Resurs Holding. In Resurs Holding Henrik had many different positions all leading transformation, digitalization, people and organisations. The last 15 years Henrik has led total turnarounds within the financial service industry. Before joining Resurs Holding Henrik had 6 years in CDON.com as COO, and Sales & Marketing manager.
Education	Degree of Master of Social Science, Business Administration and Mangement and Jur Kand/Master of Law (LL.M.), Intellectual Property, from the University of Lund
Number of directorships	-