Capital adequacy and risk management

2021

IKANO BANK

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 which was from when the Brexit deal came into effect until 31 December 2020, also requires authorisation from the British supervisory authorities. From January 1, 2021 and during the time that the Banks British permission application is handles, the Bank is working 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. Ikano Bank has continued the strategic investment in the fintech company Borgo together with a number of partners in the Swedish market and offers since December 2021 mortgage loans in Sweden under a distribution agreement with Borgo.

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

Over the past year, the Bank's transformation journey has been focused on establishing and rolling-out our new digital platform. The first fully digital loan product was launched in May for IKEA's customers in the UK.

In June, following approvals from the Swedish FSA and relevant competition authorities, the transaction was completed where the Ingka Group through Ingka Investments B.V. acquired shares in Ikano Bank for approximately SEK 4.55 bn, corresponding to an ownership of 49%.

In October the Bank agreed to purchase a loan portfolio from Basisbank in Denmark, worth approximately DKK 2 bn.

The Bank has, together with a number of partners, continued to invest in the fintech company Borgo. During the year Borgo got permission from the Swedish FSA and offers since December 2021 mortgage loans in Sweden.

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 business 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 tolerances set by the Board. The Bank's risks are controlled centrally, but the responsibility for risk management rests primarily with local business units. 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 strategy 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 Project and IT Committee.

For more information on the Bank's risks and organisation for risk management see the Annual Report 2021, note 3.

Recovery Planning

Ikano Bank has drawn up a recovery plan and implemented processes around a regular up date 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 and risk strategy. It is regulated through the Credit Risk Policy and in more detailed Credit Risk Guidelines 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 risk 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.

In order 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. In order 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.

Realised loan losses are at a lower level than what the Bank expected when the current pandemic started. This has three main explanations: Government aid to business and private persons have helped them, changed behaviour and lower sales following lock-down have led to lower volumes, and finally the Bank implemented some changes in the beginning of the pandemic which reduced the risks in the portfolio. Provisions in total for the Bank has increased with SEK 27 m relative to end of 2020, which is a marginal increase.

Significant payment holidays and reductions were granted in spring 2020. Many of these have now expired and customers have resumed payments according to the original plan. The realised losses due to the pandemic are still at a low level. Especially in the Business segment there is still some uncertainty regarding how the businesses will manage without government aids and when postponed taxes should be paid. The Bank is expecting to be able to draw more long-term conclusions regarding these businesses during the first half of 2022.

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

2021 SEK000	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				On performing exposures	On non-performing exposures
		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	35 064 147	27 058 837	8 005 310	758 598	77 727	680 871	624 937	157 410	467 527	476 272	14 540	461 732	-	1 231 806	68 510
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	176 270	143 779	32 491	4 791	12	4 778	160	50	110	1 134	0	1 134	-	-	-
Credit institutions	7 926	6 523	1 403	-	-	-	24	7	17	-	-	-	-	-	-
Other financial corporations	18 513	13 648	4 865	1 030	-	1 030	52	17	35	237	-	237	-	1	-
Non-financial corporations	10 570 465	5 860 439	4 710 026	339 392	57 255	282 138	171 902	14 034	157 867	184 338	1 927	182 412	-	1 226 473	68 001
Of which SMEs	5 201 172	2 656 507	2 544 665	152 656	22 704	129 953	45 895	4 972	40 923	59 432	1 064	58 368	-	669 792	27 503
Households	24 290 972	21 034 447	3 256 525	413 385	20 460	392 925	452 800	143 301	309 499	290 563	12 613	277 950	-	5 332	510
Debt securities	5 740 082	5 740 082	-	-	-	-	3 508	3 508	-	-	-	-	-	-	-
Central banks				-	-	-	-	-	-	-	-	-	-	-	-
General governments	2 274 319	2 274 319		-	-	-	1 038	1 038	-	-	-	-	-	-	-
Credit institutions	2 178 419	2 178 419		-	-	-	481	481	-	-	-	-	-	-	-
Other financial corporations	180 701	180 701		-	-	-	1 967	1 967	-	-	-	-	-	-	-
Non-financial corporations	1 106 643	1 106 643		-	-	-	22	22	-	-	-	-	-	-	-
Off-balance-sheet exposures	29 707 658	28 928 729	778 928	72 263	72 263	0	23 408	12 479	10 929	68	68	0		0	0
Central banks	363 671	354 055	9 616	11 176	11 176	0	15	8	7	-	-	-		-	-
General governments	275 450	268 167	7 283	243	243	0	28	15	13	-	-	-		-	-
Credit institutions	26 856	26 146	710	24	24	0	5	3	2	-	-	-		-	-
Other financial corporations	9 601	9 347	254	8	8	0	2	1	1	-	-	-		-	-
Non-financial corporations	9 134 817	8 893 282	241 534	8 070	8 070	0	2 535	1 348	1 188	-	-	-		-	-
Households	19 897 262	19 377 731	519 531	52 741	52 741	0	20 822	11 104	9 718	68	68	0		-	-
Total	**70 511 886**	**61 727 648**	**8 784 238**	**830 861**	**149 991**	**680 871**	**651 853**	**173 396**	**478 456**	**476 340**	**14 608**	**461 732**	**0**	**1 231 806**	**68 510**

Impairment for total portfolio has increased with SEK 27 m over the year. Impairment for performing exposures has decreased with SEK 23 m and impairment for the Non-performing portfolio has increased with SEK 50 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 42 m. For Non-financial corporations the decrease is larger, almost SEK 70 m. Households have increased with SEK 26 m, mainly due to an increase in Norway of SEK 50 m. This increase in Norway is just a process change where non-performing loans are not sold at default event, but yearly ad-hoc sales will take place instead.

EU CR1-A: Maturity of exposures

2021 SEK 000	**Net exposure value**					
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	29 756 445	2 762 900	16 942 104	8 658 491	6 358 039	64 477 981
Debt securities	-	2 437 851	3 298 723	-	-	5 736 574
Total	29 756 445	5 200 751	20 240 827	8 658 491	6 358 039	70 214 555

There is a drift towards longer maturities and the amount with a maturity more than 5 years has grown from SEK 3 bn to almost SEK 9 bn. Exposures with maturity within a year decrease from SEK 14 bn to SEK 5 bn.

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

2021 SEK 000	Gross carrying amount
Initial stock of non-performing loans and advances	800 914
Inflows to non-performing portfolios	443 445
Outflows from non-performing portfolios	485 759
Outflows due to write-offs	293 643
Outflow due to other situations	192 115
Final stock of non-performing loans and advances	758 600

Non-performing loans decreased over the last year with SEK 42 m. There is a general improvement in the portfolio compared to 2020. A change in the process for households in Norway where the debts are held longer before sales has increased the portfolio in Norway with SEK 50 m.

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						
2021 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 forbearance
Cash balances at central banks and other demand deposits								
Loans and advances	**427 794**	**213 435**	**209 492**	**197 446**	**52 972**	**134 300**	**23 122**	**6 103**
Central banks	-	-	-	-	-	-	-	-
General governments	1	-	-	-	0	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-
Non-financial corporations	41 807	26 490	26 379	24 331	2 156	16 729	23 122	6 103
Households	385 986	186 944	183 112	173 116	50 817	117 571	-	-
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	-	-	-	-	-	-	-	-
Total	**427 794**	**213 435**	**209 492**	**197 446**	**52 972**	**134 300**	**23 122**	**6 103**

The total amount of forborne exposures shows insignificant changes since last year. The quality of those exposures has decreased as a larger proportion are classified as Non-performing. Overall, the amount of forborne exposures is limited.

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

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
2021 SEK 000		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	35 064 147	34 609 692	454 455	758 598	103 266	211 125	169 603	133 111	116 555	13 101	11 836	697 099
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	176 270	169 658	6 613	4 791	666	2 173	1 883	-	-	-	68	4 791
Credit institutions	7 926	7 594	332	-	-	-	-	-	-	-	-	-
Other financial corporations	18 513	18 512	1	1 030	-	938	88	-	4	-	-	1 030
Non-financial corporations	10 570 465	10 404 512	165 953	339 392	82 439	101 483	66 709	55 251	32 460	916	133	316 411
Of which SMEs	5 201 172	5 125 430	75 742	152 656	34 005	53 915	35 751	14 338	14 436	191	21	143 641
Households	24 290 972	24 009 416	281 557	413 385	20 161	106 531	100 923	77 860	84 091	12 185	11 635	375 183
Debt securities	5 740 082	5 740 082	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	2 274 319	2 274 319	-	-	-	-	-	-	-	-	-	-
Credit institutions	2 178 419	2 178 419	-	-	-	-	-	-	-	-	-	-
Other financial corporations	180 701	180 701	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	1 106 643	1 106 643	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	29 707 658			72 263								72 263
Central banks	363 671			11 176								11 176
General governments	275 450			243								243
Credit institutions	26 856			24								24
Other financial corporations	9 601			8								8
Non-financial corporations	9 134 817			8 070								8 070
Households	19 897 262			52 740								52 740
Total	**70 511 886**	**40 349 774**	**454 455**	**830 860**	**103 266**	**211 125**	**169 603**	**133 111**	**116 555**	**13 101**	**11 836**	**769 361**

Exposures in total increase with SEK 4.4 bn in total, most of it comes from Off-balance sheet exposure and Debt securities. The Loan book show a slight decrease of SEK 435 m. Quality of the Loan Book has improved as can be seen through lower exposures as well as proportions in both past due exposures as well as Non-performing exposures.

EU CQ4 - Quality of non-performing exposures by geography

2021 SEK 000	Gross carrying/nominal amount				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
		Of which non-performing		Of which subject to impairment			
			Of which defaulted				
On-balance-sheet exposures	**35 822 745**	**758 598**	**690 235**	**691 023**	**1 101 209**		
Germany	6 087 899	62 459	38 600	62 397	127 172		
Denmark	4 567 485	59 328	51 266	57 476	123 239		
Finland	1 237 646	79 744	79 170	42 441	37 201		
Norway	2 461 127	89 683	84 426	89 674	88 745		
Poland	789 378	3 417	3 363	3 370	6 863		
Sweden	14 060 963	253 778	232 738	244 193	420 305		
UK	6 618 248	210 189	200 672	191 471	297 684		
Off-balance-sheet exposures	**29 779 920**	**72 263**	**72 263**			**23 476**	
Germany	7 824 219	32 353	32 353			3 999	
Denmark	954 341	-	-			1 724	
Finland	814 905	763	763			915	
Norway	3 701 121	13 627	13 627			1 500	
Poland	53 728	268,0	268,0			305,0	
Sweden	14 402 835	18 705	18 705			8 902	
UK	2 028 770	6 546	6 546			6 131	
Total	**65 602 665**	**830 860**	**762 498**	**691 023**	**1 101 209**	**23 476**	

In total, 2,1 % of non-performing loans. Norway, Finland and UK stand out with higher proportions than the average. Norway have changed the process from monthly sales to yearly sales of non-performing loans which means 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

2021 SEK 000	Gross carrying amount	Of which non-performing	Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Agriculture, forestry and fishing	597 578	20 170	18 628	13 748	20 964	-
Mining and quarrying	118 215	2 139	1 062	1 437	4 224	-
Manufacturing	1 335 140	21 916	15 761	18 629	27 388	-
Electricity, gas, steam and air conditioning supply	25 688	279,0	-	203,0	243,0	-
Water supply	123 956	679	531	614	1 518	-
Construction	1 569 112	55 792	53 938	34 732	49 770	-
Wholesale and retail trade	2 155 148	38 416	34 678	40 126	53 980	-
Transport and storage	799 724	36 224	36 594	27 729	29 315	-
Accommodation and food service activities	748 568	58 353	58 960	51 458	38 788	-
Information and communication	391 012	27 852	26 386	25 407	37 471	-
Financial and insurance actvities	104 497	964	482,0	922	2 130	-
Real estate activities	372 323	6 341	6 116	6 653	8 755	-
Professional, scientific and technical activities	657 366	9 664	8 010	9 186	11 531	-
Administrative and support service activities	812 706	26 963	24 862	21 838	20 332	-
Public administration and defense, compulsory social security	20 109	386,0	-	385,0	374,0	-
Education	163 473	1 122	247	1 063	2 136	-
Human health services and social work activities	307 609	3 422	2 374	3 680	6 040	-
Arts, entertainment and recreation	370 988	19 454	19 511	17 065	29 298	-
Other services	236 646	9 256	8 273	7 263	11 982	-
Total	**10 909 857**	**339 392**	**316 411**	**282 138**	**356 240**	**-**

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 7,8 %. 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

2021 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	3 754 233	1 985 849	1 985 849	0	
Total	3 754 233	1 985 849	1 985 849	0	
Of which non-performing exposures					
Of which defaulted					

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

2021 **Exposure classes** SEKm	**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	3 062	364	3 062	0	0	0,0%
Regional government or local authorities	67	275	67	0	13	20,0%
Public sector entities	0	0	0	0	0	0,0%
Multilateral development banks	5	0	5	0	0	0,0%
International organisations	0	0	0	0	0	0,0%
Institutions	1 912	27	1 912	0	429	22,4%
Corporates	4 125	5 392	4 125	264	3 853	87,8%
Retail	29 552	23 629	29 552	579	21 312	70,7%
Secured by mortgages on immovable property	0	0	0	0	0	0,0%
Exposures in default	370	72	370	0,01	433	117,1%
Exposures associated with particularly high risk	0	0	0	0	0	0,0%
Covered bonds	1 989	0	1 989	0	199	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	135	0	135	0	306	227,1%
Other items	377	0	377	0	353	93,8%
TOTAL	**41 593**	**29 759**	**41 593**	**843**	**26 899**	**63,4%**

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 2020

EU CR5 – standardised approach

2021 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		3 062	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**3 062**	0
Regional government or local authorities		0	0	0	0	67	0	0	0	0	0,04	0	0	0	0	0	**67**	67
Public sector entities		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**	0
Multilateral development banks		5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**5**	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	1 757	0	156	0	0	0	0	0	0	0	0	**1 912**	0
Corporates		0	0	0	0	129	0	727	0	0	3 533	0	0	0	0	0	**4 389**	4 389
Retail exposures		0	0	0	0	0	0	0	0	30 131	0	0	0	0	0	0	**30 131**	30 131
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	126	0	0	0	0	**370**	370
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	1 989	0	0	0	0	0	0	0	0	0	0	0	**1 989**	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	21	0	114	0	0	0	**135**	2
Other items		23	0	0	0	0	0	0	0	0	353	0	0	0	0	0	**377**	377
TOTAL		**3 090**	**0**	**0**	**1 989**	**1 953**	**0**	**883**	**0**	**30 131**	**4 150**	**126**	**114**	**0**	**0**	**0**	**42 436**	

In 2021 Ikano Bank has an equity exposure with risk weight 250 % due to shares and participations in Borgo AB and IISÅ Holdco 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 are 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

2021 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		14	0	0	0	0
EU - Simplified SA-CCR (for derivatives)	0	0		14	0	0	0	0
SA-CCR (for derivatives)	0	83		14	203	12	12	23
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					**203**	**12**	**12**	**23**

Ikano Bank uses the standardized approach (SA-CCR) method for calculating derivative exposures. In 2020 Simplified method was used.

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

2021 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	116	16
Transactions subject to the Alternative approach (Based on the Original Exposure Method)	0	0
Total transactions subject to own funds requirements for CVA risk	**116**	**16**

CVA capital charge is calculated using the standardized method. CVA RWEA decreased by SEK 2.9 m compared to 2020.

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

2021 SEKm	Exposure classes	Risk weight											
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
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	116	0	0	0	0	0	0	116
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**	**116**	**0**	**0**	**0**	**0**	**0**	**0**	**116**

CCR exposures decreased by SEK 16 m compared to 2020. There is no change in the composition of exposures.

EU CCR5 – Composition of collateral for CCR exposures

2021 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	0	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	**0**	**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 coordination 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 a number of 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

2021 SEKm	Banking activites	Relevant indicator Year-3	Year-2	Last year	Own funds requirements	Risk exposure amount
Banking activities subject to basic indicator approach (BIA)		2 692	2 723	2 467	394	4 926
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 are 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 in order to maintain sufficient liquidity in accordance with the liquidity regulations. Derivatives are traded in order to minimise positions in business balances arising in the deposit and lending operations for customers.

EU MR1 - Market risk under the standardised approach

2021 SEKm	RWEAs
Outright products	
Interest rate risk (general and specific)	
Equity risk (general and specific)	
Foreign exchange risk	1 221
Commodity risk	
Options	
Simplified approach	
Delta-plus approach	
Scenario approach	
Securitisation (specific risk)	
Total	**1 221**

Risk weighted exposure amount for market risk increases with SEK 1.167 m compared to 2020 due to an increase in off-balance exposures which are not hedged.

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 –4.5 m (16.7).

In the Bank's income statement, exchange rate results with SEK 8.9 m (-19.3) 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 2021 to SEK 0.4 m. Per 31 December 2021 no fair value hedges exist.

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 30.6 m (10.9), 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 –17.1 m (-14.7) and SEK 17.8 m (15.5) with a parallel decrease of the interest rate curve.

As of 31 December 2021, the Bank had interest rate swaps with a contract value of SEK 3.0 bn (3.2). The swaps' net fair value as of 31 December 2021 totalled SEK 6.8 m (-14.3) consisting of assets of SEK 10.2 m (0.0) and liabilities of SEK 3.4 m (14.3) 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 2021 increased from 2.65 % to 2.81 % of capital base which is well below internal limits.

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

2021
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	-253	-138	12	6
Parallel down	275	148	-12	-6
Steepener	-50	-21		
Flattener	52	22		
Short rates up	-206	-118		
Short rates down	218	124		

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 in a position 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 in order 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 in order 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 in regard to 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 100 percent. 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 been stable over time. On July-21 a sharp temporary increase can be noted due to the cash inflow from Ingka Group acquiring 49 % of the Bank.

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 also 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 4 % of deposits from the public. Consequently, the liquidity portfolio shall always amount to at least 14 % 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-21 the liquidity portfolio stands for 27 % 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 2021, the Bank's LCR totalled 281 %. 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 135 % at year-end 2021.

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

2021 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	215	0	-	-	43 664	4 453	-	-
Equity instruments	0	0	0	0	135	0	135	0
Debt securities	0	0	0	0	5 740	4 453	5 754	4 465
of which: covered bonds	0	0	0	0	1 986	1 986	1 989	1 989
of which: securitisations	0	0	0	0	0	0	0	0
of which: issued by general governments	0	0	0	0	2 462	2 462	2 471	2 471
of which: issued by financial corporations	0	0	0	0	231	5	231	5
of which: issued by non-financial corporations	0	0	0	0	1 062	0	1 062	0
Other assets	**215**	**0**	**-**	**-**	**37 789**	**0**	**-**	**-**

EU AE2 - Collateral received and own debt securities issued

2021 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	**215**	**0**		

EU AE3 - Sources of encumbrance

2021 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	188	169

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

2021 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	**9 769**	**0**	**0**	**0**	**9 769**
Own funds	9 769	0	0	0	9 769
Other capital instruments		0	0	0	0
Retail deposits		**21 890**	**1 077**	**2 395**	**23 217**
Stable deposits		2 787	236	608	3 480
Less stable deposits		19 103	841	1 787	19 737
Wholesale funding:		**3 892**	**1 562**	**2 395**	**3 973**
Operational deposits		0	0	0	0
Other wholesale funding		3 892	1 562	2 395	3 973
Interdependent liabilities		**0**	**0**	**0**	**0**
Other liabilities:	**17**	**232**	**0**	**0**	**0**
NSFR derivative liabilities	**17**				
All other liabilities and capital instruments not included in the above categories		232	0	0	0
Total available stable funding (ASF)					**36 959**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					**164**
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:		**8 846**	**4 938**	**23 241**	**26 003**
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		1 620	15	61	230
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		6 466	4 797	22 642	24 852
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		87	29	127	141
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		759	125	538	920
Interdependent assets		**0**	**0**	**0**	**0**
Other assets:		**1 228**	**38**	**327**	**826**
Physical traded commodities				0	0
			0		0
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
NSFR derivative assets		8			8
NSFR derivative liabilities before deduction of variation margin posted		17			17
All other assets not included in the above categories		1 202	38	327	801
Off-balance sheet items		**2 898**	**1**	**0**	**145**
Total RSF					**27 287**
Net Stable Funding Ratio (%)					**135%**

LCR increasing due to higher liquidity buffer.

EU LIQ2 - Net Stable Funding Ratio

2021 SEKm	Total unweighted value (average)				Total weighted value (average)			
Quarter ending on (DD Month YYY)	2021-12-31	2021-09-30	2021-06-30	2021-03-31	2021-12-31	2021-09-30	2021-06-30	2021-03-31
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)					3 743	3 325	2 855	2 729
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	25 286	24 909	23 946	23 014	2 073	2 022	1 969	1 941
Stable deposits	4 068	4 620	5 162	5 310	203	231	258	266
Less stable deposits	407	387	363	341	81	77	72	68
Unsecured wholesale funding	2 176	2 300	2 201	1 861	1 024	1 102	1 001	884
Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0	0	0	0	0	0	0
Non-operational deposits (all counterparties)	1 931	2 103	2 018	1 648	779	815	817	671
Unsecured debt	245	287	183	213	245	287	183	213
Secured wholesale funding					0	0	0	0
Additional requirements	31	25	23	20	31	25	23	20
Outflows related to derivative exposures and other collateral requirements	31	25	23	20	31	25	23	20
Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
Credit and liquidity facilities	0	0	0	0	0	0	0	0
Other contractual funding obligations	632	585	453	235	0	0	0	0
Other contingent funding obligations	29 070	28 885	29 015	29 869	1 053	1 008	965	954
TOTAL CASH OUTFLOWS					4 181	4 157	3 956	3 800
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	0	0	0	0	0	0	0	0
Inflows from fully performing exposures	3 576	3 675	3 609	3 392	2 853	2 946	2 888	2 678
Other cash inflows	302	365	363	401	302	365	363	401
(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	3 878	4 040	3 972	3 793	3 155	3 311	3 251	3 079
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	3 878	4 040	3 972	3 793	3 155	3 311	3 251	3 079
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					3 743	3 325	2 855	2 729
TOTAL NET CASH OUTFLOWS					1 045	1 039	989	950
LIQUIDITY COVERAGE RATIO					358%	320%	289%	287%

Increase in equity during 2021 have been positive for the NSFR measurement.

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 in order to cover identified risks based on probability and financial impact. To meet the anticipated expansion of loans, maintain strategic freedom of action and also 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.

In June 2021 Ingka Investments B.V. invested SEK 4.55 bn in Ikano Bank, leading to an increase in own funds (Tier 1 capital). Compared to the previous period the Bank's loan book has decreased as an effect of the pandemic. This is offset by the new share issue leading to an increase in bonds and other interest-bearing securities. As a result of this on-balance sheet exposures at the end of the period is higher than previous period. Also, off balance sheet exposure amounts are higher compared to the previous period. This is a result of a revised way of looking at off balance sheet exposures for loans and leasing. The increase in the Bank's CET 1 capital due to the share issue is the driving factor behind the increase in leverage ratio to 21.6 % (12.7), marginally offset by increasing exposures.

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, 2021, the Bank had own funds of SEK 9.8 bn (5.6) all of which is common equity Tier 1 (5.8). The statutory own funds requirement for Pillar 1-risk amounted to SEK 2.6 bn (2.5). After a statutory minimum for common equity Tier 1 capital has been allocated to cover 75 % of the total own funds requirement calculated in accordance with Pillar 1, a further SEK 7.1 bn (3.0) remain available as common equity Tier 1 capital. The internal own funds requirement in addition to Pillar 1 requirements totalled SEK 508 m and is covered by available capital. The SFSA has per 31 December 2021 not given any Pillar II guidance to Ikano Bank.

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 827 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 0.07 percent or SEK 24 m after weighting the applicable geographic requirements, which for the Bank now mainly means Norway. Ikano Bank’s combined buffer requirement is SEK 851 m.

The total capital ratio was 29.5 % (17.6), the same as the common equity Tier 1 capital ratio.

EU KM1 - Overview of risk weighted exposure amounts

SEKm	2021-12-31	2021-06-30	2020-12-31
Available own funds (amounts)			
Common Equity Tier 1 (CET1) capital	9 769	5 418	5 577
Tier 1 capital	9 769	5 418	5 577
Total capital	9 769	5 418	5 577
Risk-weighted exposure amounts			
Total risk exposure amount	33 085	32 284	31 777
Capital ratios (as a percentage of risk-weighted exposure amount)			
Common Equity Tier 1 ratio (%)	29,5%	16,8%	17,6%
Tier 1 ratio (%)	29,5%	16,8%	17,6%
Total capital ratio (%)	29,5%	30,9%	17,6%
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 (%)	0,1%	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 (%)	2,6%	2,6%	2,6%
Overall capital requirements (%)	10,6%	10,6%	10,6%
CET1 available after meeting the total SREP own funds requirements (%)	20,95%	8,21%	8,98%
Leverage ratio			
Total exposure measure	45 195	47 846	43 952
Leverage ratio (%)	21,6%	11,3%	12,7%
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%
of which: to be made up of CET1 capital (percentage points)	0%	0%	0%
Total SREP leverage ratio requirements (%)	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%
Overall leverage ratio requirement (%)	0%	0%	0%
Liquidity Coverage Ratio			
Total high-quality liquid assets (HQLA) (Weighted value -average)	4 325	3 999	2 827
Cash outflows - Total weighted value	4 063	5 694	4 411
Cash inflows - Total weighted value	2 524	5 659	3 312
Total net cash outflows (adjusted value)	1 539	1 423	1 103
Liquidity coverage ratio (%)	281%	281%	256%
Net Stable Funding Ratio			
Total available stable funding	36 959	37 847	34 818
Total required stable funding	27 287	27 393	32 667
NSFR ratio (%)	135%	138%	107%

Both capital and liquidity ratios, as well as own funds, are positively affected by the new share issue that was made on June 28, 2021 when Ingka Investments B.V became owner to 49 percent of the shares in Ikano Bank AB (publ).

EU OV1 - Overview of risk weighted exposure amounts

SEKm	Total risk exposure amounts (TREA)		Total own funds requirements
	2021-12-31	**2020-12-31**	**2021-12-31**
Credit risk (excluding CCR)	26 899	26 560	2 152
Of which the standardised approach	26 899	26 560	2 152
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	40	46	3
Of which the standardised approach	23	26	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	16	19	1
Of which other CCR	0	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)	1 221	55	98
Of which the standardised approach	1 221	55	98
Of which IMA	0		
Large exposures	0		
Operational risk	4 926	5 117	394
Of which basic indicator approach	4 926	5 117	394
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)	285	0	23
Not applicable			
Not applicable			
Not applicable			
Not applicable			
Total	**33 085**	**31 777**	**2 647**

Counterparty credit risk decreases due to a decreasing loan book. Increasing foreign exchange risk due to increasing off balance exposures in other currencies than SEK.

EUR CC1 - Composition of regulatory own funds

2021 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	9 939	D + E + F + H
Accumulated other comprehensive income (and other reserves)	266	G
Funds for general banking risk	0	
Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject t	0	
Minority interests (amount allowed in consolidated CET1)	0	
Independently reviewed interim profits net of any foreseeable charge or dividend	-101	I
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**10 259**	
Additional value adjustments (negative amount)	-6	
Intangible assets (net of related tax liability) (negative amount)	-572	A
Not applicable		
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of	0	
Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued	-23	
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	0	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities	0	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities	0	
Not applicable		
Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the	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	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	0	
Not applicable		
of which: deferred tax assets arising from temporary differences	0	
Losses for the current financial year (negative amount)	-101	I
Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of	0	
Not applicable		
Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	0	
Other regulatory adjustments	111	
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**-592**	
Common Equity Tier 1 (CET1) capital	**9 769**	
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	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	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	0	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution	0	
Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities	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)	**9 769**	
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	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	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	0	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector	0	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector	0	

Not applicable		
Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative	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)	**9 769**	
Total Risk exposure amount	**33 085**	
Common Equity Tier 1 capital	29,5%	
Tier 1 capital	29,5%	
Total capital	29,5%	
Institution CET1 overall capital requirements	7,1%	
of which: capital conservation buffer requirement	2,5%	
of which: countercyclical capital buffer requirement	0,1%	
of which: systemic risk buffer requirement	0,0%	
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII)	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	21,0%	
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	0	
Not applicable		
Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax	0	
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the	0	
Cap on inclusion of credit risk adjustments in T2 under standardised approach	414	
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach	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)		

Bank's own funds consist only of Common Equity Tier 1 capital. The different components 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. During 2021 the Bank's own funds increased by SEK 4,192 m due to new share issue. Own funds in Ikano Bank are calculated in accordance with CRR. The Bank applies the transitional rules for IFRS9 phase-in.

Own funds

The Bank's own funds totalled SEK 9.769 m (5.577) 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 (79.4 % thereof) 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's untaxed reserves consist of accelerated depreciation on tangible assets, 79.4 % of these are included in CET 1 capital.

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 7 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 2021, 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 2021.

The Bank's balance sheet is further described in the Bank's Annual Report for 2021.

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

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
2021 SEK 000	As at period end	As at period end	
Assets - *Breakdown by asset clases according to the balance sheet in the published financial statements*			
Cash	23 386		
Treasury bills	2 274 319		
Loans to credit institutions	1 817 046		
Loans to the public	24 737 483		
Bonds and other interest-bearing securities	3 465 763		
Shares and participations in associated companies	95 202		
Shareholdings in other comapnies	39 502		
Intangible assets	572 123		A
Tangible assets	9 599 975		
- Leasing assets	9 591 641		
- Equipment	8 334		
Other assets	892 173		
Deferred tax assets	21 982		
Prepaid expenses and accrued income	340 116		
Total assets	**43 879 071**		
Liabilities - *Breakdown by liability clases according to the balance sheet in the published financial statements*			
Liabilities to credit institutions	638 686		
Deposits from the public	26 909 171		
Issued securities	3 748 933		
Other liabilities	876 080		
Accrued expenses and deferred income	1 328 871		
Provisions	117 867		
- Provisions for pensions	37 594		
- Deferred tax liabilities	50 189		
- Other provisions	30 084		
Subordinated liabilities	0		
Total liabilities	**33 619 608**		
Untaxed reserves	**0**	B	B
Shareholders' Equity			
Share capital	154 893		C
Statutory reserve	193 655		D
Fund for development expenses	640 659		E
Share premium reserve	4 479 855		F
Fund for fair value	266 490		G
Retained earnings	4 625 111		H
Net result for the year	-101 201		I
Total shareholders' equity	**10 259 462**		

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 26.922 m (26.587), which results in an own funds requirement of SEK 2.153 m (2.127).

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 4.926 m (5.117), resulting in an own funds requirement of SEK 394 m (409).

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 1.221 m (55), with an own funds requirement of SEK 98 m (4).

The Bank's risk exposure amount for CVA risk is SEK 16 m (19), giving an own funds requirement of SEK 1 m (2).

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

2021 SEKm	General credit exposures	Total exposure value	Own fund requirements		Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Exposure value under the standardised approach		Relevant credit risk exposures - Credit risk	Total			
Breakdown by country:							
Sweden	16 193	16 193	891	891	11 139	0,42	0
Norway	2 880	2 880	154	154	1 922	0,07	1
Denmark	4 560	4 560	249	249	3 110	0,12	0
Finland	1 527	1 527	80	80	1 000	0,04	0
United Kingdom	6 520	6 520	393	393	4 912	0,19	0
Germany	4 450	4 450	270	270	3 369	0,13	0
Poland	892	892	54	54	670	0,03	0
Austria	126	126	8	8	95	0	0
Others	244	244	19	19	239	0	0
Total	**37 390**	**37 390**	**2 117**	**2 117**	**26 456**		

The institution-specific countercyclical buffer amounts to 0.07 % or SEK 24 m after weighting the applicable geographic requirements, which for the Bank mainly means Norway. There has been no significant change compared to 2020.

EU CCyB2 - Amount of institution-specific countercyclical capital buffer

2021 SEKm	
Total risk exposure amount	33 085
Institution specific countercyclical capital buffer rate	0,07%
Institution specific countercyclical capital buffer	24

The institution-specific countercyclical buffer amounts to 0.07 % or SEK 24 m after weighting the applicable geographic requirements, which for the Bank mainly means Norway. There has been no significant change compared to 2020.

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

SEKm	2021-12-31	2021-06-30	2020-12-31
Available capital (amounts)			
Common Equity Tier 1 (CET1) capital	9 769	5 418	5 577
Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9 658	5 307	5 422
Tier 1 capital	9 769	5 418	5 577
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9 658	5 307	5 422
Total capital	9 769	9 974	5 577
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9 658	9 863	5 422
Risk-weighted assets (amounts)			
Total risk-weighted assets	33 085	32 284	31 777
Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	33 044	32 237	31 708
Capital ratios			
Common Equity Tier 1 (as a percentage of risk exposure amount)	29,5%	16,8%	17,6%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	29,2%	16,5%	17,1%
Tier 1 (as a percentage of risk exposure amount)	29,5%	16,8%	17,6%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	29,2%	16,5%	17,1%
Total capital (as a percentage of risk exposure amount)	29,5%	30,9%	17,6%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	29,2%	30,6%	17,1%
Leverage ratio			
Leverage ratio total exposure measure	45 195	47 846	43 952
Leverage ratio	21,6%	11,3%	12,7%
Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21,4%	11,1%	12,4%

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 enters 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 2021 is 21.6 % (12.7) and thus above the proposed binding measure.

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

2021 SEKm	Applicable amount
Total assets as per published financial statements	43 879
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	-10 741
Adjustment for securities financing transactions (SFTs)	0
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	3 399
(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	8 658
Total exposure measure	45 195

Leverage ratio exposure measures increased by SEK 914 m, mainly due to increased holdings in treasury bills, bonds and other interest-bearing securities.

EU LR2 - LRCom: Leverage ratio common disclosure

	CRR leverage ratio exposures	
SEKm	2021-12-31	2020-12-31
On-balance sheet items (excluding derivatives, SFTs, but including collateral)	42 165	41 346
Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0	
(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0	
(General credit risk adjustments to on-balance sheet items)	0	
(Asset amounts deducted in determining Tier 1 capital)	-572	-494
Total on-balance sheet exposures (excluding derivatives and SFTs)	**41 593**	**40 852**
Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	0	119
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	0	
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	203	84
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0	
Exposure determined under Original Exposure Method	0	
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	0	
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	0	
(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	0	
Adjusted effective notional amount of written credit derivatives	0	
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	
Total derivatives exposures	203	203
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	0	
(Netted amounts of cash payables and cash receivables of gross SFT assets)	0	
Counterparty credit risk exposure for SFT assets	0	
Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	0	
Agent transaction exposures	0	
(Exempted CCP leg of client-cleared SFT exposure)	0	
Total securities financing transaction exposures	0	
Off-balance sheet exposures at gross notional amount	29 759	23 830
(Adjustments for conversion to credit equivalent amounts)	-26 361	-20 933
(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	0	
Off-balance sheet exposures	3 399	2 897
(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0	
(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	0	
(Excluded exposures of public development banks (or units) - Public sector investments)	0	
(Excluded exposures of public development banks (or units) - Promotional loans)	0	
(Excluded passing-through promotional loan exposures by non-public development banks (or units))	0	
(Excluded guaranteed parts of exposures arising from export credits)	0	
(Excluded excess collateral deposited at triparty agents)	0	
(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	0	
(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	0	
(Reduction of the exposure value of pre-financing or intermediate loans)	0	
(Total exempted exposures)	**0**	
Tier 1 capital	9 769	5 577
Total exposure measure	**45 195**	**43 952**
Leverage ratio (%)	21,6%	12,7%
Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	21,6%	12,7%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	21,6%	12,7%
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)	45 195	43 952
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)	45 195	43 952
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)	22,0%	13,0%
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)	22,0%	13,0%

As of Q2 2021 Ikano Bank needs to meet a minimum Leverage Ratio requirement of 3 %. The leverage ratio has increased to 21.6 % in 2021 compared to 12.7 % in 2020. The ratio is positively affected by the new share issue.

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

2021 SEKm	CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	42 165
Trading book exposures	0
Banking book exposures, of which:	42 165
Covered bonds	1 989
Exposures treated as sovereigns	3 067
Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	67
Institutions	1 912
Secured by mortgages of immovable properties	0
Retail exposures	29 552
Corporates	4 125
Exposures in default	370
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	1 084

An increase in retail exposures has the highest impact on the increase of on-balance sheet exposures compared to 2020.

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 2021.

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. In 2021 six meetings with the People and Remuneration Committee were held.

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 or not 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. On the basis of 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 16 staff members with a total fixed remuneration in 2021 of SEK 28 m and disbursed variable remuneration of SEK 0,2 m. Further information on remuneration can be obtained in the Annual Report for 2021.

EU REM1 - Remuneration awarded for the financial year

2021 SEKm		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff	0	1	11	13
	Total fixed remuneration	0	4	15	18
	Of which: cash-based	0	4	15	18
	(Not applicable in the EU)				
	Of which: shares or equivalent ownership interests	0	0	0	0
	Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
	Of which: other instruments	0	0	0	0
	(Not applicable in the EU)	-	-	-	-
	Of which: other forms	0	0	0	0
	(Not applicable in the EU)	-	-	-	-
Variable remuneration	Number of identified staff	0	0	0	0
	Total variable remuneration	0	0	0	0
	Of which: cash-based	0	0	0	0
	Of which: deferred	0	0	0	0
	Of which: shares or equivalent ownership interests	0	0	0	0
	Of which: deferred	0	0	0	0
	Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
	Of which: deferred	0	0	0	0
	Of which: other instruments	0	0	0	0
	Of which: deferred	0	0	0	0
	Of which: other forms	0	0	0	0
	Of which: deferred	0	0	0	0
Total remuneration		**0**	**4**	**15**	**18**

Ikano Bank has not awarded any remuneration resulting the variable remuneration schemes for this financial year in 2021.

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

2021 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	0	0	0
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	0	0	0	0
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	0	0	0	0
Of which deferred	0	0	0	0
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	0	0	0	0
Of which highest payment that has been awarded to a single person	0	0	0	0

Ikano Bank has not offered guaranteed variable remuneration to its management body, senior management or other identified staff in 2021 (SEK 0 in 2020). As a general rule Ikano Bank does not offer guaranteed variable remuneration. Severance payments have decreased to SEK 0 for 2021 (SEK 407 k in 2020).

EU REM3 - Deferred remuneration

Deferred and retained remuneration 2021 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	0	0	0	0	0	0	0	0
Cash-based	0	0	0	0	0	0	0	0
Shares or equivalent ownership interests	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	0	0	0	0	0	0	0	0
Cash-based	0	0	0	0	0	0	0	0
Shares or equivalent ownership interests	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	0	0	0	0	0	0	0	0
Cash-based	0	0	0	0	0	0	0	0
Shares or equivalent ownership interests	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	677 155	225 718	451 437	0	0	0	0	0
Cash-based	677 155	225 718	451 437	0	0	0	0	0
Shares or equivalent ownership interests	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	**677 155**	**225 718**	**451 437**	**0**	**0**	**0**	**0**	**0**

The vested amounts in 2021 and fore coming years are based on short-term incentive plans from the years 2017-2020. Variable remuneration is paid in four instalments where at least 60% is deferred.

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

2021 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**	**1**	**1**	**0**	**7**	**0**	**12**	**5**	**0**	**25**
Of which: members of the MB	0	1	**1**	0	0	0	0	0	0	**1**
Of which: other senior management	-	-	**-**	0	0	0	8	3	0	**11**
Of which: other identified staff	-	-	**-**	0	7	0	4	2	0	**13**
Total remuneration of identified staff	**-**	**4**	**4**	**-**	**14**	**-**	**13**	**6**	**-**	**37**
Of which: variable remuneration	-	-	**-**	-	0,2	-	-	-	-	**0,2**
Of which: fixed remuneration	-	4	**4**	-	13	-	13	6	-	**37**

The assessment of the identified staff is based on the RTS 2021/923 & Directive 2013/36/EU. Based on the updated definitions, especially concerning the quantitative criteria, the number of identified staff decreased to 25 in 2021 (356 in 2020).

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 and the Digital and Business Transformation Committee. VP 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 and Business Transformation Committee. Serial entrepreneur and business angel since 2010 specialized in big data, artificial intelligence and robotization. CEO/ Founder of AdviceRobo AI driven risk scoring & strategy, CEO/ founder of E-cology Innovations digital transformations, former CEO/ founder of eyeOpen online mortgages, sold to Aegon. Has previously also held board positions within ING and KPN mobile.
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	6	13	3

Board of directors	**Heather Jackson**	**Yohann Adolphe**	**Viveka Strangert**
	Elected in 2014. Board member and chairperson of the People and Remuneration Committee and the Digital and Business Transformation Committee. Management consultant specialising in change management. Heather has twenty years' experience within finance and retail from senior positions within HBOS Plc., Capital One, Asda, Boots the Chemist and Accenture. Other assignments include Non-Executive Director of Skipton Building Society, Rothesay Ltd and Rothesay Life Plc	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. Viveka has several years of experience from the financial industry from working in various senior and executive positions at KPMG, Swedbank, DnB NOR, and Old Mutual/Skandia. She also has experience from working as an Associate Judge and Legal Clerk at the Administrative Court of Stockholm for many years.Other assignments include Loomis Digital Services AB, Loomis SVerige AB, Volvo Cars Pension Managemetn AB, and Säkra Spar AB.
Education	BA Modern History.	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	4	17	5

Board of directors			
	Lars Ljungälv	**Krister Mattsson**	**Mikael Palmquist**
	Elected in 2019. Member of the People and Remuneration Committee. CEO of Bergendahls & 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. Other assignmnents include oard member for Bergendahl & Son AB, Byggmax AB and Annehem Fastigheter AB.	Elected in 2021. Board member and member of the Audit,- Risk and Compliance Committee. Managing Director of Ingka Investments and Head of Ingka Group Corporate Finance & Tax and has 35 years of experience in investments, corporate finance, tax and treasury. Krister is a member of the Ingka Group Management Board. He is also member of several boards, committees and councils within Ingka Group. Krister worked for Skanska Group and Alfa Laval Group in Sweden, before joining IKEA Group (now Ingka Group). Other assignments: Board member at various Ingka Group entitites	Elected in 2021. Board member and member of the Digital and Business Transformation Committee. Deputy Retail Operations Manager for Ingka Group since 2018. Mikael has over 20 years of experience of working in Ingka Group (formerly IKEA Group). Where he has held several senior management positions in Asia and Europe, such as Regional Retail Manager Asia Pacific IKEA Group and prior to that as CEO for IKEA Japan KK. Other assignments: Board member at various Ingka Group entiites
Education	Bachelor of Science in Business Administration and Economics from the University of Lund.	Masters of Economics, University of California, USA.	Master of Science in Business Administration, Göteborg School of Economics, Sweden.
Number of directorships	5	34	20

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	-