

# **Interim report Klarna Bank AB (publ)**

Organization number: 556737-0431  
January - June 2025

The Klarna logo, consisting of the word "Klarna" in a bold, black, sans-serif font, is centered within a light pink rounded rectangle.

**Klarna**

# Table of contents

|                                             |    |
|---------------------------------------------|----|
| Report from the Board of Directors          | 3  |
| Group company and parent company financials | 7  |
| Notes with accounting principles            | 20 |

# Report from the Board of Directors

## Business overview

The Board of Directors and CEO of Klarna Bank AB (publ) hereby submits the report for the period January 1 – June 30, 2025. This report presents the financial statements for Klarna Bank AB (publ) and consolidated financial statements for the company and its subsidiaries. The report has been prepared in millions of Swedish kronor (SEK) unless otherwise stated.

## Information about the business

Klarna Bank AB (publ) is an authorized bank and is under the supervision of the Swedish Financial Supervisory Authority (Finansinspektionen).

Klarna is a technology company building the next-generation commerce network, with a mission to reimagine how consumers spend and save in their daily lives. We help people save time, money and reduce financial worry.

We have built one of the largest commerce networks in the world, measured by the number of consumers and merchants, serving approximately 111 million active Klarna consumers and 790,000 merchants in 26 countries as of June 30, 2025, and facilitating \$112 billion of GMV over the last twelve months.

Our flexible and personalized products, trusted consumer brand, global distribution and proprietary scalable infrastructure are the foundations enabling us to become our consumers' everyday spending and saving partner, available everywhere and for everything. Through our history, we have consistently innovated and challenged the status quo, evolving our network from a consumer-focused payments tool to a global commerce network that enables merchant success.

## Business results

### Net operating income

In H1-25, Klarna's GMV<sup>1</sup> grew by 17% year-over-year (YoY) after adjusting for the sale of KCO and the impact of foreign currency fluctuations<sup>2</sup>. On a total basis, GMV increased to SEK 571b (H1-24: SEK 524b). Total net operating income increased 12% YoY to SEK 12.3b in H1-25 (H1-24: SEK 10.9b) as we accelerate commerce for merchants while helping consumers save time and money, and worry less about their finances.

Commission income, primarily the fees merchants pay Klarna to boost conversion, AOV<sup>3</sup>, and retention, increased 7% to SEK 10.3b (H1-24: SEK 9.6b). This is driven by higher consumer adoption and the expansion of global merchant partnerships, now exceeding 790k.

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<sup>1</sup> GMV is the total monetary value of products and services sold through the Klarna network over a given period of time.

<sup>2</sup> Year-over-year like for like change is calculated by adjusting GMV for (1) the sale of KCO and (2) the impact of foreign currency fluctuations. The impact of foreign currency fluctuations is calculated by translating the reported amounts in the current period using the exchange rates in use during the comparative prior period.

<sup>3</sup> "AOV" means average order value, measured by dividing our GMV for a period by the number of transactions conducted on our network in that period.

Interest income rose 20% YoY to SEK 4.1b (H1-24: 3.4b), driven by growth in our term loan product (Fair Financing) and higher returns on liquid assets held with other credit institutions. Interest expenses accounted for 19% of total operating expenses, decreasing slightly to SEK (2.0)b at the end of the period (H1-24: SEK (2.4)b). The decrease was driven lower interest rates offset with a rise in deposits from the public to SEK 135b (H1-24: SEK 106b), supported by strong consumer demand for savings accounts in Germany and Sweden.

## **Operating expenses**

Total operating expenses before credit losses increased 13% to SEK (10.2)b (H1-24: SEK (9.0)b), primarily driven by higher share-based compensation expenses in H1-25 of SEK 798m (H1-24: SEK 147m) and fx fluctuations.

Credit losses as a percentage of GMV remained stable at less than a percent of GMV, rising from 0.46% to 0.57%. This increase reflects two key drivers: the rising share of the maturing US market, which grew from 18% to 20% of GMV YoY, and the expansion of Fair Financing, which increased from 5% to 8% of GMV. Fair Financing carries structurally higher take rates than Pay Later but also requires greater up-front provisioning. YoY, credit losses rose to SEK (3.2)b (H1-24: SEK (2.4)b). Credit losses in the income statement reflect provisions for future losses and realized losses associated with Klarna's operating activities during the period, including provision for credit losses, merchant counterparty losses, and other related credit losses.

Klarna Bank AB operating loss for the period was SEK (1.2)b (H1-24: SEK (0.4)b) increasing by SEK (0.7)b. Net loss for the period was SEK (1.3)b (H1-24: SEK (0.5)b) driven by the increase in share-based compensation expenses and credit losses.

## **Balance sheet**

Loans to the public at June 30, 2025, increased 11% YoY to SEK 100.1b (H1-24: SEK 89.9b) as a result of GMV growth across key markets. It's important to note this does not represent all loans originated in H1-25, this is because the average duration of our loans is approximately 40 days and 85% of our loans were three months or less in duration. Outstanding loans at June 30 represent only those loans yet to be repaid. This rapid turnover rate is a key factor in our efficient use of capital to generate revenues, ensuring an asset-light balance sheet, setting us apart from more traditional banks whose longer loan durations tie up capital for extended periods. It also allows us to quickly react to market changes. The CET1 ratio for Klarna Holding AB is 15.1% (H1-24: 14.9%).

## Interactions with regulators

In the US, the Consumer Financial Protection Bureau's (CFPB) announced in May 2024 they were applying some credit card regulations to BNPL specifically relating to disputes, returns, and billing, but with the change in Administration, the CFPB announced in May this year to rescind the BNPL interpretive rule altogether stating that the rule "was procedurally defective and the interpretation included therein applied ill-fitting open-end credit regulations to BNPL products" - another recognition of the need for bespoke rules. Additionally, we engaged with Congressional leaders to highlight BNPL's positive impact on consumers and collaborated with New York State policymakers on BNPL state legislation currently examined by the New York Department of Financial Services.

In Sweden, we supported efforts to address consumer over-indebtedness by responding to public consultations on tapered interest deductions and licenses for fast-loan providers, as well as the transposition of the European rules on consumer credit (CCD2). These proposals aim to increase scrutiny on risky credit providers and provide a sensible framework for the consumer credit market, which Klarna supports. We hosted a roundtable discussion on overindebtedness during Almedalen Week, shared insights with the Swedish AI Commission to inform their final report to the government as well as engaged with various Ministries on competitiveness.

In the EU, we continue to work with national lawmakers and European institutions on the two-year transposition of the 2nd Consumer Credit Directive (CCD2), supporting its proportionate approach to BNPL. In Germany, this included ongoing dialogue with the newly elected Government. Klarna also engaged in various EU policy topics such as the Payment Services Directive 3, Payment Regulation 1, Financial Data Access initiative, Banking package, Securitisation proposals as well as discussions around Europe's competitiveness agenda.

In the UK, we prioritized BNPL regulation, engaging with stakeholders and supporting the Labour Government's October 2024 proposals. We provided detailed feedback through consultations and dialogue, culminating with HM Treasury's passage of BNPL regulation in July 2025 and handing over of powers to the Financial Conduct Authority (FCA) to regulate BNPL by July 2026. Additionally, we have responded to the Government's consultation on Phase 1 of the Consumer Credit Act (CCA) reform.

## Significant events during the period

- On June 11, 2025, under the Euro Medium Term Note Program (the “EMTN”), the Group issued SEK 1.5 billion of senior unsecured bonds. The notes were issued in two tranches of SEK 600 million and SEK 900 million, due in 2027 and 2028, respectively. The notes have floating coupon rates corresponding to the three-month STIBOR plus 1.6% per annum and 1.8% per annum, respectively. The notes are senior unsecured obligations of Klarna and rank equally in right of payment to all of Klarna’s existing and future senior debt and senior in right of payment to all of Klarna’s existing and future subordinated debt. The notes are accounted for at amortized cost and recognized within notes payable and other borrowings.
- In the three months ended June 30, 2025, Klarna conducted a thorough evaluation of its assets to improve operational efficiency. As a result of this, the Company made the decision to resize certain office spaces to better align with the current hybrid work model resulting in an impairment loss of SEK 210m, included within depreciation, amortization and impairment in the interim condensed consolidated statements of profit or loss.
- On June 24, 2025, Klarna Bank AB (publ) issued 5,941,418 newly issued shares to Klarna Holding AB (publ) as part of an internal allocation of funds.

# **Group company and parent company financials**

## Five Year Summary, Group

| Amounts in SEKm                           | Jan - Jun 2025 | Jan - Jun 2024 | Jan - Jun 2023 | Jan - Jun 2022 | Jan - Jun 2021 |
|-------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Income statement</b>                   |                |                |                |                |                |
| Total net operating income                | 12,277         | 10,935         | 9,039          | 7,460          | 6,345          |
| Operating loss                            | (1,158)        | (449)          | (1,983)        | (6,203)        | (1,761)        |
| Net loss                                  | (1,301)        | (521)          | (2,153)        | (6,249)        | (1,408)        |
| <b>Balance sheet</b>                      |                |                |                |                |                |
| Loans to credit institutions              | 4,545          | 3,955          | 3,690          | 5,000          | 2,512          |
| Loans to the public                       | 100,084        | 89,919         | 77,127         | 68,844         | 49,057         |
| Other assets                              | 77,421         | 60,325         | 40,294         | 37,454         | 24,444         |
| <b>Total assets</b>                       | <b>182,050</b> | <b>154,199</b> | <b>121,111</b> | <b>111,298</b> | <b>76,013</b>  |
| Liabilities to credit institutions        | 1,908          | 1,747          | 1,067          | 4,628          | 1,828          |
| Deposits from the public                  | 134,544        | 106,323        | 79,820         | 67,188         | 35,983         |
| Other liabilities                         | 22,616         | 26,128         | 26,562         | 26,355         | 20,221         |
| Total equity                              | 22,983         | 20,001         | 13,662         | 13,127         | 17,981         |
| <b>Total liabilities and equity</b>       | <b>182,050</b> | <b>154,199</b> | <b>121,111</b> | <b>111,298</b> | <b>76,013</b>  |
| <b>Key ratios and figures<sup>1</sup></b> |                |                |                |                |                |
| Return on equity                          | (2.0)%         | (10.3)%        | (44.9)%        | (70.9)%        | (22.8)%        |
| Return on assets                          | (0.4)%         | (0.7)%         | (5.3)%         | (12.7)%        | (3.6)%         |
| Debt/equity ratio                         | 6.6            | 7.2            | 8.2            | 6.1            | 4.6            |
| Equity/assets ratio                       | 12.6 %         | 13.0 %         | 11.3 %         | 11.8 %         | 23.7 %         |
| Own funds (Total capital) <sup>2</sup>    | 14,853         | 14,696         | 13,460         | 14,956         | 18,138         |
| Capital requirement <sup>2</sup>          | 6,076          | 6,029          | 6,475          | 5,914          | 4,354          |
| Total capital ratio <sup>2</sup>          | 19.6%          | 19.5%          | 16.6%          | 20.2%          | 33.3%          |
| Average number of full-time equivalents   | 3,248          | 3,973          | 5,217          | 6,051          | 4,122          |

<sup>1</sup> See "Definitions and Abbreviations" for definitions of how the ratios are calculated.

<sup>2</sup> Figures refer to Klarna Holding AB (publ) group. In accordance with the capital adequacy regulations, the regulated consolidated situation is made up of Klarna Holding AB (publ) (Klarna Bank AB (publ)'s parent company) and its subsidiaries. All subsidiaries are fully consolidated in the Group.

## Five Year Summary, Parent Company

| Amounts in SEKm                           | Jan - Jun 2025 | Jan - Jun 2024 | Jan - Jun 2023 | Jan - Jun 2022 | Jan - Jun 2021 |
|-------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Income statement</b>                   |                |                |                |                |                |
| Total net operating income                | 8,359          | 9,259          | 5,818          | 5,389          | 5,067          |
| Operating loss                            | (1,692)        | 220            | (1,643)        | (4,734)        | (1,165)        |
| Net loss                                  | (1,721)        | 166            | (1,636)        | (4,743)        | (915)          |
| <b>Balance sheet</b>                      |                |                |                |                |                |
| Loans to credit institutions              | 2,157          | 1,860          | 1,349          | 1,575          | 1,253          |
| Loans to the public                       | 94,027         | 90,076         | 78,631         | 71,793         | 49,802         |
| Other assets                              | 85,999         | 65,989         | 43,005         | 35,828         | 24,193         |
| <b>Total assets</b>                       | <b>182,183</b> | <b>157,925</b> | <b>122,985</b> | <b>109,195</b> | <b>75,248</b>  |
| Liabilities to credit institutions        | 1,701          | 990            | 979            | 4,628          | 1,828          |
| Deposits from the public                  | 134,149        | 106,028        | 79,602         | 66,940         | 35,813         |
| Other liabilities                         | 25,835         | 29,685         | 27,503         | 23,153         | 19,652         |
| Total equity                              | 20,498         | 21,222         | 14,901         | 14,475         | 17,952         |
| <b>Total liabilities and equity</b>       | <b>182,183</b> | <b>157,925</b> | <b>122,985</b> | <b>109,195</b> | <b>75,245</b>  |
| <b>Key ratios and figures<sup>1</sup></b> |                |                |                |                |                |
| Return on equity                          | (12.3)%        | (2.2)%         | (31.1)%        | (47.5)%        | (12.9)%        |
| Return on assets                          | (1.5)%         | (0.3)%         | (3.9)%         | (9.1)%         | (1.7)%         |
| Debt/equity ratio                         | 7.4            | 7.1            | 7.6            | 5.3            | 4.6            |
| Equity/assets ratio                       | 11.3 %         | 13.4 %         | 12.1 %         | 13.3 %         | 23.9 %         |
| Own funds (Total capital)                 | 18,901         | 19,805         | 13,460         | 14,956         | 18,138         |
| Capital requirement                       | 7,467          | 7,458          | 6,475          | 5,914          | 4,354          |
| Total capital ratio                       | 20.3 %         | 21.2 %         | 16.6 %         | 20.2 %         | 33.3 %         |
| Average number of full-time equivalents   | 3248           | 3973           | 5217           | 6051           | 4122           |

<sup>1</sup> See "Definitions and Abbreviations" for definitions of how the ratios are calculated.

## Income Statement, Group

| Amounts in SEKm                                                             | Note | Jan - Jun 2025  | Jan - Jun 2024 |
|-----------------------------------------------------------------------------|------|-----------------|----------------|
| Interest income                                                             | 4    | 4,067           | 3,377          |
| Interest expenses                                                           | 5    | (1,957)         | (2,365)        |
| <b>Net interest income</b>                                                  |      | <b>2,110</b>    | <b>1,012</b>   |
| Commission income                                                           | 6    | 10,276          | 9,571          |
| Commission expenses                                                         |      | (641)           | (552)          |
| Net result from financial transactions                                      |      | (712)           | (145)          |
| Other operating income                                                      |      | 1,244           | 1,049          |
| <b>Total net operating income</b>                                           |      | <b>12,277</b>   | <b>10,935</b>  |
| General administrative expenses                                             |      | (9,428)         | (8,209)        |
| Depreciation, amortization and impairment of intangible and tangible assets |      | (764)           | (782)          |
| <b>Operating expenses</b>                                                   |      | <b>(10,192)</b> | <b>(8,991)</b> |
| <b>Operating profit</b>                                                     |      | <b>2,085</b>    | <b>1,944</b>   |
| Credit losses, net                                                          | 7    | (3,243)         | (2,393)        |
| <b>Loss before taxes</b>                                                    |      | <b>(1,158)</b>  | <b>(449)</b>   |
| Tax (expense) benefit                                                       |      | (144)           | (72)           |
| <b>Net loss</b>                                                             |      | <b>(1,301)</b>  | <b>(521)</b>   |
| <b>Whereof attributable to:</b>                                             |      |                 |                |
| Shareholders of Klarna Bank AB (publ)                                       |      | (1,314)         | (536)          |
| Other equity holders                                                        |      | 13              | 15             |
| <b>Total</b>                                                                |      | <b>(1,301)</b>  | <b>(521)</b>   |

Unlike the balance sheet, which shows a snapshot of assets and liabilities at the end of each year, the credit losses in the income statement reflect provisions for future losses and realized losses associated with Klarna's operating activities during the year, including consumer credit losses, merchant counterparty losses, and other related credit losses.

Credit losses, net as a percentage of GMV was 0.57% (H1 24: 0.46%).

## Statement of Comprehensive Income, Group

| Amounts in SEKm                                                       | Jan - Jun 2025 | Jan - Jun 2024 |
|-----------------------------------------------------------------------|----------------|----------------|
| <b>Net loss</b>                                                       | <b>(1,301)</b> | <b>(521)</b>   |
| <i>Items that are or may be reclassified to the income statement:</i> |                |                |
| Exchange differences on translation of foreign operations             | (507)          | 395            |
| Reclassification of cumulative translation adjustments                | (4)            | 2              |
| <b>Other comprehensive income (loss) for the year</b>                 | <b>(511)</b>   | <b>397</b>     |
| <b>Total comprehensive income (loss)</b>                              | <b>(1,813)</b> | <b>(124)</b>   |
| <i>Comprehensive income (loss) attributable to:</i>                   |                |                |
| Shareholders of Klarna Bank AB (publ)                                 | (1,826)        | (139)          |
| Other equity holders                                                  | 13             | 15             |
| <b>Total</b>                                                          | <b>(1,813)</b> | <b>(124)</b>   |

## Balance Sheet, Group

| Amounts in SEKm                                  | Note     | 30 Jun 2025    | 31 Dec 2024    |
|--------------------------------------------------|----------|----------------|----------------|
| <b>Assets</b>                                    |          |                |                |
| Cash and balances with central banks             |          | 40,007         | 27,661         |
| Treasury bills chargeable at central banks, etc. |          | 21,797         | 7,415          |
| Loans to credit institutions                     |          | 4,545          | 7,749          |
| <b>Loans to the public</b>                       | <b>8</b> | <b>100,084</b> | <b>93,970</b>  |
| Bonds and other interest-bearing securities      |          | 802            | 118            |
| Other shares and participations                  |          | 135            | 172            |
| Intangible assets                                |          | 9,360          | 9,822          |
| Tangible assets                                  |          | 607            | 936            |
| Deferred tax assets                              |          | 269            | 368            |
| Other assets                                     |          | 3,656          | 1,877          |
| Prepaid expenses and accrued income              |          | 788            | 1,169          |
| <b>Total assets</b>                              |          | <b>182,050</b> | <b>151,257</b> |
| <b>Liabilities</b>                               |          |                |                |
| Liabilities to credit institutions               |          | 1,908          | 1,452          |
| Deposits from the public                         |          | 134,544        | 106,787        |
| Debt securities issued                           | 9        | 3,247          | 1,648          |
| Deferred tax liabilities                         |          | 7              | 8              |
| Other liabilities                                | 10       | 16,245         | 16,453         |
| Accrued expenses and prepaid income              |          | 3,039          | 4,047          |
| Provisions                                       |          | 78             | 66             |
| <b>Total liabilities</b>                         |          | <b>159,067</b> | <b>130,461</b> |
| <b>Equity</b>                                    |          |                |                |
| Share capital                                    |          | 81             | 81             |
| Unregistered share capital                       |          | 2              | —              |
| Other capital contributed                        |          | 43,605         | 40,608         |
| Reserves                                         |          | 100            | 611            |
| Other equity instruments                         |          | 276            | 276            |
| Retained earnings                                |          | (19,780)       | (20,922)       |
| Net profit (loss)                                |          | (1,301)        | 142            |
| <b>Total equity</b>                              |          | <b>22,983</b>  | <b>20,796</b>  |
| <b>Total liabilities and equity</b>              |          | <b>182,050</b> | <b>151,257</b> |

Loans to the public represents only the amount of outstanding loans receivable, as at each year end, and is net of allowance for future credit losses (see Note 7 for breakdown). This balance is only partially comparable to credit losses on the income statement as the income statement reports all activity during the year, while the balance sheet is a snapshot of lending outstanding as at the year end date.

## Statement of Changes in Equity, Group

| Amounts in SEK                                            | Share capital | Unregistered share capital | Share premium reserve | Other equity instruments | Foreign currency translation reserve | Retained earnings | Net result     | Total equity   |
|-----------------------------------------------------------|---------------|----------------------------|-----------------------|--------------------------|--------------------------------------|-------------------|----------------|----------------|
| <b>Balance as at January 1, 2025</b>                      | <b>81</b>     | <b>–</b>                   | <b>40,608</b>         | <b>276</b>               | <b>611</b>                           | <b>(20,922)</b>   | <b>142</b>     | <b>20,796</b>  |
| Transfer of previous year's net loss                      | –             | –                          | –                     | –                        | –                                    | 142               | (142)          | –              |
| <i>Net loss</i>                                           | –             | –                          | –                     | –                        | –                                    | –                 | (1,301)        | <b>(1,301)</b> |
| Exchange differences on translation of foreign operations | –             | –                          | –                     | –                        | (507)                                | –                 | –              | <b>(507)</b>   |
| Reclassification of cumulative translation adjustments    | –             | –                          | –                     | –                        | (4)                                  | –                 | –              | <b>(4)</b>     |
| <b>Total comprehensive income</b>                         | <b>–</b>      | <b>–</b>                   | <b>–</b>              | <b>–</b>                 | <b>(511)</b>                         | <b>–</b>          | <b>(1,301)</b> | <b>(1,812)</b> |
| New share issuance                                        | –             | 2                          | 2,998                 | –                        | –                                    | –                 | –              | <b>3,000</b>   |
| Shareholder contributions                                 | –             | –                          | –                     | –                        | –                                    | 847               | –              | <b>847</b>     |
| Other equity instruments                                  | –             | –                          | –                     | –                        | –                                    | (13)              | –              | <b>(13)</b>    |
| Share-based payments                                      | –             | –                          | –                     | –                        | –                                    | 165               | –              | <b>165</b>     |
| <b>Balance as at June 30, 2025</b>                        | <b>81</b>     | <b>2</b>                   | <b>43,606</b>         | <b>276</b>               | <b>100</b>                           | <b>(19,781)</b>   | <b>(1,301)</b> | <b>22,983</b>  |

  

| Amounts in SEK                                            | Share capital | Unregistered share capital | Share premium reserve | Other equity instruments | Foreign currency translation reserve | Retained earnings | Net result     | Total equity  |
|-----------------------------------------------------------|---------------|----------------------------|-----------------------|--------------------------|--------------------------------------|-------------------|----------------|---------------|
| <b>Balance as at January 1, 2024</b>                      | <b>78</b>     | <b>–</b>                   | <b>35,240</b>         | <b>276</b>               | <b>284</b>                           | <b>(18,564)</b>   | <b>(2,606)</b> | <b>14,708</b> |
| Transfer of previous year's net loss                      | –             | –                          | –                     | –                        | –                                    | (2,606)           | 2,606          | –             |
| <i>Net loss</i>                                           | –             | –                          | –                     | –                        | –                                    | –                 | (521)          | <b>(521)</b>  |
| Exchange differences on translation of foreign operations | –             | –                          | –                     | –                        | 395                                  | –                 | –              | <b>395</b>    |
| Reclassification of cumulative translation adjustments    | –             | –                          | –                     | –                        | 2                                    | –                 | –              | <b>2</b>      |
| <b>Total comprehensive income</b>                         | <b>–</b>      | <b>–</b>                   | <b>–</b>              | <b>–</b>                 | <b>397</b>                           | <b>–</b>          | <b>(521)</b>   | <b>(124)</b>  |
| New share issuance                                        | 2             | –                          | 5,367                 | –                        | –                                    | –                 | –              | <b>5,369</b>  |
| Other equity instruments                                  | –             | –                          | –                     | –                        | –                                    | (15)              | –              | <b>(15)</b>   |
| Share-based payments                                      | –             | –                          | –                     | –                        | –                                    | 63                | –              | <b>63</b>     |
| <b>Balance as at June 30, 2024</b>                        | <b>80</b>     | <b>–</b>                   | <b>40,607</b>         | <b>276</b>               | <b>681</b>                           | <b>(21,122)</b>   | <b>(521)</b>   | <b>20,001</b> |

## Cash Flow Statement, Group

| Amounts in SEKm                                                                  | Note | Jan - Jun 2025 | Jan - Jun 2024 |
|----------------------------------------------------------------------------------|------|----------------|----------------|
| <b>Operating activities</b>                                                      |      |                |                |
| Loss before taxes                                                                |      | (1,158)        | (449)          |
| Income taxes paid                                                                |      | (68)           | (143)          |
| Interest income received                                                         |      | 3,116          | 2,922          |
| Interest expenses paid                                                           |      | (1,927)        | (1,374)        |
| <b>Adjustments for non-cash items in operating activities</b>                    |      |                |                |
| Depreciation, amortization and impairment                                        |      | 764            | 782            |
| Share-based payments                                                             |      | 797            | 146            |
| Provisions excluding credit losses                                               |      | 1              | 5              |
| Provision for credit losses                                                      |      | 4,014          | 3,210          |
| Financial items including fair value effects                                     |      | (237)          | (39)           |
| Net gains from divestment                                                        |      | (31)           | –              |
| Net gains from divestment of assets                                              |      | (4)            | (9)            |
| <b>Changes in the assets and liabilities of operating activities<sup>1</sup></b> |      |                |                |
| Change in loans to the public                                                    |      | (14,967)       | (9,151)        |
| Change in liabilities to credit institutions                                     |      | 527            | 87             |
| Change in deposits from the public                                               |      | 30,929         | 9,863          |
| Change in other assets and liabilities                                           |      | (9,330)        | (251)          |
| <b>Cash flow from operating activities</b>                                       |      | <b>12,426</b>  | <b>5,599</b>   |
| <b>Investing activities</b>                                                      |      |                |                |
| Investments in intangible assets                                                 |      | (132)          | (248)          |
| Investments in tangible assets                                                   |      | (9)            | (1)            |
| Divestment, net of cash disposed                                                 |      |                | 10             |
| <b>Cash flow from investing activities</b>                                       |      | <b>(141)</b>   | <b>(238)</b>   |
| <b>Financing activities</b>                                                      |      |                |                |
| New share issuance                                                               |      | 3,000          | 5,369          |
| Debt securities issued                                                           |      | 1,900          | 2,080          |
| Subordinated debt redeemed                                                       |      | (300)          | (1,014)        |
| Principal payments of lease liabilities                                          |      | (126)          | (147)          |
| <b>Cash flow from financing activities</b>                                       |      | <b>4,474</b>   | <b>6,289</b>   |
| <b>Cash flow for the year</b>                                                    |      | <b>16,759</b>  | <b>11,650</b>  |
| <b>Cash and cash equivalents at the beginning of the year</b>                    |      | <b>35,717</b>  | <b>24,167</b>  |
| Cash flow for the year                                                           |      | 16,759         | 11,650         |
| Exchange rate diff. in cash and cash equivalents                                 |      | (170)          | 456            |
| <b>Cash and cash equivalents at the end of the year</b>                          |      | <b>52,307</b>  | <b>36,273</b>  |
| <b>Cash and cash equivalents include the following items</b>                     |      |                |                |
| Cash held with central banks                                                     |      | 39,472         | 30,668         |
| Loans to credit institutions classified as cash and cash equivalents             |      | 2,835          | 2,106          |
| Treasury bills classified as cash and cash equivalents                           |      | 9,999          | 3,499          |
| <b>Cash and cash equivalents</b>                                                 |      | <b>52,307</b>  | <b>36,273</b>  |
| Additional liquidity portfolio                                                   |      | 12,335         | 9,926          |
| <b>Total cash and liquidity</b>                                                  |      | <b>64,641</b>  | <b>46,199</b>  |

<sup>1</sup> Changes in assets and liabilities of operating activities uses average exchange rate translation in the cash flow, and is therefore not a reflection of the balance sheet movements, using the exchange rate at each period end.

## Income Statement, Parent Company

| Amounts in SEKm                                                             |   | Jan - Jun 2025 | Jan - Jun 2024 |
|-----------------------------------------------------------------------------|---|----------------|----------------|
| Interest income                                                             | 4 | 4,189          | 4,229          |
| Interest expenses                                                           | 5 | (2,082)        | (2,492)        |
| <b>Net interest income</b>                                                  |   | <b>2,107</b>   | <b>1,737</b>   |
| Dividend received                                                           |   | 1              | 1,462          |
| Commission income                                                           | 6 | 7,337          | 6,714          |
| Commission expenses                                                         |   | (1,842)        | (1,684)        |
| Net result from financial transactions                                      |   | (245)          | (60)           |
| Other operating income                                                      |   | 1,001          | 1,090          |
| <b>Total net operating income</b>                                           |   | <b>8,359</b>   | <b>9,259</b>   |
| General administrative expenses                                             |   | (6,033)        | (5,322)        |
| Depreciation, amortization and impairment of intangible and tangible assets |   | (717)          | (576)          |
| Other operating costs                                                       |   | (337)          | (228)          |
| <b>Operating expenses</b>                                                   |   | <b>(7,087)</b> | <b>(6,126)</b> |
| Operating profit                                                            |   | 1,272          | 3,133          |
| Credit losses, net                                                          | 7 | (2,490)        | (1,684)        |
| Impairment of financial assets                                              |   | (474)          | (1,229)        |
| <b>Profit (loss) before taxes</b>                                           |   | <b>(1,692)</b> | <b>220</b>     |
| Tax (expense) benefit                                                       |   | (29)           | (54)           |
| <b>Net profit (loss)</b>                                                    |   | <b>(1,721)</b> | <b>166</b>     |

## Statement of Comprehensive Income, Parent Company

| Amounts in SEKm                                                       | Jan - Jun 2025 | Jan - Jun 2024 |
|-----------------------------------------------------------------------|----------------|----------------|
| Net profit (loss)                                                     | (1,721)        | 166            |
| <b>Items that are or may be reclassified to the income statement:</b> |                |                |
| Exchange differences on translation of foreign operations             | 146            | (87)           |
| Reclassification of cumulative translation adjustments                | —              | —              |
| Other comprehensive income (loss) for the year                        | 146            | (87)           |
| <b>Total comprehensive income (loss)</b>                              | <b>(1,575)</b> | <b>79</b>      |

## Balance Sheet, Parent Company

| Amounts in SEKm                                  | Note | 30 Jun 2025    | 31 Dec 2024    |
|--------------------------------------------------|------|----------------|----------------|
| <b>Assets</b>                                    |      |                |                |
| Cash and balances with central banks             |      | 40,007         | 27,661         |
| Treasury bills chargeable at central banks, etc. |      | 21,797         | 7,415          |
| Loans to credit institutions                     |      | 2,157          | 4,925          |
| Loans to the public                              | 8    | 94,027         | 87,689         |
| Bonds and other interest-bearing securities      |      | 802            | 118            |
| Shares and participations in group companies     |      | 10,862         | 11,336         |
| Other shares and participations                  |      | 130            | 172            |
| Intangible assets                                |      | 1,669          | 1,978          |
| Tangible assets                                  |      | 595            | 924            |
| Deferred tax assets                              |      | 20             | 25             |
| Other assets                                     |      | 9,508          | 7,801          |
| Prepaid expenses and accrued income              |      | 609            | 1,184          |
| <b>Total assets</b>                              |      | <b>182,183</b> | <b>151,228</b> |
| <b>Liabilities</b>                               |      |                |                |
| Liabilities to credit institutions               |      | 1,701          | 959            |
| Deposits from the public                         |      | 134,149        | 106,320        |
| Debt securities issued                           | 9    | 3,247          | 1,648          |
| Deferred tax liabilities                         |      | 5              | 6              |
| Other liabilities                                | 10   | 20,034         | 19,664         |
| Accrued expenses and prepaid income              |      | 2,475          | 3,602          |
| Provisions                                       |      | 74             | 62             |
| <b>Total liabilities</b>                         |      | <b>161,685</b> | <b>132,261</b> |
| <b>Equity</b>                                    |      |                |                |
| Share capital                                    |      | 81             | 81             |
| Unregistered share capital equity                |      | 2              | —              |
| Reserve for development costs                    |      | 1,010          | 1,139          |
| Other reserves                                   |      | (112)          | (258)          |
| Other equity instruments                         |      | 276            | 276            |
| Retained earnings                                |      | 20,962         | 18,455         |
| Net loss                                         |      | (1,721)        | (725)          |
| <b>Total equity</b>                              |      | <b>20,498</b>  | <b>18,968</b>  |
| <b>Total liabilities and equity</b>              |      | <b>182,183</b> | <b>151,228</b> |

## Statement of Changes in Equity, Parent Company

| Amounts in SEK                                            | Restricted equity |                            |                 | Non-restricted equity |                          |                                      |                   |                | Total equity   |
|-----------------------------------------------------------|-------------------|----------------------------|-----------------|-----------------------|--------------------------|--------------------------------------|-------------------|----------------|----------------|
|                                                           | Share capital     | Unregistered share capital | Restricted fund | Share premium reserve | Other equity instruments | Foreign currency translation reserve | Retained earnings | Net result     |                |
| <b>Balance as at January 1, 2025</b>                      | <b>81</b>         | <b>–</b>                   | <b>1,139</b>    | <b>40,608</b>         | <b>276</b>               | <b>(258)</b>                         | <b>(22,153)</b>   | <b>(725)</b>   | <b>18,968</b>  |
| Transfer of previous year's net loss                      | –                 | –                          | –               | –                     | –                        | –                                    | (725)             | 725            | –              |
| Development expenses                                      | –                 | –                          | (129)           | –                     | –                        | –                                    | 129               | –              | –              |
| Net profit (loss)                                         | –                 | –                          | –               | –                     | –                        | –                                    | –                 | (1,721)        | (1,721)        |
| Exchange differences on translation of foreign operations | –                 | –                          | –               | –                     | –                        | 146                                  | –                 | –              | 146            |
| <b>Total comprehensive income</b>                         | <b>–</b>          | <b>–</b>                   | <b>–</b>        | <b>–</b>              | <b>–</b>                 | <b>146</b>                           | <b>–</b>          | <b>(1,721)</b> | <b>(1,575)</b> |
| New share issuance                                        | –                 | 2                          | –               | 2,998                 | –                        | –                                    | –                 | –              | 3,000          |
| Other equity instruments                                  | –                 | –                          | –               | –                     | –                        | –                                    | (13)              | –              | (13)           |
| Balance as at Share-based payments                        | –                 | –                          | –               | –                     | –                        | –                                    | 119               | –              | 119            |
| <b>Balance as at June 30, 2025</b>                        | <b>81</b>         | <b>2</b>                   | <b>1,010</b>    | <b>43,606</b>         | <b>276</b>               | <b>(112)</b>                         | <b>(22,644)</b>   | <b>(1,721)</b> | <b>20,498</b>  |

| Amounts in SEK                                            | Restricted equity |                            |                 | Non-restricted equity |                          |                                      |                   |                | Total equity  |
|-----------------------------------------------------------|-------------------|----------------------------|-----------------|-----------------------|--------------------------|--------------------------------------|-------------------|----------------|---------------|
|                                                           | Share capital     | Unregistered share capital | Restricted fund | Share premium reserve | Other equity instruments | Foreign currency translation reserve | Retained earnings | Net result     |               |
| <b>Balance as at January 1, 2024</b>                      | <b>78</b>         | <b>–</b>                   | <b>1,602</b>    | <b>35,240</b>         | <b>276</b>               | <b>(134)</b>                         | <b>(19,055)</b>   | <b>(2,257)</b> | <b>15,750</b> |
| Transfer of previous year's net loss                      | –                 | –                          | –               | –                     | –                        | –                                    | (2,257)           | 2,257          | –             |
| Development expenses                                      | –                 | –                          | (62)            | –                     | –                        | –                                    | 62                | –              | –             |
| Net profit (loss)                                         | –                 | –                          | –               | –                     | –                        | –                                    | –                 | 166            | 166           |
| Exchange differences on translation of foreign operations | –                 | –                          | –               | –                     | –                        | (88)                                 | –                 | –              | (88)          |
| <b>Total comprehensive income</b>                         | <b>–</b>          | <b>–</b>                   | <b>–</b>        | <b>–</b>              | <b>–</b>                 | <b>(88)</b>                          | <b>–</b>          | <b>166</b>     | <b>79</b>     |
| New share issuance                                        | 2                 | –                          | –               | 5,368                 | –                        | –                                    | –                 | –              | 5,369         |
| Other equity instruments                                  | –                 | –                          | –               | –                     | –                        | –                                    | (15)              | –              | (15)          |
| Share-based payments                                      | –                 | –                          | –               | –                     | –                        | –                                    | 39                | –              | 39            |
| <b>Balance as at June 30, 2024</b>                        | <b>80</b>         | <b>–</b>                   | <b>1,540</b>    | <b>40,608</b>         | <b>276</b>               | <b>(221)</b>                         | <b>(21,226)</b>   | <b>166</b>     | <b>21,222</b> |

## Cash Flow Statement, Parent Company

| Amounts in SEKm                                                                  | Note | Parent Company |                |
|----------------------------------------------------------------------------------|------|----------------|----------------|
|                                                                                  |      | Jan - Jun 2025 | Jan - Jun 2024 |
| <b>Operating activities</b>                                                      |      |                |                |
| Loss before taxes                                                                |      | (1,692)        | 220            |
| Income taxes paid                                                                |      | (4)            | (47)           |
| <b>Adjustments for non-cash items in operating activities</b>                    |      |                |                |
| Depreciation, amortization and impairment                                        |      | 717            | 576            |
| Share-based payments                                                             |      | 612            | 83             |
| Provisions excluding credit losses                                               |      | 1              | 2              |
| Provision for credit losses                                                      |      | 2,629          | 1,843          |
| Financial items including fair value effects                                     |      | 219            | (149)          |
| Impairment of shares in group companies                                          |      | 458            | 1,229          |
| Dividend received from subsidiaries                                              |      | (1)            | (1,462)        |
| <b>Changes in the assets and liabilities of operating activities<sup>1</sup></b> |      |                |                |
| Change in loans to the public                                                    |      | (8,995)        | (11,013)       |
| Change in liabilities to credit institutions                                     |      | 742            | (274)          |
| Change in deposits from the public                                               |      | 29,024         | 8,517          |
| Change in other assets and liabilities                                           |      | (9,839)        | 6,294          |
| <b>Cash flow from operating activities</b>                                       |      | <b>13,870</b>  | <b>5,819</b>   |
| <b>Investing activities</b>                                                      |      |                |                |
| Investments in intangible assets                                                 |      | (132)          | (236)          |
| Investments in tangible assets                                                   |      | (3)            | –              |
| Investments in subsidiaries                                                      |      | –              | (239)          |
| Divestment, net of cash disposed                                                 |      | –              | 10             |
| <b>Cash flow from investing activities</b>                                       |      | <b>(135)</b>   | <b>(465)</b>   |
| <b>Financing activities</b>                                                      |      |                |                |
| New share issuance                                                               |      | 2,998          | 5,369          |
| Debt securities redeemed                                                         | 9    | –              | –              |
| Debt securities issued                                                           |      | 1,900          | 2,080          |
| Subordinated debt redeemed                                                       |      | (300)          | (1,014)        |
| Principal payments of lease liabilities                                          |      | (116)          | (112)          |
| <b>Cash flow from financing activities</b>                                       |      | <b>4,482</b>   | <b>6,323</b>   |
| <b>Cash flow for the year</b>                                                    |      | <b>18,218</b>  | <b>11,677</b>  |
| <b>Cash and cash equivalents at the beginning of the year</b>                    |      | <b>34,237</b>  | <b>23,237</b>  |
| Cash flow for the year                                                           |      | 18,218         | 11,677         |
| Exchange rate diff. in cash and cash equivalents                                 |      | (964)          | 400            |
| <b>Cash and cash equivalents at the end of the year</b>                          |      | <b>51,491</b>  | <b>35,314</b>  |
| <b>Cash and cash equivalents include the following items</b>                     |      |                |                |
| Cash held with central banks                                                     |      | 39,472         | 30,668         |
| Loans to credit institutions classified as cash and cash equivalents             |      | 2,019          | 1,146          |
| Treasury bills classified as cash and cash equivalents                           |      | 9,999          | 3,499          |
| <b>Cash and cash equivalents</b>                                                 |      | <b>51,491</b>  | <b>35,314</b>  |
| Additional liquidity portfolio                                                   |      | 12,335         | 9,926          |
| <b>Total cash and liquidity</b>                                                  |      | <b>63,825</b>  | <b>45,240</b>  |

<sup>1</sup> Changes in assets and liabilities of operating activities uses average exchange rate translation in the cash flow, and is therefore not a reflection of the balance sheet movements, using the exchange rate at each period end.

# Notes with accounting principles

## Note 1 Corporate information

Klarna Bank AB (publ), Corp. ID 556737-0431, maintains its registered office in Stockholm at the address Sveavägen 46, 111 34 Stockholm, Sweden. The consolidated financial interim report per June 30, 2025 includes Klarna Bank AB (publ) along with its branches and subsidiaries, collectively referred to as the Group in the financial statements. The Group's business is described in the Report from the Board of Directors.

In this report, Parent company refers to Klarna Bank AB (publ) including its branches and Group refers to Klarna Bank AB (publ) including its branches and subsidiaries.

The Parent Company of Klarna Bank AB (publ) is Klarna Holding AB (publ), Corp. ID 556676-2356, which has its registered office in Stockholm at the address Sveavägen 46, 111 34 Stockholm, Sweden. The ultimate parent company of Klarna Bank AB (publ) is Klarna Group plc, Corp. ID 14467769, that has its registered office at 10 York Road, London, England, SE1 7ND.

## Note 2 Accounting principles

### 1) Basis for the preparation of the reports

#### *Group*

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and have been prepared on a historical cost basis, except for shares and participations, receivables held for trading, derivatives and convertible notes which have been measured at fair value, and lease liabilities, which are measured at present value. In addition, the Swedish Financial Supervisory Authority regulations (FFFS 2008:25), the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL, 1995:1559) and the recommendation RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board have been applied.

#### *Parent Company*

The Parent Company, Klarna Bank AB (publ), prepares the interim report in accordance with the Annual Accounts Act (ÅRL, 1995:1554). The accounting recommendation for legal entities RFR 2 amended by the Swedish Financial Reporting Board has also been applied.

The financial statements are prepared on the basis that it will continue to operate as a going concern. All amounts in the notes to the consolidated financial statements are stated in millions of Swedish kronor ("SEK"), unless otherwise stated.

The interim report should be read in conjunction with the annual report for 2024, as they do not include all the information and disclosures required in the annual report. Accounting principles and calculation methods applied in this interim report are consistent with those in the annual report for 2024. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the full year or any other interim period.

## **2) New and amended standards and interpretations**

### *Standards and amendments effective for the year*

No significant new IFRS standards, amendments, or interpretations applicable to the Group became effective during the period.

## **3) Significant accounting judgements, estimates and assumptions**

In preparing the interim report, the significant judgments, estimates and assumptions made by management in applying the Group's accounting policies were the same as those applied to the annual report for 2024. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events.

## **4) Reclassifications of comparatives**

During the period ended 31 December 2024, Klarna refined revenue recognition policies relating to specific items within commission income and interest income and reclassified the June 30, 2024 presentation accordingly:

- Certain administrative fees earned were reclassified to Interest income from commission income. The fees reclassified for the period ended June 30, 2024 amounted to SEK566m for group and SEK 563m for parent.
- Certain fees paid to merchants, for their role as intermediary in arranging a consumer financing facility, were reclassified as a reduction of interest income from commission expense. The fees reclassified for the period ended June 30, 2024 amounted to SEK 59m for group and SEK 59m for parent.

### Note 3 Operating segments and income by geographical area

Klarna determines operating segments based on how our Chief Operating Decision Maker ("CODM") manages the business, makes operating decisions around the allocation of resources, and evaluates Klarna's operating performance.

Klarna's CODM role is fulfilled by the executive officers as a group, who collaboratively assess financial performance and make resource allocation decisions on a consolidated basis. Klarna operates as one operating segment and has one reportable segment.

#### Geographic information

Net operating income less net result from financial transactions are presented by major geographic regions based upon the billing address of the consumer. Interest income derived from the banking activities of the Group is based on the geographic location of the financial institution for which financial instruments have been purchased.

| Group                                                                         | Jan - Jun 2025 | Jan - Jun 2024            |
|-------------------------------------------------------------------------------|----------------|---------------------------|
| United States                                                                 | 4,593          | 3,444                     |
| Germany                                                                       | 3,184          | 3,014                     |
| United Kingdom                                                                | 1,678          | 1,291                     |
| Sweden                                                                        | 1,038          | 1,131                     |
| Other countries                                                               | 2,497          | 2,200                     |
| <b>Total net operating income less net result from financial transactions</b> | <b>12,990</b>  | <b>11,080<sup>1</sup></b> |

Total net operating income is net of Commission expense, Interest expense and Net result from financial transactions. These items impact larger markets proportionally more and thus comparing growth in total net operating income may not accurately reflect underlying market growth.

No individual country within other countries contributed more than 10% of revenues.

The following table presents Klarna's net operating income, less net result from financial transactions disaggregated by category:

| Group                                                                         | Jan - Jun 2025 | Jan - Jun 2024 |
|-------------------------------------------------------------------------------|----------------|----------------|
| Income from merchants and partners                                            | 9,094          | 8,324          |
| Consumer income                                                               | 1,779          | 1,732          |
| Net interest income                                                           | 2,110          | 1,012          |
| Other income                                                                  | 7              | 12             |
| <b>Total net operating income less net result from financial transactions</b> | <b>12,990</b>  | <b>11,080</b>  |

#### *Income from merchants and partners*

Income from merchants and partners consists of merchant revenue and advertising revenue, net of commission expenses. Merchant revenue refers to fees paid by Klarna's merchants, generated when consumers transact on our network. It includes merchant fees, interchange revenue and fees for settling disputes. Advertising revenue is earned from merchants who place advertisements on our network, including sponsored search, affiliate programs and brand ads.

<sup>1</sup> 2024 net operating income includes SEK 462m of revenue from the KCO business which was sold in Q4 2024.

In accordance with the requirements of FFFS 2008:25 the parent, Klarna Bank AB (publ) including its branches, also discloses income by geographical area.

| Parent Company         | Sweden       | Germany      | United Kingdom | Other <sup>1</sup> | Total         |
|------------------------|--------------|--------------|----------------|--------------------|---------------|
| <b>Jan - Jun 2025</b>  |              |              |                |                    |               |
| Interest income        | 872          | 1,235        | 151            | 1,931              | 4,189         |
| Commission income      | 534          | 2,644        | 1,528          | 2,631              | 7,337         |
| appropriations         | —            | —            | 1              | —                  | 1             |
| Other operating income | 224          | 89           | 89             | 599                | 1,001         |
| <b>Total</b>           | <b>1,630</b> | <b>3,968</b> | <b>1,769</b>   | <b>5,161</b>       | <b>12,528</b> |
| <b>Jan - Jun 2024</b>  |              |              |                |                    |               |
| Interest income        | 1,587        | 1,077        | 127            | 1,439              | 4,230         |
| Commission income      | 700          | 2,448        | 1,281          | 2,285              | 6,714         |
| appropriations         | 1,462        | -            | —              | —                  | 1,462         |
| Other operating income | 127          | 391          | 84             | 488                | 1,090         |
| <b>Total</b>           | <b>3,876</b> | <b>3,916</b> | <b>1,492</b>   | <b>4,212</b>       | <b>13,496</b> |

| Parent Company                                              | Jan - Jun 2025 | Jan - Jun 2024 |
|-------------------------------------------------------------|----------------|----------------|
| <b>External customer revenue split by income categories</b> |                |                |
| Merchant                                                    | 5,252          | 4,683          |
| Consumer                                                    | 3,120          | 2,261          |
| <b>Total</b>                                                | <b>8,372</b>   | <b>6,944</b>   |

Klarna's non-current assets, comprised of tangible, intangible assets, and other assets that are expected to be recovered more than twelve months after the reporting period.

| Group                           | Jan - Jun 2025 | Jan - Jun 2024 |
|---------------------------------|----------------|----------------|
| Sweden                          | 12,287         | 7,736          |
| Germany                         | 1,893          | 2,317          |
| United Kingdom                  | 100            | 320            |
| United States                   | 1,883          | 1,605          |
| Other countries                 | 2,048          | 1,756          |
| <b>Total non-current assets</b> | <b>18,211</b>  | <b>13,734</b>  |

No individual country within other countries made up more than 10% of non-current assets.

<sup>1</sup> No individual country within other countries contributed more than 10% of revenues.

## Note 4 Interest income

|                                  | Group          |                | Parent Company |                |
|----------------------------------|----------------|----------------|----------------|----------------|
|                                  | Jan - Jun 2025 | Jan - Jun 2024 | Jan - Jun 2025 | Jan - Jun 2024 |
| Loans to the public <sup>1</sup> | 3,387          | 2,591          | 3,235          | 2,554          |
| Loans to credit institutions     | 448            | 634            | 436            | 627            |
| Group companies                  | 12             | —              | 299            | 897            |
| Other interest income            | 220            | 152            | 219            | 151            |
| <b>Total</b>                     | <b>4,067</b>   | <b>3,377</b>   | <b>4,189</b>   | <b>4,229</b>   |

Interest income includes the interest consumers pay to spread the cost of transactions over longer time with one of the Group's fairer financing products or when they delay the settlement of transactions with the Group's payment flexibility feature. The group also recognize interest income related to incremental fees earned from certain merchants for the provision of interest-free promotional loans to their consumers.

## Note 5 Interest expenses

|                                                                | Group          |                | Parent Company |                |
|----------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                | Jan - Jun 2025 | Jan - Jun 2024 | Jan - Jun 2025 | Jan - Jun 2024 |
| Interest-bearing securities and chargeable treasury bills etc. | (107)          | (104)          | (107)          | (104)          |
| Liabilities to credit institutions                             | (108)          | (91)           | (103)          | (81)           |
| Deposits from the public                                       | (1,636)        | (1,746)        | (1,636)        | (1,746)        |
| Debt securities issued                                         | (40)           | (21)           | (40)           | (21)           |
| Subordinated liabilities                                       | —              | —              | —              | —              |
| Other interest expenses                                        | (66)           | (403)          | (197)          | (540)          |
| <b>Total</b>                                                   | <b>(1,957)</b> | <b>(2,365)</b> | <b>(2,082)</b> | <b>(2,492)</b> |

## Note 6 Commission income

| Commission income split by product category | Group          |                | Parent company |                |
|---------------------------------------------|----------------|----------------|----------------|----------------|
|                                             | Jan - Jun 2025 | Jan - Jun 2024 | Jan - Jun 2025 | Jan - Jun 2024 |
| Merchant                                    | 8,359          | 7,717          | 5,698          | 5,154          |
| Consumer <sup>2</sup>                       | 1,781          | 1,766          | 1,526          | 1,488          |
| Other                                       | 136            | 88             | 113            | 72             |
| <b>Total</b>                                | <b>10,276</b>  | <b>9,571</b>   | <b>7,337</b>   | <b>6,714</b>   |

<sup>1</sup> Items within loans to the public have been reclassified as detailed in Note 2.

<sup>2</sup> Items within commission income have been reclassified as detailed in Note 2.

## Note 7 Credit losses, net

| Loan losses divided by class                | Group          |                | Parent Company |                |
|---------------------------------------------|----------------|----------------|----------------|----------------|
|                                             | Jan - Jun 2025 | Jan - Jun 2024 | Jan - Jun 2025 | Jan - Jun 2024 |
| <b>Loans to credit institutions</b>         |                |                |                |                |
| Increase in provisions                      | (4)            | (45)           | —              | —              |
| Assets repaid                               | 5              | 47             | —              | —              |
| <b>Total</b>                                | <b>1</b>       | <b>2</b>       | <b>—</b>       | <b>—</b>       |
| <b>Loans to the public</b>                  |                |                |                |                |
| Realized loan losses, net of recoveries     | (1,231)        | (2,651)        | (1,123)        | (2,044)        |
| Amounts written off                         | 771            | 2,626          | 744            | 1,938          |
| Increase in provisions                      | (8,019)        | (6,795)        | (6,099)        | (4,939)        |
| Assets repaid                               | 5,250          | 4,393          | 4,006          | 3,327          |
| <b>Total</b>                                | <b>(3,229)</b> | <b>(2,427)</b> | <b>(2,472)</b> | <b>(1,718)</b> |
| <b>Financial guarantees and commitments</b> |                |                |                |                |
| Increase in provisions                      | (22)           | (32)           | (22)           | (32)           |
| Assets repaid                               | 7              | 64             | 4              | 66             |
| <b>Total</b>                                | <b>(15)</b>    | <b>32</b>      | <b>(18)</b>    | <b>34</b>      |
| <b>Total credit losses, net</b>             | <b>(3,243)</b> | <b>(2,393)</b> | <b>(2,490)</b> | <b>(1,684)</b> |

Unlike the balance sheet, which shows a snapshot of assets and liabilities at the end of each year, the credit losses in the income statement reflect provisions for future losses and realized losses associated with Klarna's operating activities during the year, including consumer credit losses, merchant counterparty losses, and other related credit losses.

Credit losses, net as a percentage of GMV was 0.57% (H124 0.46%).

## Note 8 Loans to the public

|                             | Group          |               | Parent Company |               |
|-----------------------------|----------------|---------------|----------------|---------------|
|                             | 30 Jun 2025    | 31 Dec 2024   | 30 Jun 2025    | 31 Dec 2024   |
| Loans to the public         | 104,136        | 97,829        | 97,259         | 90,567        |
| Allowance for credit losses | (4,052)        | (3,859)       | (3,232)        | (2,878)       |
| <b>Total</b>                | <b>100,084</b> | <b>93,970</b> | <b>94,027</b>  | <b>87,689</b> |

Loans to the public of SEK 100.1b as at Jun 30, 2025 (94.0b as at Dec 31, 2024) are loans still owed. This balance is only partially comparable to credit losses on the income statement as the income statement reports all activity during the year, while the balance sheet is a snapshot of lending outstanding as at each period end.

## Note 9 Debt securities issued

|                        | Group        |              | Parent Company |              |
|------------------------|--------------|--------------|----------------|--------------|
|                        | 30 Jun 2025  | 31 Dec 2024  | 30 Jun 2025    | 31 Dec 2024  |
| Senior unsecured bonds | 2,999        | 1,499        | 2,999          | 1,499        |
| Commercial papers      | 248          | 149          | 248            | 149          |
| <b>Total</b>           | <b>3,247</b> | <b>1,648</b> | <b>3,247</b>   | <b>1,648</b> |

On June 11, 2025, under the Euro Medium Term Note Program (the "EMTN"), the Group issued SEK 1.5 billion of senior unsecured bonds. The notes were issued in two tranches of SEK 600 million and SEK 900 million, due in 2027 and 2028, respectively. The notes have floating coupon rates corresponding to the three-month STIBOR plus 1.6% per annum and 1.8% per annum, respectively.

For the fair value amounts, see Note 12.

## Note 10 Other liabilities

|                                  | Group         |               | Parent Company |               |
|----------------------------------|---------------|---------------|----------------|---------------|
|                                  | 30 Jun 2025   | 31 Dec 2024   | 30 Jun 2025    | 31 Dec 2024   |
| Merchant liabilities             | 11,112        | 7,676         | 10,526         | 6,939         |
| Liabilities to group companies   | 2,407         | 5,164         | 7,432          | 9,735         |
| Lease liabilities                | 828           | 957           | 826            | 944           |
| Derivatives                      | 38            | 675           | 38             | 675           |
| Accounts payable                 | 327           | 366           | 292            | 256           |
| Commercial agreement liabilities | 327           | 363           | 83             | 158           |
| Personnel related taxes          | 131           | 177           | 123            | 122           |
| Current tax liabilities          | 119           | 123           | 71             | 92            |
| Other liabilities                | 957           | 952           | 644            | 742           |
| <b>Total</b>                     | <b>16,245</b> | <b>16,453</b> | <b>20,034</b>  | <b>19,663</b> |

## Note 11 Pledged assets and contingent liabilities

|                                                                                                                   | Group         |               | Parent Company |               |
|-------------------------------------------------------------------------------------------------------------------|---------------|---------------|----------------|---------------|
|                                                                                                                   | 30 Jun 2025   | 30 Jun 2024   | 30 Jun 2025    | 30 Jun 2024   |
| <b>Pledged assets</b>                                                                                             |               |               |                |               |
| <i>Assets pledged for own liabilities</i>                                                                         |               |               |                |               |
| Pledged loans to the public and credit institutions                                                               | —             | 149           | —              | 149           |
| Pledged treasury bills chargeable at central banks, etc., and pledged bonds and other interest-bearing securities | 16            | —             | 16             | —             |
| <i>Other pledged assets</i>                                                                                       | 126           | 35            | —              | —             |
| <b>Total</b>                                                                                                      | <b>142</b>    | <b>184</b>    | <b>16</b>      | <b>149</b>    |
| <b>Contingent liabilities and commitments</b>                                                                     |               |               |                |               |
| Commitments                                                                                                       | 39,196        | 13,451        | 66,206         | 34,045        |
| <b>Total</b>                                                                                                      | <b>39,196</b> | <b>13,451</b> | <b>66,206</b>  | <b>34,045</b> |

## Note 12 Fair value of financial assets and liabilities

The following table shows the Group's financial assets and liabilities measured at fair value on a recurring basis and identifies which of the three valuation levels the assets and liabilities have been classified into as of June 30, 2025 and December 31, 2024. For description of the fair value levels, see Note 2. No transfers between levels have been made during 2025 or 2024.

| <b>Group</b>                    |                |                |                |              |
|---------------------------------|----------------|----------------|----------------|--------------|
| <b>30 Jun 2025</b>              | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| <b>Assets</b>                   |                |                |                |              |
| Other shares and participations | —              | —              | 135            | 135          |
| Other assets (derivatives)      | —              | 38             | —              | 38           |
| Other assets                    | —              | —              | 85             | 85           |
| <b>Assets Total</b>             | <b>—</b>       | <b>38</b>      | <b>221</b>     | <b>258</b>   |
| <b>Liabilities</b>              |                |                |                |              |
| Debt securities in issue        | —              | —              | —              | —            |
| Other liabilities (derivatives) | —              | —              | —              | —            |
| <b>Liabilities Total</b>        | <b>—</b>       | <b>—</b>       | <b>—</b>       | <b>—</b>     |

| <b>Group</b>                                |                |                |                |              |
|---------------------------------------------|----------------|----------------|----------------|--------------|
| <b>31 Dec 2024</b>                          | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| <b>Assets</b>                               |                |                |                |              |
| Other shares and participations             | —              | —              | 172            | 172          |
| Other assets (derivatives)                  | —              | 112            | —              | 112          |
| Other assets (receivables held for trading) | —              | —              | 24             | 24           |
| <b>Assets Total</b>                         | <b>—</b>       | <b>112</b>     | <b>196</b>     | <b>308</b>   |
| <b>Liabilities</b>                          |                |                |                |              |
| Other liabilities (derivatives)             | —              | 675            | —              | 675          |
| <b>Liabilities Total</b>                    | <b>—</b>       | <b>675</b>     | <b>—</b>       | <b>675</b>   |

| <b>Parent company</b>           |                |                |                |              |
|---------------------------------|----------------|----------------|----------------|--------------|
| <b>30 Jun 2025</b>              | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| <b>Assets</b>                   |                |                |                |              |
| Other shares and participations | —              | —              | 130            | 130          |
| Other assets (derivatives)      | —              | 949            | —              | 949          |
| Other assets                    | —              | —              | —              | —            |
| <b>Total</b>                    | <b>—</b>       | <b>949</b>     | <b>130</b>     | <b>1,079</b> |
| <b>Liabilities</b>              |                |                |                |              |
| Other liabilities (derivatives) | —              | —              | —              | —            |
| <b>Total</b>                    | <b>—</b>       | <b>—</b>       | <b>—</b>       | <b>—</b>     |

| <b>Parent company</b>           |                |                |                |              |
|---------------------------------|----------------|----------------|----------------|--------------|
| <b>31 Dec 2024</b>              | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| <b>Assets</b>                   |                |                |                |              |
| Other shares and participations | —              | —              | 172            | 172          |
| Other assets (derivatives)      | —              | 112            | —              | 112          |
| <b>Total</b>                    | <b>—</b>       | <b>112</b>     | <b>172</b>     | <b>284</b>   |
| <b>Liabilities</b>              |                |                |                |              |
| Debt securities in issue        | —              | —              | —              | —            |
| Other liabilities (derivatives) | —              | 675            | —              | 675          |
| <b>Total</b>                    | <b>—</b>       | <b>675</b>     | <b>—</b>       | <b>675</b>   |

The Group's methodology to measure fair value of these financial assets and liabilities is presented below.

### *Derivatives*

Derivatives fair value is estimated using third-party pricing models, which contain input parameters based on readily observable market data sources when available.

### *Other shares and participations*

The fair value for other shares and participations is based on quoted market prices where available or valuation techniques using unobservable data.

Other shares and participations comprise investments in listed and unlisted companies. Other shares and participations fair value is based on quoted market prices where available or valuation techniques using unobservable data. Level 3 other shares and participations represented investment in unlisted shares for which limited information was available. For these unlisted shares, the fair value is generally estimated based on cost basis unless there is an observable indicator of a difference in cost and fair value.

### *Other assets*

Receivables held for trading refer to unsold receivables intended for offloading as part of the forward flow transaction. Fair value is estimated using a discounted cash flow model. Significant assumptions used in the valuation of the receivables held for sale include repayment rates, discount rates and loss rates.

### Movements in Level 3

The following tables show a reconciliation of the opening and closing balances of Level 3 financial assets and liabilities which are recorded at fair value.

| Group                                           | Financial assets                |              |
|-------------------------------------------------|---------------------------------|--------------|
|                                                 | Other shares and participations | Other Assets |
| <b>Balance as at Jan 1, 2024</b>                | <b>265</b>                      | <b>—</b>     |
| Gain/loss in income statement                   | (113)                           | (315)        |
| <i>of which: realized gain/loss</i>             | (113)                           | 315          |
| Receivables originated as held for sale         | —                               | 34,473       |
| Receivables held for sale sold to third parties | —                               | (34,135)     |
| Impact of foreign exchange movements            | 21                              | 1            |
| <b>Balance as at Dec 31, 2024</b>               | <b>172</b>                      | <b>24</b>    |
| Gain/loss in income statement                   | (13)                            | (445)        |
| <i>of which: realized gain/loss</i>             | (13)                            | (445)        |
| Receivables originated as held for sale         | —                               | 54,157       |
| Receivables held for sale sold to third parties | —                               | (53,733)     |
| Impact of foreign exchange movements            | (24)                            | 83           |
| <b>Balance as at June 30, 2025</b>              | <b>135</b>                      | <b>85</b>    |

| Parent company                       | Financial assets                |            |
|--------------------------------------|---------------------------------|------------|
|                                      | Other shares and participations |            |
| <b>Balance as at Jan 1, 2024</b>     |                                 | <b>265</b> |
| Gain/loss in income statement        |                                 | (113)      |
| <i>of which: realized gain/loss</i>  |                                 | (113)      |
| Impact of foreign exchange movements |                                 | 21         |
| <b>Balance as at Dec 31, 2024</b>    |                                 | <b>172</b> |
| Impairment                           |                                 | (13)       |
| Impact of foreign exchange movements |                                 | (30)       |
| <b>Balance as at June 30, 2025</b>   |                                 | <b>130</b> |

Fair value gains and losses recognized in the income statement are included in other income (loss).

The Group uses a range of unobservable inputs and valuation techniques such as the current interest rate, equity markets, expected future cash flows and options models to determine the fair value of level 3 financial instruments.

### Financial assets and liabilities measured at amortized cost

The following tables show the fair value of financial instruments carried at amortized cost. They do not include financial assets and financial liabilities not measured at fair value if the carrying amount approximates fair value, which includes: cash and cash equivalents, loans to credit institutions (included in debt securities), loans to credit institutions, loans to the public, other assets, prepaid expenses and accrued income, liabilities to credit institutions, other liabilities and accrued expenses and prepaid income.

| Group                                            |                 |               |                |          |                |
|--------------------------------------------------|-----------------|---------------|----------------|----------|----------------|
| 30 Jun 2025                                      | Carrying amount | Level 1       | Level 2        | Level 3  | Fair value     |
| <b>Assets</b>                                    |                 |               |                |          |                |
| Treasury bills chargeable at central banks, etc. | 21,797          | 21,827        | —              | —        | 21,827         |
| Bonds and other interest-bearing securities      | 802             | 802           | —              | —        | 802            |
| <b>Total</b>                                     | <b>22,599</b>   | <b>22,629</b> | <b>—</b>       | <b>—</b> | <b>22,629</b>  |
| <b>Liabilities</b>                               |                 |               |                |          |                |
| Deposits from the public                         | 134,544         | —             | 135,782        | —        | 135,782        |
| Debt securities in issue                         | 3,247           | —             | 3,257          | —        | 3,257          |
| <b>Total</b>                                     | <b>137,791</b>  | <b>—</b>      | <b>139,039</b> | <b>—</b> | <b>139,039</b> |

| Group                                            |                 |              |                |          |                |
|--------------------------------------------------|-----------------|--------------|----------------|----------|----------------|
| 31 Dec 2024                                      | Carrying amount | Level 1      | Level 2        | Level 3  | Fair value     |
| <b>Assets</b>                                    |                 |              |                |          |                |
| Treasury bills chargeable at central banks, etc. | 7,415           | 7,365        | —              | —        | 7,365          |
| Bonds and other interest-bearing securities      | 118             | 117          | —              | —        | 117            |
| <b>Total</b>                                     | <b>7,533</b>    | <b>7,482</b> | <b>—</b>       | <b>—</b> | <b>7,482</b>   |
| <b>Liabilities</b>                               |                 |              |                |          |                |
| Deposits from the public                         | 106,787         | —            | 108,573        | —        | 108,573        |
| Debt securities in issue                         | 1,648           | —            | 1,652          | —        | 1,652          |
| <b>Total</b>                                     | <b>108,435</b>  | <b>—</b>     | <b>110,224</b> | <b>—</b> | <b>110,224</b> |

| Parent company                                   |                 |               |                |          |                |
|--------------------------------------------------|-----------------|---------------|----------------|----------|----------------|
| 30 Jun 2025                                      | Carrying amount | Level 1       | Level 2        | Level 3  | Fair value     |
| <b>Assets</b>                                    |                 |               |                |          |                |
| Treasury bills chargeable at central banks, etc. | 21,797          | 21,827        | —              | —        | 21,827         |
| Bonds and other interest-bearing securities      | 802             | 802           | —              | —        | 802            |
| <b>Total</b>                                     | <b>22,599</b>   | <b>22,629</b> | <b>—</b>       | <b>—</b> | <b>22,629</b>  |
| <b>Liabilities</b>                               |                 |               |                |          |                |
| Deposits from the public                         | 134,149         | —             | 135,385        | —        | 135,385        |
| Debt securities in issue                         | 3,247           | —             | 3,257          | —        | 3,257          |
| <b>Total</b>                                     | <b>137,396</b>  | <b>—</b>      | <b>138,642</b> | <b>—</b> | <b>138,642</b> |

| Parent company                                   |                 |              |                |          |                |
|--------------------------------------------------|-----------------|--------------|----------------|----------|----------------|
| 31 Dec 2024                                      | Carrying amount | Level 1      | Level 2        | Level 3  | Fair value     |
| <b>Assets</b>                                    |                 |              |                |          |                |
| Treasury bills chargeable at central banks, etc. | 7,415           | 7,365        | —              | —        | 7,365          |
| Bonds and other interest-bearing securities      | 118             | 117          | —              | —        | 117            |
| <b>Total</b>                                     | <b>7,533</b>    | <b>7,482</b> | <b>—</b>       | <b>—</b> | <b>7,482</b>   |
| <b>Liabilities</b>                               |                 |              |                |          |                |
| Deposits from the public                         | 106,320         | —            | 108,106        | —        | 108,106        |
| Debt securities in issue                         | 1,648           | —            | 1,652          | —        | 1,652          |
| <b>Total</b>                                     | <b>107,968</b>  | <b>—</b>     | <b>109,758</b> | <b>—</b> | <b>109,758</b> |

Treasury bills chargeable at central banks, etc., bonds and other interest-bearing securities, and repurchase agreements within liabilities to credit institutions are valued in terms of the active market prices.

The calculation of fair value of deposits from the public is based on level 2 input using observable market data. Deposits from the public are grouped into maturity buckets and thereafter the net present value is calculated based on the remaining maturity and the corresponding interest rate.

## Note 13 Information on related parties

### Group and Parent Company

The following are defined as related parties: all companies within the Klarna Group Plc Group, shareholders in Klarna Group Plc with significant influence, board members of Klarna Group Plc, Klarna Holding AB (publ) and Klarna Bank AB (publ), key management personnel, as well as close family members of and companies significantly influenced by such board members or key management personnel.

Milkywire was founded in 2018 by Nina Siemiatkowski, who is the spouse of Sebastian Siemiatkowski, our Co-Founder and Chief Executive Officer. Klarna paid Milkywire AB SEK 18m in 2024 and SEK 8m through the first two quarters of 2025 for sustainability-related services.

Additionally, the Company donated SEK 41m in 2024 and SEK 7m through the first two quarters of 2025 to the WRLD Foundation, where Nina Siemiatkowski serves as a board member. These arrangements were approved by the board, excluding the Chief Executive Officer.

On March 4, 2025, the board of directors of Klarna Group plc approved the grant of options to acquire 8,834,736 of our ordinary shares in Klarna Group plc and the issuance of 216,468, gross of withhold to cover tax, of our ordinary shares of Klarna Group plc directly to members of the Company's management team. Additionally, the board of directors granted options to acquire 17,505,672 of Class C shares in Klarna Group plc to Mr. Siemiatkowski and amended the terms of options previously granted to Mr. Siemiatkowski to allow for such options to be exercised into 2,941,236 Class C shares (or 1,470,618 ordinary shares in Klarna Group plc).

Intragroup services are handled in accordance with the internationally recognized arm's length principle, meaning that Klarna Bank AB (publ) and its subsidiaries are remunerated or pay for intragroup services in a manner corresponding to market terms. Below table summarizes transactions with group companies with entities above Klarna Bank AB, that are not eliminated.

| Related parties by type                         | Group       |             | Parent      |             |
|-------------------------------------------------|-------------|-------------|-------------|-------------|
|                                                 | 30 Jun 2025 | 30 Jun 2024 | 30 Jun 2025 | 30 Jun 2024 |
| <b>Related parties - revenues and expenses</b>  |             |             |             |             |
| Interest income                                 | 12          | —           | 299         | 897         |
| Interest expenses                               | (65)        | (293)       | (196)       | (432)       |
| Services sold, sales                            | —           | —           | 181         | 471         |
| Services purchased                              | (119)       | —           | (2,061)     | (1,857)     |
| Dividend received                               | —           | —           | 1           | 1,462       |
| <b>Related parties - assets and liabilities</b> |             |             |             |             |
| Loan receivables                                | 522         | 1           | 10,818      | 20,850      |
| Other receivables                               | 78          | 48          | 7,812       | 1,834       |
| Loan liabilities                                | 2,175       | 4,579       | 6,842       | 10,194      |
| Other liabilities                               | 232         | 8           | 678         | 530         |

Intragroup services are handled in accordance with the internationally recognized arm's length principle, meaning that Klarna Bank AB (publ) and its subsidiaries are remunerated or pay for intragroup services in a manner corresponding to market terms.

## Note 14 Structured entities

### UK Forward flow securitization

During the period, the Group entered into a forward flow arrangement involving the sale of U.K. Pay Later receivables to an external securitization vehicle financed by the issuance of senior and junior notes to third parties. The following table shows the carrying amount of Klarna's recorded interest in its consolidated balance sheet, and represents the maximum exposure to risk due to the exposures in the unconsolidated structured entity.

|                                                                     | 30 Jun 2025 | 31 Dec 2024 |
|---------------------------------------------------------------------|-------------|-------------|
| Receivables held for sale (within other assets)                     | 85          | 24          |
| Pledged assets (within bonds and other interest bearing securities) | 16          | 17          |
| <b>Total assets</b>                                                 | <b>102</b>  | <b>41</b>   |
| Payable to SPV (within other liabilities)                           | 245         | 161         |
| <b>Total liabilities</b>                                            | <b>245</b>  | <b>161</b>  |

## Note 15 Capital adequacy and leverage ratio

### Capital adequacy regulations

Capital adequacy refers to the ability of an institution's Own Funds to cover the risk it is exposed to. Within the EU the capital adequacy requirements are contained in the Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR), both implemented in 2014. These regulations are based on the global capital adequacy standards Basel II and III, and define minimum requirements for total own funds in relation to risk-weighted exposure amounts (Pillar I), rules for the Internal Capital Adequacy Process and Internal Liquidity Adequacy Assessment Process "ICLAAP" as well as the Supervisory Review and Evaluation Process "SREP" (Pillar II), and rules for disclosures on risk, capital adequacy among others. (Pillar III).

The information about capital adequacy in this document is based on the Swedish Financial Supervisory Authority regulations (FFFS 2008:25 and FFFS 2014:12). Other disclosures required under Pillar III as well as the Capital adequacy reports are published on Klarna's homepage [www.klarna.com](http://www.klarna.com)

### Common Equity Tier 1 capital

Klarna Holding AB (publ) reported a CET1 capital amount of SEK 11,482m as of June 30, 2025 (SEK 12,970m).

During 2025, Common Equity Tier 1 for the consolidated situation of Klarna Holding AB (publ) decreased by (SEK 1,487m). The decline was primarily driven by 2025 losses (SEK (1,559)m).

### Additional Tier 1 capital

On March 25, 2022 Klarna Bank AB (publ) issued SEK 276m Additional Tier 1 capital instruments. The instruments have a floating coupon rate corresponding to STIBOR 3M plus 7% per annum. The securities were offered to a limited number of large Nordic investors and the first call date is March 25, 2027.

On February 1, 2024 Klarna Holding AB (publ) issued SEK 1.5bn Additional Tier 1 capital instruments. The instruments have a floating coupon rate corresponding to STIBOR 3M plus 9.5% per annum. The securities were offered to a number of large Nordic investors and the first call date is February 1, 2029.

## **Subordinated liabilities**

On May 16, 2023, Klarna Holding AB (publ) issued SEK 500m subordinated notes due 2033. The notes have a floating coupon rate corresponding to STIBOR 3M plus 7.5% per annum. The notes were allocated to a limited number of large Nordic investors and the first call date is May 16, 2028.

On August 16, 2023, Klarna Holding AB (publ) issued SEK 250m subordinated notes due 2033. The notes have a floating coupon rate corresponding to STIBOR 3M plus 7.5% per annum. The notes were allocated to a limited number of large Nordic investors and the first call date is August 16, 2028.

On April 19, 2024, Klarna Holding AB (publ) issued USD 100m subordinated notes due 2034. The notes have a floating coupon rate corresponding to SOFR (Index) plus 7% per annum. The notes were allocated to a limited number of large international investors and the first call date is April 19, 2029.

The three subordinated notes are eligible for inclusion as Tier 2 capital in accordance with current regulations.

## **Consolidated situation and methods for calculating minimum requirements**

In accordance with capital adequacy regulations, the regulated consolidated situation is made up of Klarna Holding AB (publ) (Klarna Bank AB (publ)'s parent company) and its subsidiaries. All subsidiaries are fully consolidated in the Group. Klarna Bank AB (publ) is a registered bank under the supervision of the Swedish Financial Supervisory Authority (Finansinspektionen). Klarna Bank AB (publ) uses the standardized method for calculating the minimum capital requirements for credit, as well as market risk, and the alternative standardized approach for operational risk regarding Klarna Bank AB (publ) and its consolidated situation. The approval for calculating minimum capital requirement for operational risk using the alternative standardized approach was granted by the Finansinspektionen in December 2019.

## **Pillar II Requirements and Guidance**

Pillar II requirements cover risks that are not or are insufficiently covered by Pillar I and are determined by the Swedish Financial Supervisory Authority (SFSA) as the result of its periodic Supervisory Risk Evaluation Process (SREP). From October 1, 2024, Klarna Group's Pillar II requirements were 1.47% of the risk exposure amount and Klarna Bank AB's Pillar II requirements were 1.74% of the risk exposure amount. Pillar II Guidance is the level of capital that the SFSA assesses to be a suitable level for each bank to hold to cover, for example, risks or aspects of risks and manage future stressed situations. From October 1, 2024, Klarna's Pillar II Guidance amount is set to 3.5% of the risk exposure amount.

## **The Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process (Pillar II)**

The objective of the Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process (ICLAAP) is to ensure that Klarna clearly and correctly identifies, assesses and manages all risk to which it is exposed. The process considers the financial resources required to cover such risk, and to ensure that Klarna has access to sufficient capital and liquidity to support its business strategy over the coming planning horizon with regards to different market conditions. The main governing document for the ICLAAP is the ICLAAP policy. In this document, Klarna's board defines the responsibilities, processes and rules of the ICLAAP. The ICLAAP report is updated at least yearly.

The internally assessed capital requirement is based on the minimum capital requirement under Pillar I, the capital requirement for risks managed under Pillar II and the combined buffer requirements. The internally assessed capital required as per June 2025 amounts to SEK 12,371m (SEK 11,857m) for Klarna Bank AB (publ) and SEK 9,788m (SEK 9,715m) for the consolidated situation. Klarna thereby has sufficient capital to cover for required capital under Pillar I and Pillar II, including combined buffer requirements.

## **Capital Buffer Requirements**

As at June 30, 2025, Klarna was subject to a Capital conservation buffer of 2.5% and to a Countercyclical capital buffer of 0.92% of the risk exposure amount for the consolidated situation, and 1.01% of the risk exposure amount for Klarna Bank AB.

**Capital adequacy disclosure**

Capital adequacy disclosures in accordance with the requirements in Commission Implementing Regulation (EU) No 2021/637 and the Swedish Financial Supervisory Authority (Finansinspektionen) requirements FFFS 2014:12 can be found in Klarna's Capital adequacy reports.

**IFRS 9 transitional adjustments**

From January 1, 2018, Klarna applied the transitional rules in accordance with article 473a of the European Union regulation no 575/2013 in order to phase in the effect on the capital when applying IFRS 9. The capital adequacy calculations are adjusted with one dynamic and two static amounts over a period spanning 5 years.

As of January 1, 2025, the phase in is complete, and Klarna's IFRS 9 components will be zero onwards.

**Excess subsidiary capital deduction**

In accordance with Article 85 and 87 of CRR Klarna Bank AB (publ)'s Tier 1 and Tier 2 capital can only be included in the capital base of Klarna Holding Group with the share required to cover the minimum capital requirements of Klarna Bank AB (publ). As of June 30, 2025, an amount of SEK 149m Additional Tier 1 capital instruments issued by Klarna Bank AB (publ) were included in the Own funds of Klarna Holding AB (publ) consolidated.

| Capital adequacy information                                                   | Consolidated situation |                | Klarna Bank AB (publ) |                |
|--------------------------------------------------------------------------------|------------------------|----------------|-----------------------|----------------|
|                                                                                | 30 Jun 2025            | 31 Dec 2024    | 30 Jun 2025           | 31 Dec 2024    |
| <b>Own funds, total risk exposure amount and total leverage ratio exposure</b> |                        |                |                       |                |
| Common Equity Tier 1 capital                                                   | 11,482                 | 12,970         | 18,625                | 17,214         |
| Tier 1 capital                                                                 | 13,131                 | 14,623         | 18,901                | 17,490         |
| Own funds                                                                      | 14,853                 | 16,503         | 18,901                | 17,490         |
| Total risk exposure amount                                                     | 75,951                 | 77,022         | 93,336                | 91,239         |
| Total leverage ratio exposure                                                  | 177,680                | 147,422        | 188,204               | 157,152        |
| <b>Capital adequacy analysis</b>                                               |                        |                |                       |                |
| Common Equity Tier 1 capital ratio                                             | 15.1 %                 | 16.8 %         | 20.0 %                | 18.9 %         |
| Tier 1 capital ratio                                                           | 17.3 %                 | 19.0 %         | 20.3 %                | 19.2 %         |
| Total capital ratio                                                            | 19.6 %                 | 21.4 %         | 20.3 %                | 19.2 %         |
| Leverage ratio                                                                 | 7.4 %                  | 9.9 %          | 10.0 %                | 11.1 %         |
| <b>Requirements</b>                                                            |                        |                |                       |                |
| Overall capital requirement (OCR) ratio                                        | 12.6 %                 | 12.6 %         | 12.7 %                | 12.8 %         |
| of which: Pillar II requirement                                                | 1.2 %                  | 1.2 %          | 1.2 %                 | 1.2 %          |
| of which: capital conservation buffer requirement                              | 2.5 %                  | 2.5 %          | 2.5 %                 | 2.5 %          |
| of which: countercyclical buffer requirement                                   | 0.9 %                  | 1.0 %          | 1.0 %                 | 1.0 %          |
| CET1 available after meeting the total SREP own funds requirements (%)         | 10.0 %                 | 11.7 %         | 14.8 %                | 13.7 %         |
| OCR and Pillar II Guidance (P2G)                                               | 16.1 %                 | 16.1 %         | 12.7 %                | 12.8 %         |
| of which: P2G                                                                  | 3.5 %                  | 3.5 %          | — %                   | — %            |
| <b>Exposure amounts for credit risk according to the standardized approach</b> |                        |                |                       |                |
| Credit risk including counterparty credit risk                                 | 153,020                | 123,404        | 160,622               | 130,011        |
| of which: central governments or central banks                                 | 50,566                 | 31,630         | 50,357                | 31,399         |
| of which: regional governments or local authorities                            | 6,352                  | 945            | 6,352                 | 945            |
| of which: public sector entities                                               | 707                    | 637            | 707                   | 637            |
| of which: multilateral development banks                                       | 1,983                  | 1,783          | 1,983                 | 1,783          |
| of which: international organizations                                          | 2,704                  | 712            | 2,704                 | 712            |
| of which: institutions                                                         | 5,410                  | 8,662          | 3,017                 | 5,829          |
| of which: corporates                                                           | 9,258                  | 7,488          | 23,765                | 22,855         |
| of which: retail                                                               | 72,392                 | 67,358         | 57,811                | 51,323         |
| of which: exposures in default                                                 | 491                    | 544            | 534                   | 494            |
| of which: covered bonds                                                        | 553                    | 118            | 553                   | 118            |
| of which: equity                                                               | 135                    | 172            | 10,991                | 11,508         |
| of which: other items                                                          | 2,469                  | 3,355          | 1,848                 | 2,408          |
| <b>Total exposure amount</b>                                                   | <b>153,020</b>         | <b>123,404</b> | <b>160,622</b>        | <b>130,011</b> |
| <b>Risk exposure amounts according to the standardized approach</b>            |                        |                |                       |                |
| Credit risk including counterparty credit risk                                 | 62,155                 | 64,363         | 76,695                | 77,034         |
| of which: institutions                                                         | 1,082                  | 1,732          | 603                   | 1,166          |
| of which: corporates                                                           | 9,074                  | 7,153          | 23,586                | 22,536         |
| of which: retail                                                               | 48,212                 | 50,518         | 38,696                | 38,492         |
| of which: exposures in default                                                 | 521                    | 609            | 692                   | 616            |
| of which: covered bonds                                                        | 55                     | 12             | 55                    | 12             |
| of which: equity                                                               | 338                    | 431            | 11,186                | 11,767         |
| of which: other items                                                          | 2,873                  | 3,908          | 1,877                 | 2,445          |
| Securitization positions                                                       | 1,999                  | 1,967          | 1,999                 | 1,967          |
| Market risk                                                                    | 6,347                  | 5,260          | 8,530                 | 6,144          |
| of which: foreign exchange risk                                                | 6,347                  | 5,260          | 8,530                 | 6,144          |
| Operational risk                                                               | 5,308                  | 5,308          | 5,970                 | 5,970          |
| Credit valuation adjustments                                                   | 142                    | 124            | 142                   | 124            |
| <b>Total risk exposure amount</b>                                              | <b>75,951</b>          | <b>77,022</b>  | <b>93,336</b>         | <b>91,239</b>  |

|                                                                                                                 | Consolidated situation |                | Klarna Bank AB (publ) |                |
|-----------------------------------------------------------------------------------------------------------------|------------------------|----------------|-----------------------|----------------|
|                                                                                                                 | 30 Jun 2025            | 31Dec 2024     | 30 Jun 2025           | 31Dec 2024     |
| <b>Total minimum capital requirements</b>                                                                       |                        |                |                       |                |
| Credit risk including counterparty credit risk                                                                  | 4,972                  | 5,149          | 6,136                 | 6,163          |
| of which: institutions                                                                                          | 87                     | 139            | 48                    | 93             |
| of which: corporates                                                                                            | 726                    | 572            | 1,887                 | 1,803          |
| of which: retail                                                                                                | 3,856                  | 4,041          | 3,096                 | 3,079          |
| of which: exposures in default                                                                                  | 42                     | 49             | 55                    | 49             |
| of which: covered bonds                                                                                         | 4                      | 1              | 4                     | 1              |
| of which: equity                                                                                                | 27                     | 34             | 895                   | 941            |
| of which: other items                                                                                           | 230                    | 313            | 151                   | 197            |
| Securitization positions                                                                                        | 160                    | 157            | 160                   | 157            |
| Market risk                                                                                                     | 508                    | 421            | 682                   | 492            |
| of which: foreign exchange risk                                                                                 | 508                    | 421            | 682                   | 492            |
| Operational risk                                                                                                | 425                    | 425            | 478                   | 478            |
| Credit valuation adjustments                                                                                    | 11                     | 10             | 11                    | 10             |
| <b>Total minimum capital requirement</b>                                                                        | <b>6,076</b>           | <b>6,162</b>   | <b>7,467</b>          | <b>7,300</b>   |
| <b>Own funds disclosure</b>                                                                                     |                        |                |                       |                |
| <b>Common Equity Tier 1 capital: instruments and reserves</b>                                                   |                        |                |                       |                |
| Capital instruments and the related share premium accounts                                                      | 42,330                 | 42,305         | 43,687                | 40,689         |
| Retained earnings                                                                                               | (20,092)               | (20,919)       | (22,879)              | (21,312)       |
| Accumulated other comprehensive income (and other reserves)                                                     | 955                    | 1,525          | 1,133                 | 649            |
| <b>Common Equity Tier 1 capital before regulatory adjustments</b>                                               | <b>23,193</b>          | <b>22,911</b>  | <b>21,941</b>         | <b>20,026</b>  |
| <b>Common Equity Tier 1 capital: regulatory adjustments</b>                                                     |                        |                |                       |                |
| Additional value adjustments                                                                                    | (1)                    | (1)            | (1)                   | (1)            |
| Intangible assets (net of related tax liability)                                                                | (9,846)                | (10,031)       | (1,088)               | (1,225)        |
| Profit/losses for the current financial year                                                                    | (1,286)                | 273            | (1,721)               | (1,335)        |
| IFRS 9 transitional adjustments to CET1 Capital                                                                 | —                      | 291            | —                     | 222            |
| Deferred tax assets rely on future profitability                                                                | —                      | —              | —                     | —              |
| Securitization positions alternatively subject to a 1250% risk weight                                           | (506)                  | (473)          | (506)                 | (473)          |
| Other CET1 capital deduction                                                                                    | (72)                   | —              | —                     | —              |
| <b>Total regulatory adjustments to Common Equity Tier 1 (CET1) capital</b>                                      | <b>(11,711)</b>        | <b>(9,941)</b> | <b>(3,316)</b>        | <b>(2,812)</b> |
| <b>Common Equity Tier 1 (CET1) capital</b>                                                                      | <b>11,482</b>          | <b>12,970</b>  | <b>18,625</b>         | <b>17,214</b>  |
| <b>Additional Tier 1 (AT1) capital instruments</b>                                                              |                        |                |                       |                |
| Capital instruments and the related share premium accounts                                                      | 1,500                  | 1,500          | 276                   | 276            |
| of which: classified as equity under applicable accounting standards                                            | 1,500                  | 1,500          | 276                   | 276            |
| Qualifying Tier 1 capital included in consolidated AT1 capital issued by subsidiaries and held by third parties | 149                    | 153            | —                     | —              |
| <b>Total Additional Tier 1 (AT1) capital instruments</b>                                                        | <b>1,649</b>           | <b>1,653</b>   | <b>276</b>            | <b>276</b>     |
| <b>Tier 1 capital</b>                                                                                           | <b>13,131</b>          | <b>14,623</b>  | <b>18,901</b>         | <b>17,490</b>  |
| <b>Tier 2 (T2) capital instruments</b>                                                                          |                        |                |                       |                |
| Capital instruments and the related share premium accounts                                                      | 1,722                  | 1,880          | —                     | —              |
| Qualifying own funds instruments included in consolidated T2 issued by subsidiaries and held by third party     | —                      | —              | —                     | —              |
| <b>Total Tier 2 (T2) capital instruments</b>                                                                    | <b>1,722</b>           | <b>1,880</b>   | <b>—</b>              | <b>—</b>       |
| <b>Own funds</b>                                                                                                | <b>14,853</b>          | <b>16,503</b>  | <b>18,901</b>         | <b>17,490</b>  |

## **Note 16    Divestitures**

In October 2024, Klarna completed the sale of its Klarna Checkout ("KCO") business, as disclosed in the 2024 Annual Report. The transaction had no accounting impact in the first six month of 2025. The sale continues to impact year-over-year comparability of certain metrics such as GMV and net operating income.

## **Note 17    Significant events after the end of the reporting period**

The Group has evaluated all events that have occurred subsequent to June 30, 2025, through the date that the interim condensed consolidated financial statements were approved on August 13, 2025. No significant events have occurred during the subsequent period.

## **CEO' affirmation**

The CEO certifies that this interim report provides a fair overview of the Parent Company's and the Group's operation, their financial position and results, and describes material risks and uncertainties that the Parent company and other companies in the Group are facing.

Stockholm, August 13, 2025

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Sebastian Siemiatkowski

CEO

## Definitions and Abbreviations

### Capital requirement

Total assets and off-balance sheet items, risk-weighted according to the capital adequacy rules for credit and market risk. The operational risks are measured and added as risk exposure amount.

### Common Equity Tier 1 capital

Common Equity Tier 1 (CET1) capital is the highest quality regulatory capital as it absorbs losses as soon as they happen. It includes equity excluding proposed dividend, deferred taxes and intangible assets and certain other regulatory adjustments defined in Regulation (EU) No 575/2013 (CRR) and EU 241/2014.

### CET1 ratio

A core measure of a bank's financial strength. This is calculated by dividing CET1 by risk exposure amounts (REAs). The higher the ratio the more reserves a bank has.

### Consumer

An individual or company using our services.

### Debt/equity ratio\*

Average liabilities adjusted for untaxed reserves in relation to average equity adjusted for untaxed reserves. The calculation of average liabilities and average equity is based on opening and closing balances for the reporting period.

### Equity/assets ratio\*

Equity adjusted for untaxed reserves as a percentage of total assets at the end of the reporting period.

### Gross Merchandise Volume

Value of products sold through Klarna platform.

### Own funds (Total capital)

The sum of Tier 1 capital and Tier 2 capital.

### Return on assets\*

Net result for the last 12 months as a percentage of average total assets. The calculation of average total assets is based on opening and closing balances for the last 12 months.

### Return on equity\*

Operating result for the last 12 months as a percentage of average equity adjusted for untaxed reserves. The calculation of average equity is based on opening and closing balances for the last 12 months.

### Restricted Stock Units

Klarna's Restricted Stock Unit Program for employees, implemented in 2020.

### Risk Exposure Amount (REAs)

Risk Exposure Amount refers to the total exposure of a bank, financial institution, or any other regulated entity to potential losses. It is the sum of credit risk, operational risk, market risk and the risk of a credit valuation adjustment.

### Tier 1 capital

The sum of Common Equity Tier 1 capital and Additional Tier 1 capital.

### Tier 2 capital

Subordinated liabilities, which are eligible for inclusion in the total capital.

### Total capital ratio

Total capital as a percentage of risk exposure amounts.

## Review report

Klarna Bank AB (publ), corporate identity number 556737-0431

### Introduction

We have reviewed the interim consolidated financial statements for Klarna Bank AB (publ) as of June 30, 2025 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies regarding the Group, and in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies regarding the Parent Company.

Stockholm, August 13, 2025

Ernst & Young AB

Hamish Mabon

Authorized Public Accountant