

Simplifying the
many people's
lives so they can
focus on living it.

Our mission

Features,
facts & figures
2015

www.ikanogroup.com

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IKANO®

Our vision

To create possibilities for better living.



Our vision helps me a lot in my daily work as Product Marketing Manager with responsibility for direct marketing campaigns. When developing new ideas to improve our customers' lives, it guides us in keeping things simple – using a simple language in our mails and offers with no small print and always ensuring that what we do is as easy to understand as possible.

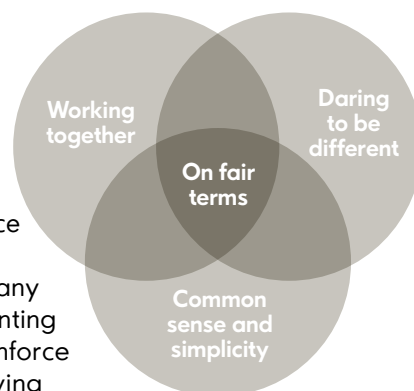
Peter Eckhardt
Product Marketing Manager, Ikano Bank Germany

Our values and promise



Having spent 27 years working with customer relations in our IKEA stores, I know the importance of having solid values to guide you when interacting with the many people. In my new role at accounting the baseline is to comply with regulation and enforce policies, but we always strive to have a simplifying and down-to-earth approach in our work. I have been nominated by fellow co-workers to become our Values Ambassador with the assignment to train newcomers in our values and culture – this is an honour for me as I firmly believe the role makes a difference for our success as a company!

Fauziah Binte Asroff
Administration Officer Accounting, Ikano Pte Ltd Singapore



Hi,

After joining Ikano in September 2015, I have spent a lot of time on the road getting to know the different parts of our company. I have met many co-workers around our business and seen lots of examples of the achievements we make in our everyday work. I'm very impressed! The coming months I will continue this journey and I'm truly humbled by the dedication and energy that is ingrained through our culture in the Ikano Group.

2015 was a year full of important initiatives making the Ikano Group even more competitive. It will be impossible to sum up the achievements in this brief message but as a company we have experienced yet another strong year and all BA's have been either in line or outperformed the budgets, making our diversified business model even more relevant. More importantly we continue to be financially strong as a company.

Entering 2016, we are now more than 4,500 co-workers and each and every one's best effort is needed to deliver on our overall strategic objective of Sustainable Growth. I'm confident we will make it happen together.

I am really excited and honoured to have become part of the Ikano Group and look forward to the journey ahead of us!

Please take a moment to study our strong 2015 results.

Lars Thorsén
Ikano Group CEO



Ikano Group's 2015 at a glance

Ikano S.A. net
result 2015 in EUR:

337
million



1,252 trees planted
by co-workers during
our social day
outings in Thailand

More than 4,500
co-workers across our

14
countries

**Traffic to
our
Norwegian
websites
from mobile
devices
grew by
108%**

25.4

million meatballs sold
in our five IKEA stores in
Singapore, Malaysia
and Thailand

5

hundred thousand
worldwide transactions
made with IKEA FAMILY
credit cards we have
issued in Poland

**After an
internal
fundraiser
we donated
EUR 64,000
to help
Syrian refugee
children**



**Our consumer
insurance
business
entered
Poland, selling
its products
through
Ikano Bank**

Our B2B leasing
sales volume in Finland
grew by

869
percent



We decided to expand
our residential offer in
Sweden with small houses
and nursing homes

1.7

million Facebook fans
for Ikano Retail Asia's
IKEA stores and
shopping centres



22,000 members in
Ikano Bostad's
loyalty programme
Ikano Förmån
(57% increase from 2014!)



In it for the long run

At Ikano we are in the midst of a great challenge. As part of our long-term strategy for the years 2015–2019, we have committed to integrate sustainability in everything we do. For us this means that our promise, on fair terms, needs to extend beyond our relations with customers and suppliers. We also have to make sure that what we do also is also fair to the people, the society and the planet we live on.

Firstly, this means always asking ourselves if our products and services are sustainable. But we must further work progressively to reduce our carbon footprint, for example through our Only Green Offices project, as well as encourage all Ikano co-workers to engage in societal causes they believe in by using their Social Day. Every effort, big and small, we make today and tomorrow helps us reach our objective to integrate sustainability in everything we do.

Fredrik Åkesson,
Group Head of Sustainability

Some of our contributions in 2015

- An internal fundraiser in our European offices raised EUR 64,000 that were donated to Save the Children's work to help children on the run from the conflicts in Syria.
- In Thailand, 100 co-workers spent their Social Day planting a total of 1,252 trees at the Bangpu Nature Education Centre, which protects marine biodiversity and mitigates coastal erosion.
- Ikano Bank and Ikano Bostad in Sweden engaged in projects aiming towards a more diversified workforce.
- More than 40 co-workers from our Wiesbaden office in Germany participated in the city's social week engaged in activities such as classroom renovations and cooking for children in need.
- Co-workers in Russia volunteered at an orphanage for sick children close to our office in Moscow, while also donating money to it for furniture.
- Our new IKEA Cheras in Kuala Lumpur was fitted with 3,852 solar PV panels, creating the largest energy self-consumption system in Malaysia.



Youth centres create great communities

In the Stockholm suburbs of Hagsätra and Rågsved, Sweden, Ikano Bostad runs two free of charge youth recreation centres in the midst of our apartment areas. Besides providing a nice place for kids to hang out, we have found that this helps in creating communities where people feel at home.

Ronja Viljevac

Youth recreational centre coordinator and supervisor, Ikano Bostad



Since a few years back, we give the youngsters living in our rental apartments in Hagsätra and Rågsved somewhere to spend their after school hours. In these areas, many families do not have the financial means to send their children to other extracurricular activities so we saw the possibility to give the kids a fun space to spend their afternoons, while simplifying the lives of their parents.

Mainly aimed at the ages 11–15, our youth recreation centres give kids a place to do their homework, use computers and play video games, table tennis and more. Some days we also arrange much appreciated cooking lessons at a small cost. Waffles are a reoccurring favourite!

As supervisors, we also play important parts as role models for the kids at an age where they are very much shaped by their surroundings. By acting in a way that is fair and caring, we see that they develop in the right direction.

We really believe that providing kids with a place where they can meet up and grow together in a relaxed and supervised setting contributes to nice neighbourhoods where people feel at home. Furthermore, this is a great example of how we at Ikano try to integrate sustainability in everything we do!



Business Area Finance

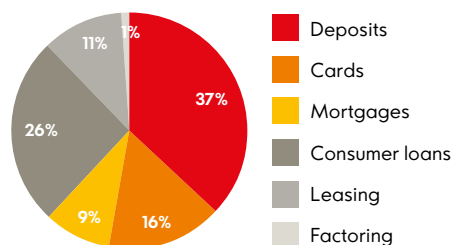
We offer simple and fair banking and financing solutions to the many people. Our offer to consumers includes private label cards, credit cards, loans and savings accounts. We deliver sales finance and customer insight services to retail partners and provide businesses with leasing and factoring solutions. We aim to grow significantly in the coming years by focusing on our role as the bank for the many – by providing solutions that make life easier for people, and creates growth opportunities for businesses.

Facts at a glance

No. of co-workers: 1,184

Business volume

EUR 6.1 billion



Open accounts

Loans: 780,000

Deposit accounts: 220,000

Leasing contracts: 58,000

Private label cards: 4.6 million

Bonus/loyalty cards: 13.3 million

Visa/MasterCard: 620,000

Our markets

We operate in Austria, Denmark, Finland, Germany, Norway, Poland, Russia, Sweden and the UK.

The year in brief

- 2015 was a positive year. We saw good growth and increased business volume, led by the UK and Nordic business segments.
- Our investment programme for greater competitiveness and customer satisfaction continued while we developed our customer offer in key markets.
- We have expanded our offering on the UK market in line with our strategy to broaden the offering across our markets.
- We initiated the work to establish a Nordic customer centre to be able to provide unforgettable customer service in all the Nordic languages and to build a more effective and flexible organisation in one location. This work will be completed in June 2016.
- We are proud to have been awarded Best Bank in the personal loans category in the Swedish Quality Index (SKI) for the third consecutive year, and nominated for Best Savings Account and Best Loan Product at the Berlin Bank Awards in Germany.
- In Sweden, we were rated one of the country's top 100 employers for the fourth consecutive year.

Targeting consumers in a simpler Britain

When launching savings accounts back in December 2015, Ikano Bank in the UK was an almost unknown brand among the many people in the UK.

Simon Ripton

Head of D2C, Ikano Bank UK



Working with our co-workers in Ikano Insight, the Bank completed some thorough market research and found that UK consumers really value two things that are in fact parts of our dna: the Swedish heritage – and simplicity.

As part of our continuous expansion, Ikano Bank's Direct to Consumer business took its first steps towards British consumers during 2015 by launching savings accounts. But taking on the established brands in the UK retail banking market is not an easy task, so to stand out from the crowd we needed to find out what our potential customers, the many people, really value in life. This was the birth of 'A simpler Britain'.

After conducting surveys with thousands of UK consumers about how they viewed life in modern Britain, a theme that came up time and time again was the wish for more simplicity. For example, 46 percent of the

public thought life was overcomplicated.

We also wondered if people would appreciate the fact that we came from Sweden and our research showed that people tend to associate Sweden with both simplicity and trust, making this a strong message for Ikano Bank.

Since the launch we have received very positive publicity, both around our brand and our product. It was described by a leading independent commentator, moneyfacts.co.uk, as one of best savings accounts around and in only three months we had accumulated deposits in excess of ten million pounds, well on our way to our year end targets! At the same time, by promoting the Simpler Britain campaign on social media the Ikano brand became visible to over a million people.

Going forward, we will formally launch Direct to Consumer loans ranging from 1,000 to 15,000 pounds during the spring of 2016 through our website where customers can easily get a quote without creating a footprint on their credit file. Our quest to simplify the many people's lives in Britain has only just begun.

The 'A simpler Britain' report can be read in full on ikano.co.uk/simpler.



Business Area Finance

Where we are and what we offer

84

percent of our consumer finance customers at IKEA would apply for a loan again



Austria



Our Ikano Bank Visa cards were used for purchases in

69

different currencies



Denmark

Our B2B leasing sales volume grew by

869

percent



Finland

Our co-workers spent

392

hours involved in various charity projects, for example providing food for deprived children.



Germany

We saw a

108

percent increase in traffic from mobile devices



Norway

5

hundred thousand worldwide transactions made with the IKEA FAMILY credit cards we have issued



Poland



We issued

500

thousand new MEGACARDS to shopping centre customers



Russia



Our consumer finance loan solution was rated no.

1

in its category for the third consecutive year in the Swedish Quality Index survey



Sweden

We supported the health and well-being of over

10

thousand runners through the Ikano Robin Hood Marathon in Nottingham



United Kingdom

- Credit cards
- Deposit
- Finance solutions to retailers
- Leasing
- Personal loan
- Mortgage
- Insight
- Factoring

- Direct to consumer
- Business to business
- Retail partners

Business Area Insurance

We focus on both consumers, insuring the many people within Ikano Försäkring, and on business-to-business within Ikano Re.

Ikano Försäkring brings peace of mind when something life-changing and unexpected happens in people's everyday life. We offer child-, life- and accident insurances for the many people as well as a change of ownership insurance for real estate sales. In close cooperation with Ikano Bank, we also provide their customers with payment protection solutions for loans and credit cards.

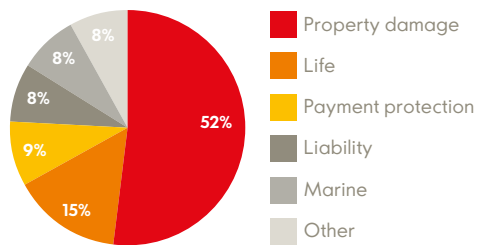
Facts at a glance

No. of co-workers: 51

No. of customers: 245,000

Gross premiums written

EUR 106 million



Our markets

Ikano Försäkring serves customers in Norway, Sweden and Poland. Ikano Re acts globally in the markets of our business customers.

The year in brief

- We successfully implemented Ikano Re in Switzerland.
- We implemented the Solvency II EU directive at both Ikano Försäkring and Ikano Re.
- We launched a new business strategy for Ikano Försäkring - selling direct to consumers.
- In April we launched payment protection for loans and credit cards in Poland.
- We extended our Norwegian offer in August to include payment protection for loans (payment protection for credit cards was launched in 2014).
- In November we launched change of ownership insurance together with Willis Tower Watson for sellers of real estate in Sweden.



Business Area Real Estate

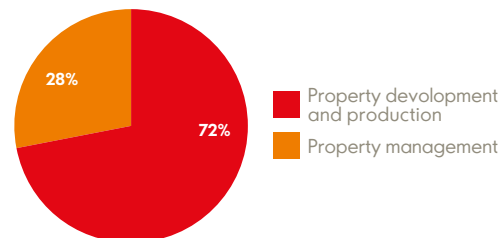
We build, manage and own residential real estate in the Swedish growth regions. Ikano Bostad offers well-designed, functional and affordable homes for people at all stages of life. You will recognise an Ikano apartment by the smart and space-efficient planning and the heart of the home – the kitchen, which comes from IKEA.

Facts at a glance*

No. of co-workers: 355

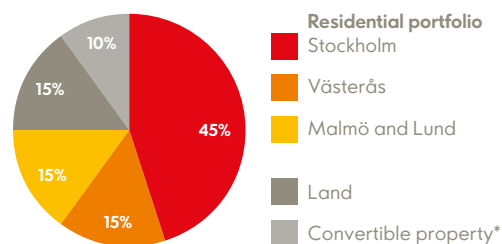
Turnover

EUR 180 million



Market value of properties

EUR 1.0 billion



*Commercial properties possible to convert to building rights for residential properties.

Residential

Sweden: Göteborg, Lund, Malmö, Stockholm, Uppsala, Västerås

No. of apartments: 5,800

Rental sq.m under management: 440,000

Residential rental income: EUR 50 million

Apartments under construction: 1,300

*All figures concern the operations of Ikano Bostad and do not include the results of our retail centres business sold in March 2015.

The year in brief

- We sold our retail centres business, now putting our full focus on building affordable homes for the many people.
- We made the decision to enter the markets for small houses and nursing homes.
- Gothenburg, Sweden, became a new market for us as we acquired both existing properties and land for development in the city.
- We acquired new land for property development in various locations in Sweden.
- 300 apartments were upgraded, a level we will keep during the coming years.
- We started developing homes with movable walls to be able to meet the changing needs of modern families.



Flexible and sustainable living for the many people

After conducting some real-life market research around modern living, Ikano Bostad in 2016 launches BoLabb. With solutions such as moveable walls and power outlets, we meet the changing demands of the many people with the aim to simplify their everyday lives.

Lotta Sjödin

Development leader, Ikano Bostad



Times change. Our lifestyles and needs are different today compared to just 20 years ago. The traditional nuclear family is increasingly being replaced by other ways of living. One week, you live as a single parent while the next you are living alone with completely different routines. These alternating family structures put high demands on our homes, especially in combination with the increased urbanisation.

The driving forces behind BoLabb (Swedish for living lab) are curiosity and a desire to understand the needs of the future. The first step was to increase the understanding and knowledge about people's needs and wishes in their home and in 2013 when we engaged in a joint venture with IKEA to explore new ways of living and developing new solutions to simplify people's lives.

Termed the 'living lab', we used a classic Swedish apartment in Malmö and equipped it with a number of flexible solutions, including moveable walls and power outlets. Eight families from the neighbourhood were then invited to take turns living in the apartment, providing us with some really interesting findings. Not only did this confirm the need for more

intelligent solutions, but it also showed us that the apartment had a positive social impact on the people living in it. For example, one father told us he got a better relationship with his sons thanks to the new social spaces created by the moveable walls.

Going forward, it is time to turn the acquired knowledge into practice. During 2016 Ikano Bostad will start to sell a number of tenant-owned flats in Gustavsberg, Stockholm, ready for move-in the following year. Some of these will be the first real homes with the flexible solutions tested in the 'living lab'. Besides moveable wall turning part of the living room into an extra bedroom (FlexRum), and power outlets that can be moved along skirting boards (FlexEl), these apartments will also include features such as a flexible walk-in closet (FlexFörvaring) and a master light switch by the entrance (FlexLjus).

Although some similar solutions have been around for quite some time, they have been expensive and therefore reserved for relatively wealthy apartment owners. But at Ikano Bostad, we will do everything we can to ensure that these flexible, modern and sustainable homes are affordable to the many people.

BOLABB FACTS

- Ikano Bostad's innovation programme that springs from a collaboration with IKEA back in 2013
- Explorative research within flexible living, community and sharing economy
- Aims to put people's needs in focus when creating the housing of tomorrow
- Solutions on the Swedish market from spring 2016: FlexRum, FlexEl, FlexLjus, FlexFörvaring



Business Area Retail Asia

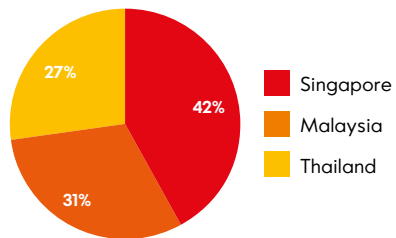
We own and operate IKEA stores in Singapore, Malaysia and Thailand, offering millions of people in Southeast Asia access to a wide range of well-designed, functional home furnishing products at affordable prices. We develop, own and operate shopping centres anchored by IKEA, and also create vibrant destinations by investing in residential, office and other types of real estate. Our multi-national team has projects in the pipeline and an ambition to double our business in coming years.

Facts at a glance

No. of co-workers: 2,365

Turnover

EUR 519 million



IKEA stores (total for all five stores)

No. of catalogues released: 4.4 million

No. of visitors: 18.9 million

No. of children to Småland: 243,500

No. of meatballs sold: 25.4 million

Shopping centres

Megabangna, Bangkok, Thailand

No. of visitors: 28.0 million

Gross leasable area sq.m: 189,000 incl. IKEA

No. of tenants: 771

IPC, Kuala Lumpur, Malaysia

No. of visitors: 9.9 million

Gross leasable area sq.m: 73,500 incl. IKEA

No. of tenants: 176

The year in brief

- We became more engaged than ever, driving our highest score yet on co-worker VOICE surveys and reducing staff turn-over rates to record lows.
- We reached new heights for both visitation and sales.
- We opened IKEA Cheras in Kuala Lumpur, launching our 10-in-10 expansion plan and setting up the most sustainable retail operation in Malaysia.
- We started construction of our MyTOWN shopping centre, a joint venture that will be anchored by IKEA Cheras.
- We opened our first IKEA Pick-up and order point in the southern Thai town of Phuket, using a new format to serve customers in a new market.
- We won 29 marketing awards, many for the IKEA BookBook advertising that grabbed global headlines and more than 17 million views on YouTube.
- We secured the first major lease renewal at our Megabangna shopping centre, introducing over 100 new tenants and achieving 10% higher rents.
- We purchased land in West Bangkok and started a project to build our second IKEA store in Thailand.
- We delivered on our business plan.



Our IKEA stores and shopping centres had a total of

1.7
million
Facebook fans

In our IKEA stores we sold

25.4
million
meatballs



Malaysia

IKEA Damansara

IKEA Cheras

IPC shopping centre

Singapore

IKEA Alexandra

IKEA Tampines

Thailand

IKEA Bangna

IKEA Pick-up &

order point Phuket

Megabangna shopping centre

The marketing team won

29
marketing
awards





Grand opening at IKEA Cheras

A great milestone in an ambitious expansion plan for Southeast Asia.

Christian Rojkaer
BA Manager, Retail Asia



When the doors opened at our new IKEA store in Kuala Lumpur on 17 November 2015, a crowd of thousands streamed inside for an event our Marketing team called The Biggest Housewarming Party in Malaysia. See it on YouTube!

It was absolutely heart-warming to see how the IKEA brand was welcomed by Malaysia. We are really becoming a loved part of the lives of the many here. With the opening of IKEA Cheras, we welcomed more than 400 new co-workers into our family and reached a major milestone in our expansion plan.

Our team overcame huge hurdles through this project, so it was fantastic to see how we all came together on the opening day to greet our first customers. It really struck me that opening IKEA Cheras is great news, not just for us but for the country we have come to love.

While we were cutting through the ceremonial log that morning at IKEA Cheras, construction crews were still busy working at the adjacent MyTOWN shopping centre. We expect the centre, a joint venture with our friends from Malaysia's Boustead Group, to open in November 2016.

MyTOWN will be connected to the IKEA store via a large atrium and it will be a great day out and a fantastic shopping experience, with 100,000 square meters of gross leasable area and 500 tenants. The MyTOWN team held its first signing ceremony in December with a string of major and minor anchor tenants – including

Parkson, the country's leading department store, a cinema and global brands such as H&M and Mango.

MyTOWN will have a direct link to public transport, a landscaped garden and an alfresco dining street. We are preparing also to add office and residential towers to the centre, creating a retail destination that will become a natural hub of the community.

Another thing that makes me very proud is that IKEA Cheras sets a new standard for waste management, water consumption and renewable energy. Our solar rooftop panels are the largest in Malaysia on a commercial building and the system is pumping a megawatt of clean energy into the store. We are the first retailer in country to get 'gold' level certifications from both Malaysia's Green Building Index and the US Green Building Council. At IKEA/Ikano, we are taking a personal interest in our environment and it gives us a lot of energy to keep getting better and better.

Our growth strategy has set our team on a path to open ten IKEA stores over ten years and up to five shopping centres anchored by IKEA. Together we will do it – Thankfully our success is in very good hands – ours!



Our financial results 2015

Ikano S.A. Group delivered a strong net result of EUR 337 million in 2015 thanks to the growth in all our business areas and to the gain realised from the sale of our retail portfolio (Nordic shopping centres and retail parks). BA Finance increased its loan book by 6%, the market value of our residential properties within BA Real Estate grew by 17%, BA Retail Asia succeeded in obtaining 20% higher turnover, and BA Insurance maintained its premium volume.

The Group exhibits a sound solvency ratio (equity to assets) of 30%. Our owners take great interest in the development of Ikano.

Yohann Adolphe,
Group CFO

Total assets **EUR 7.2 billion**

Net result **EUR 337 million**

Extracted from the Ikano S.A. audited consolidated annual accounts for the year ending 31 December 2015.



Group Business Committee



Lars Thorsén* Group CEO	Mats Håkansson* Group Vice President	Tomas Wittbjer BA Insurance	Fredrik Åkesson Group Sustainability	Daniel Skoghäll BA Real Estate
Jean Champagne* Group HR	Marie Gällstad* Group Communication	Christian Rojkjaer BA Retail Asia	Yohann Adolphe* Group CFO	Stefan Nyrinder BA Finance

Supervisory Board

Peter Kamprad Chairman	Jonas Kamprad Board Member	Mathias Kamprad Board Member
Eva Cederbalk Board Member	Jens Engwall Board Member	Per Karlsson Board Member
Mikael Ohlsson Board Member	Måns Hultman Board Member	

*Member of the Ikano S.A. Management Team