

Interim Report

January - March 2024

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INTERIM REPORT FOR ENTERCARD GROUP AB

The Chief Executive Officer for Entercard Group AB hereby submits the Interim report for January 1 - March 31, 2024.

SUMMARY

Scope, Type of Operation and Ownership

The business focus of Entercard is to issue credit cards and consumer loans in the Nordic market under its own brand, re:member, as well as issuing credit cards and loans under different partners' brands and through their own distribution channels; including Swedbank, a number of Swedish savings banks, Coop and LO in Sweden, and FH in Denmark.

Entercard uses sound lending practice and acts as a responsible provider of consumer credit. This is done by using established methods and by gathering solid applicant data enabling that reasonable credit levels are given to each individual.

Ownership

Entercard Group AB is a joint venture, owned by Swedbank AB, 60% and Barclays Principal Investments Limited, 40%. Entercard Group AB operates two branches in Norway and Denmark, respectively.

Significant Events during the Period

The period has been characterized by macro-economic uncertainty. Even though signs of reduced inflation have been noted and the market assumes further reductions, inflation and interest rates in Scandinavia have continued to be at a historically high level during the period. The environment with lower real wages impacts customers and credit losses, in particular in the Swedish market. Entercard will continue to follow the development of the circumstances, as well as customer behavior.

Year to Date Earnings, Profitability and Position

Operating income as per March 31, 2024, amounted to 732,3m SEK (749,7m SEK). Total loans to the public without considering provisions of anticipated loan losses as per March 31, 2024, was 35 327,0m SEK (34 705,0m SEK).

Non-performing loans, after loan loss provision, as per March 31 amounted to a book value of 1 610,0m SEK (1 678 m SEK) which constitutes 5,0 (5,3) percent of the total credit portfolio.

Operating profit before tax amounted to -99,0m SEK (58,8m SEK).

Investments

Investments in tangible asset was 0,1m SEK during the period. Intangible assets increased with 2,8m SEK during the period. Entercard continuously assesses whether there are indications of diminished value for assets. The evaluation has shown that there is no need for impairment.

Significant Risks and Factors of Uncertainty

High inflation and historically large interest increases have led to concerns regarding the risk of an extended recession and potentially stagflation. Especially the Swedish economy has been highlighted by forecasters as having a weak growth outlook given the high sensitivity to interest rate change by households. Entercard management follows the development closely to adapt to the environment.

Liquidity and Funding

Entercard's liquidity need is satisfied through credits and loans provided by the owners. Entercard's cash balance as per March 31, 2024, amounted to 2 960,0m SEK (3 950,9m SEK).

The liquidity reserve amounted to 1 571,0m SEK (2 831,6m SEK). Entercard Group AB's Liquidity Coverage Ratio (LCR) was 221% (364%). According to Entercard's interpretation of the Basel Committee's most recent proposal on Net Stable Funding Ratio (NSFR), Entercard's NSFR was 131% (133%).

As per March 31, 2024, the survival horizon, in a scenario with a very limited access to funding and significantly decreased inflows from customers, was 84 days for Sweden, 138 days for Norway and 153 days for Denmark, to be compared with the risk appetite, decided by the Board, of 60 days.

More detailed information on the liquidity reserve and liquidity management is provided in the yearly Risk and capital adequacy report.

Capital Adequacy

Total capital ratio for Entercard as per March 31, 2024, was 17,2%. The total adjusted Tier 1 Capital base amounted to 4 757,8m SEK and the total risk exposure amount for credit risk was 25 268,3m SEK. Entercard applies the standardized approach to calculate the capital requirement for credit risk.

Audit Review

This report has not been reviewed by Entercard's auditors.

Income Statement

TSEK	Note	2024	2023	2023
		Jan-March	Full Year	Jan-March
Interest income		1 006 181	3 910 134	924 980
Interest expenses		-401 440	-1 448 274	-291 635
Net interest income		604 741	2 461 860	633 345
Commission income		213 950	843 357	202 172
Commission expenses		-93 496	-374 007	-94 295
Net commissions		120 454	469 350	107 877
Net gain/loss transactions from financial instruments	2	-2 120	-5 256	-1 764
Other income		9 227	43 818	10 199
TOTAL OPERATING INCOME		732 302	2 969 772	749 658
Staff costs		-151 843	-581 667	-150 832
Other general administrative expenses		-209 075	-848 632	-208 024
Total general administrative expenses		-360 918	-1 430 299	-358 856
Depreciation/amortization and impairment of tangible and intangible assets		-2 939	-9 976	-2 684
TOTAL OPERATING EXPENSES		-363 857	-1 440 275	-361 539
Profit before loan losses		368 445	1 529 497	388 118
Loan losses, net	3	-463 655	-1 476 725	-325 550
Swedish bank tax and resolution fees	9	-3 750	-24 615	-3 750
OPERATING PROFIT		-98 960	28 157	58 819
Tax expense		19 465	-43 846	-12 285
PROFIT/LOSS FOR THE YEAR		-79 495	-15 689	46 534

Statement of Comprehensive Income

	2024	2023	2023
TSEK	Jan-March	Full Year	Jan-March
Profit for the year recognized within the income statement	-79 495	-15 689	46 534
Components which will not be reclassified to the income statement			
Revaluation of defined-benefit pensions	-	15 109	-
Tax	-	-3 112	-
Total	-	11 996	-
Components which have or will be reclassified to the income statement			
Unrealized changes in fair value	2	1 786	352
Exchange rate differences	14 256	-72 216	-64 135
Tax	-	13 402	-
Total	16 042	-53 490	-63 783
Other comprehensive income	16 042	-41 493	-63 783
Total profit	-63 453	-57 182	-17 249

Balance Sheet

Assets

TSEK	Note	2024 31 March	2023 31 Dec	2023 31 March
Assets				
Deposits	4	2 960 012	3 234 669	3 950 971
Loans to the public	4	31 995 309	32 170 538	31 707 584
Bonds and other interest-bearing securities	5,6	1 571 064	1 539 893	2 831 627
Intangible assets		20 503	19 422	14 598
Tangible assets		20 462	21 450	790
Deferred tax assets		51 812	25 949	11 638
Other assets		169 846	317 251	385 788
Prepaid expenses and accrued income		118 333	90 084	128 340
TOTAL ASSETS		36 907 341	37 419 256	39 031 336

Liabilities and Equity

Liabilities

Amounts owed to credit institutions		31 679 097	32 096 955	33 224 103
Other liabilities		113 032	162 895	116 904
Accrued expenses and prepaid income		199 296	180 568	263 651
Pension provisions		4 703	3 795	13 364
Provisions		14 793	15 172	26 959
TOTAL LIABILITIES		32 010 921	32 459 384	33 644 981

Equity

Share capital		5 000	5 000	5 000
Fund for development expenditures		19 422	19 422	15 099
Reserves		-274 998	-291 040	-301 333
Retained earnings		5 146 996	5 226 491	5 667 590
TOTAL EQUITY		4 896 420	4 959 873	5 386 355
TOTAL LIABILITIES AND EQUITY		36 907 341	37 419 256	39 031 336

Statement of Changes in Equity

TSEK	Restricted equity		Non-restricted equity			Total Equity
	Share capital	Fund for development expenditures	*Foreign currency reserve	**Fair value reserve	Retained earnings	
Opening balance January 1, 2023	5 000	15 099	-229 423	-8 127	5 621 056	5 403 605
Profit/loss for the period			-64 135	352	46 534	-17 249
<i>of which recognized in income statement</i>					46 534	46 534
<i>of which recognized in other comprehensive income</i>			-64 135	352	-	-63 783
Closing balance March 31, 2023	5 000	15 099	-293 558	-7 775	5 667 590	5 386 355

TSEK	Share capital	Fund for development expenditures	*Foreign currency reserve	**Fair value reserve	Retained earnings	Total Equity
Opening balance January 1, 2023	5 000	15 099	-229 423	-8 127	5 621 056	5 403 605
Dividends					-386 550	-386 550
Transfer to/from restricted equity		4 323			-4 323	-
Profit/loss for the year			-57 500	4 010	-3 693	-57 182
<i>of which recognized in income statement</i>					-15 689	-15 689
<i>of which recognized in other comprehensive income</i>			-72 216	5 324	15 109	-51 783
<i>of which tax recognized in other comprehensive income</i>			14 716	-1 314	-3 112	10 290
Closing balance December 31, 2023	5 000	19 422	-286 924	-4 117	5 226 491	4 959 873

TSEK	Share capital	Fund for development expenditures	*Foreign currency reserve	**Fair value reserve	Retained earnings	Total Equity
Opening balance January 1, 2024	5 000	19 422	-286 924	-4 117	5 226 491	4 959 873
Profit/loss for the period			14 256	1 786	-79 495	-63 453
<i>of which recognized in income statement</i>			-	-	-79 495	-79 495
<i>of which recognized in other comprehensive income</i>			14 256	1 786	-	16 042
Closing balance March 31, 2024	5 000	19 422	-272 668	-2 331	5 146 996	4 896 420

*Currency translation reserve from revaluation of the branches

**Fair value changes of the bond portfolio

Statement of Cash Flow

TSEK	2024	2023	2023
	Jan-March	Full Year	Jan-March
Operating activities			
Operating profit/loss	-98 960	28 157	58 819
Adjustments for non-cash items	93 734	195 234	-9 629
Taxes paid	55 291	-33 146	-5 457
Cash flow from operating activities before working capital changes	50 065	190 245	43 733
Changes in working capital			
Increase/decrease in loans to the public	162 645	-312 540	414 528
Increase/decrease of bonds and other interest-bearing securities	-27 262	576 623	-718 821
Increase/decrease in other assets	91 242	20 872	-45 038
Increase/decrease in other liabilities	-55 114	-41 042	-63 702
Cash flow from changes in working capital	171 510	243 914	-413 033
Investing activities			
Purchase of intangible assets	-2 820	-12 570	-2 085
Purchase of tangible assets	-122	-22 277	-
Cash flow from investing activities	-2 942	-34 846	-2 085
Financing activities			
Dividends	-	-386 550	-
Increase/decrease of deposits and borrowing	-501 475	-1 043 819	49 301
Cash flow from financing activities	-501 475	-1 430 369	49 301
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	3 234 669	4 329 568	4 329 568
CASH FLOW FOR THE PERIOD	-282 842	-1 031 056	-322 084
Exchange rate differences on cash and cash equivalents	8 185	-63 843	-56 513
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2 960 012	3 234 669	3 950 971

Notes

The interim report for Entercard Group AB (org nr 556673-0585) refers to the period January 1 - March 31, 2024. The company is based in Stockholm, Sweden.

Note 1 Accounting Principles

This interim report has been prepared in accordance with the regulations of the law (1995:1559) on the Annual Accounts Act for Credit Institutions and Securities Companies, Chapter 9, and the rules and regulations issued by the Financial Supervisory Authorities (Finansinspektionen) FFFS 2008:25 Chapter 8 and the Council for Financial Reporting Board's recommendation RFR 2, accounting for legal entities.

Statements are presented in Swedish krona and all values are rounded to thousand kronor (TSEK) unless otherwise noted.

The accounting principles applied in the interim report are consistent with the accounting policies applied in the preparation of the annual report for 2023.

Note 2 Net Financial Income

Total net result for financial assets measured at fair value through Other comprehensive income

	2024	2023	2023
	Jan-March	Full Year	Jan-March
Realized gains/losses recognized in profit and loss			
Realized gain/loss bonds and other interest-bearing securities	-553	-3 174	-673
Exchange rate profit / loss	-1 567	-2 082	-1 091
Total realized gain/loss in profit or loss	-2 120	-5 256	-1 764
Unrealized gains/losses recognized in Other comprehensive income			
Unrealized changes in value bonds and other interest-bearing securities	1 786	5 324	352
Total unrealized gain/loss in Other comprehensive income	1 786	5 324	352
Total	-334	68	-1 412

Note 3 Loan Losses, Net

	2024	2023	2023
	Jan-March	Full Year	Jan-March
Loans at amortized cost			
Change in provisions - stage 1	38 525	-48 528	-33 503
Change in provisions - stage 2	-22 003	-131 865	-39 985
Change in provisions - stage 3	-133 879	-67 031	41 297
Total	-117 357	-247 424	-32 191
The periods write-off for established loan losses	-368 444	-1 368 753	-313 278
Recoveries from previously established loan losses	21 713	127 755	19 995
Total	-346 731	-1 240 999	-293 283
Loan losses net, loans at amortized cost	-464 088	-1 488 423	-325 474
Loan losses credits granted but not utilized			
Change in provisions - stage 1	332	9 442	-91
Change in provisions - stage 2	101	2 256	15
Loan losses net, loan commitments	433	11 698	-76
Total loan losses	-463 655	-1 476 725	-325 550

Note 4 Change in Provisions for Loans

Change in book value (gross) and provisions March 31, 2024.

Book value, gross	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Opening balance January 1, 2024	28 763 834	2 993 694	3 636 409	35 393 937
Closing balance March 31, 2024	28 270 854	3 217 840	3 838 371	35 327 065
Provisions for loans to the public and loans to credit institutions				
Opening balance January 1, 2024	-535 572	-580 399	-2 107 428	-3 223 399
New and derecognized financial assets, net	-10 998	25 517	227 312	241 831
Changes in credit risk	-1 899	13 442	-983	10 560
Transfer between stages during the period				
from stage 1 to stage 2	52 467	-255 041	-	-202 574
from stage 1 to stage 3	7 215	-	-76 977	-69 762
from stage 2 to stage 1	-13 253	47 321	-	34 068
from stage 2 to stage 3	-	153 052	-296 767	-143 715
from stage 3 to stage 1	-119	-	3 837	3 718
from stage 3 to stage 2	-	-7 571	15 977	8 406
Other	2 467	-	6 644	9 111
Closing balance March 31, 2024	-499 692	-603 679	-2 228 385	-3 331 756
Book value, net				
Opening balance January 1, 2024	28 228 262	2 413 295	1 528 981	32 170 538
Closing balance March 31, 2024	27 771 162	2 614 161	1 609 986	31 995 309

Change in book value (gross) and provisions March 31, 2023.

Book value, gross	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Opening balance January 1, 2023	29 018 299	2 703 931	3 733 075	35 455 305
Closing balance March 31, 2023	28 165 895	2 874 970	3 664 139	34 705 004
Provisions for loans to the public and loans to credit institutions				
Opening balance January 1, 2023	-489 259	-451 780	-2 056 801	-2 997 840
New and derecognized financial assets, net	-25 173	80 729	184 940	240 497
Changes in credit risk	916	6 678	19 810	27 404
Transfer between stages during the period				
from stage 1 to stage 2	44 971	-209 316	-	-164 345
from stage 1 to stage 3	8 568	-	-74 731	-66 163
from stage 2 to stage 1	-14 217	46 929	-	32 711
from stage 2 to stage 3	-	41 451	-94 173	-52 722
from stage 3 to stage 1	-20	-	619	598
from stage 3 to stage 2	-	-4 010	8 818	4 809
Other	-47 849	93	25 386	-22 369
Closing balance March 31, 2023	-522 063	-489 225	-1 986 132	-2 997 420
Book value, net				
Opening balance January 1, 2023	28 529 040	2 252 151	1 676 274	32 457 465
Closing balance March 31, 2023	27 643 832	2 385 745	1 678 007	31 707 584

Change in book value (gross) March 31, 2024.

Book value, gross	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Opening balance January 1, 2024	28 763 834	2 993 694	3 636 409	35 393 937
New and derecognized financial assets, net	454 990	-112 418	-379 418	-36 846
Changes in credit risk	22 022	-28 207	-28 455	-34 640
Transfer between stages during the period				
from stage 1 to stage 2	-1 228 844	1 253 491	-	24 647
from stage 1 to stage 3	-143 462	-	137 924	-5 538
from stage 2 to stage 1	373 307	-421 879	-	-48 572
from stage 2 to stage 3	-	-495 050	507 367	12 317
from stage 3 to stage 1	6 730	-	-6 876	-146
from stage 3 to stage 2	-	28 209	-28 587	-378
Other	22 277	-	7	22 284
Book value				
Closing balance March 31, 2024	28 270 854	3 217 840	3 838 371	35 327 065

Change in book value (gross) March 31, 2023.

Book value, gross	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Opening balance January 1, 2023	29 018 299	2 703 931	3 733 075	35 455 305
New and derecognized financial assets, net	917 650	-271 347	-310 349	335 954
Changes in credit risk	-909 935	-45 904	-69 360	-1 025 200
Transfer between stages during the period				
from stage 1 to stage 2	-1 127 150	1 127 801	-	651
from stage 1 to stage 3	-165 071	-	143 876	-21 195
from stage 2 to stage 1	388 728	-467 711	-	-78 983
from stage 2 to stage 3	-	-187 241	185 375	-1 866
from stage 3 to stage 1	498	-	-1 202	-704
from stage 3 to stage 2	-	15 434	-17 277	-1 842
Other	42 878	6	1	42 885
Book value				
Closing balance March 31, 2023	28 165 895	2 874 970	3 664 139	34 705 004

Book value granted, not paid, credit facilities and granted, not utilized, credits

	2024 31 March	2023 31 Dec	2023 31 March
Credit facilities, granted but not paid	23 606	16 057	118 893
Credits granted but not utilized	43 364 806	43 381 566	44 181 379
Provisions for off-balance commitments			
Stage 1	9 696	9 987	19 523
Stage 2	5 097	5 185	7 436
Total	14 793	15 172	26 959

Allocation of loans between stages and provisions (IFRS 9)

	2024 31 March	2023 31 Dec	2023 31 March
Deposits			
Stage 1			
Book value, gross	2 960 012	3 234 669	3 950 971
Total book value	2 960 012	3 234 669	3 950 971
Loans to the public, private customers			
Stage 1			
Book value, gross	27 782 654	28 221 133	27 797 160
Provisions	-499 207	-535 030	-521 613
Book value	27 283 447	27 686 103	27 275 547
Stage 2			
Book value, gross	3 217 840	2 993 694	2 874 970
Provisions	-603 680	-580 399	-489 225
Book value	2 614 160	2 413 295	2 385 745
Stage 3			
Book value, gross	3 820 279	3 628 892	3 655 754
Provisions	-2 220 055	-2 102 254	-1 981 830
Book value	1 600 224	1 526 638	1 673 924
Total book value	31 497 831	31 626 036	31 335 216
Loans to the public, corporate customers			
Stage 1			
Book value, gross	488 200	542 701	368 735
Provisions	-485	-542	-450
Book value	487 715	542 159	368 285
Stage 3			
Book value, gross	18 092	7 518	8 385
Provisions	-8 329	-5 174	-4 302
Book value	9 763	2 343	4 083
Total book value	497 478	544 502	372 368
Total	34 955 321	35 405 207	35 658 555
Book value gross, stage 1	28 270 854	28 763 834	28 165 895
Book value gross, stage 2	3 217 840	2 993 694	2 874 970
Book value gross, stage 3	3 838 371	3 636 409	3 664 139
Total book value gross	35 327 065	35 393 937	34 705 004
Provisions stage 1	-499 692	-535 572	-522 063
Provisions stage 2	-603 680	-580 399	-489 225
Provisions stage 3	-2 228 384	-2 107 428	-1 986 132
Total provisions	-3 331 756	-3 223 399	-2 997 420
Total book value	31 995 309	32 170 538	31 707 584
Share of loans in stage 3, gross, %	10,87%	10,27%	10,56%
Share of loans in stage 3, net, %	5,03%	4,75%	5,29%
Provision ratio of loans stage 1	1,77%	1,86%	1,85%
Provision ratio of loans stage 2	18,76%	19,39%	17,02%
Provision ratio of loans stage 3	58,06%	57,95%	54,20%
Total provision ratio of loans	9,43%	9,11%	8,64%

Note 5 Bonds and Other Interest-bearing Securities

Financial assets measured at fair value through Other comprehensive income.

	2024	2023	2023
Issuers	31 March	31 Dec	31 March
Municipalities	807 056	644 957	1 065 374
Swedish mortgage institutions	402 362	202 006	322 164
Foreign credit institutions	101 724	438 807	1 303 057
Foreign mortgage institutions	119 048	119 139	-
Other foreign issuers	140 874	134 984	141 032
Total	1 571 064	1 539 893	2 831 627

Fair value is the same as book value. All bonds and interest-bearing securities are within the Fair value 1 hierarchy.

	2024	2023	2023
Remaining maturity	31 March	31 Dec	31 March
Maximum 1 year	342 584	134 984	323 894
Longer than 1 year but maximum 5 years	1 064 848	1 404 909	2 507 733
Longer than 5 years	163 632	-	-
Total	1 571 064	1 539 893	2 831 627

	2024	2023	2023
Total holdings of financial assets, broken down by issuer	31 March	31 Dec	31 March
Issued by public entities	947 930	779 941	1 206 406
Issued by other borrowers	623 134	759 952	1 625 220
Total	1 571 064	1 539 893	2 831 627
Average remaining maturity, years	2,27	2,35	2,28
Average remaining fixed interest term, years	0,37	0,45	0,37
<i>of which listed securities, TSEK</i>	<i>1 571 064</i>	<i>1 539 893</i>	<i>2 831 627</i>
<i>of which unlisted securities, TSEK</i>	<i>-</i>	<i>-</i>	<i>-</i>

Note 6 Liquidity Reserve and Liquidity Risk

	2024	Distribution by currency			2023	Distribution by currency		
	31 March	SEK	NOK	DKK	31 March	SEK	NOK	DKK
Securities issued or guaranteed by government or central bank	140 874	-	-	140 874	141 032	-	-	141 032
Securities issued or guaranteed by municipalities or non-governmental public entities	807 056	652 131	154 925	-	1 065 374	907 394	157 980	-
Covered bonds issued by others	521 410	521 410	-	-	322 164	322 164	-	-
Securities issued or guaranteed by multilateral development banks	101 724	-	101 724	-	1 303 057	-	1 303 057	-
Total	1 571 064	1 173 541	256 649	140 874	2 831 627	1 229 558	1 461 037	141 032
<i>Distribution by currency, %</i>		<i>74,7%</i>	<i>16,3%</i>	<i>9,0%</i>		<i>43,4%</i>	<i>51,6%</i>	<i>5,0%</i>

In accordance with the Swedish Financial Supervisory Authority (SFSA) (Sw. Finansinspektionen) FFFS 2010:7 on liquidity risks.

Note 7 Capital adequacy

Calculation of capital requirements is conducted in accordance with Regulation (EU) 2020/873 of the European Parliament and of the Council on 24 June 2020 amending Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms (prudential regulation) and (EU) 2019/876 as regards certain adjustments in response to the Covid-19 pandemic, act (2014: 966) on capital buffers, and the Swedish Financial Supervisory Authority (SFSA) (Sw. Finansinspektionen) FFFS 2014:12 on regulatory requirements and capital buffers. Outcome refers to the calculation in accordance with the statutory minimum capital requirement, called Pillar I, as well as capital under the combined buffer requirement.

Entercard applies the standardized approach to calculate the capital requirement for credit risk. Credit risk is calculated on all on- and off-balance sheet items unless deducted from own funds. Entercard also calculates a capital requirement for currency risk. Entercard has permission, granted by Finansinspektionen, to exempt certain structural currency positions from the calculation of the capital requirement, namely such positions that have been taken deliberately in order to hedge the capital ratio against adverse changes in the currency rates.

Entercard uses the alternative standardized approach for calculating the capital requirements for operational risk.

The combined buffer requirement is a requirement to hold a capital conservation buffer of 2.5 percent of the risk exposure amount. The buffer requirement also includes a countercyclical buffer, which currently amounts to 2.1 percent of the risk exposure amount. There are currently no planned changes of the countercyclical buffer in countries where Entercard operates.

As a result of the Supervisory review 2023, Entercard has received a Pillar 2 Guidance of 1 percent of the Risk Exposure Amount, and 1.5 percent of the Total Exposure Amount for Leverage Ratio. The guidance is, together with a capital requirement of 1.9 percent, to be locked until the next review.

Entercard does not have a trading book.

Entercard Group AB is a Swedish credit market company with license to conduct financing business in the Scandinavian market. The operations in Norway and Denmark is conducted through the branches "Entercard Norge, filial av Entercard Group AB" and Entercard Danmark, filial af Entercard Group AB". Entercard's lending in Finland is conducted through cross-border operations. Information in this note is submitted in accordance with prudential regulation, Commission Implementing Regulation (EU) no 1423/2013 on implementing technical standards with regard to the disclosure requirements of capital for institutions under prudential regulation, the SFSA's regulations and general guidelines (FFFS 2008:25) on Annual Reports in credit institutions and investment firms, and the SFSA's guidelines on regulatory requirements and capital buffers.

Besides the above capital adequacy requirement, Entercard holds additional capital according to the total capital calculated in the Internal Capital Adequacy Assessment Process (ICAAP). As of March 31, 2024, the internal capital requirement amounted to 16.5 percent.

Entercard assesses the capital requirement for all solvency-related risks within the framework of Pillar 2. This assessment is to a high degree based on stress tests. The result of internal capital assessment shows that Entercard's capital base is sufficient in relation to the capital requirement for the risks that Entercard is exposed to.

Risk and Capital adequacy report (Pillar 3) 2023 is available on Entercard website <http://www.entercard.com>.

Entercard Group AB is included through the proportional consolidation method in Swedbank consolidated situation.

Capital Adequacy

	2024	2023
	31 March	31 Dec
Common Equity Tier 1 Capital: Instruments and reserves		
Capital instrument and associated share premium	5 000	5 000
Reserves	5 349 618	5 365 307
Accumulated other comprehensive income	-378 703	-394 746
Profit net, after deduction of foreseeable cost's and dividend's, verified by auditors	-79 495	-15 689
Common Equity Tier 1 Capital before adjustments	4 896 419	4 959 873
Value adjustments due to the requirements for prudent valuation	-66 322	-1 007
Intangible assets	-20 503	-19 422
Deferred tax assets that rely on future profitability and arise from temporary differences	-51 812	-25 949
Negative values associated to expected losses	-	-26 675
Losses current year	-	-
Total adjustments of Common Equity Tier 1 Capital	-138 636	-73 052
Common Equity Tier 1 Capital	4 757 783	4 886 820
Additional Tier 1 Capital: instruments	-	-
Tier 1 Capital	4 757 783	4 886 820

	2024	2023
	31 March	31 Dec
Tier 2 Capital: Instruments and provisions		
Capital instrument and associated share premium	-	-
Credit value adjustments	-	-
Tier 2 Capital before adjustments	-	-
Total adjustments of Common Equity Tier 2 Capital	-	-
Tier 2 Capital	-	-
Total Capital	4 757 783	4 886 820
Total risk weighted exposure amount	27 686 207	27 868 407
Common Equity Tier 1 capital ratio	17,2%	17,5%
Tier 1 capital ratio	17,2%	17,5%
Total capital ratio	17,2%	17,5%

	2024	2023
	31 March	31 Dec
Requirements buffers, %		
Total Tier 1 capital requirement including buffer requirement	9,1	9,1
<i>whereof minimum CET1 requirement</i>	4,5	4,5
<i>whereof capital conservation buffer requirement</i>	2,5	2,5
<i>whereof countercyclical capital buffer requirement</i>	2,1	2,1
Common Equity Tier 1 capital available to be used as buffer	8,1	8,4
Leverage ratio	11,6%	11,7%

Risk exposure amount and own funds requirement for credit risk

Exposure classes	2024		2023	
	31 March		31 Dec	
	Risk exposure amount	Own funds requirement	Risk exposure amount	Own funds requirement
Institutional exposures	592 133	47 371	647 004	51 760
Covered bonds	52 141	4 171	32 114	2 569
Retail exposures	22 700 356	1 816 028	22 874 188	1 829 935
Regional governments or local authorities exposures	2 106	168	2 979	238
Corporate exposures	2 979	238	3 493	279
Exposures in default	1 609 986	128 799	1 528 981	122 318
Other exposures	308 641	24 691	428 785	34 303
Total	25 268 342	2 021 467	25 517 544	2 041 404
			2024	2023
			31 March	31 Dec
Total capital requirement for credit risk according to the standardized approach			2 021 467	2 041 404
			2024	2023
			31 March	31 Dec
Capital requirement for operational risk				
Risk exposure amount			1 974 974	1 951 652
Capital requirement according to the alternative standardized approach			157 998	156 132
Total capital requirement for operational risk			157 998	156 132
			2024	2023
			31 March	31 Dec
Capital requirement for market risk (foreign exchange risk)				
Risk exposure amount			442 891	399 211
Capital requirement			35 431	31 937
Total capital requirement for market risk			35 431	31 937
Capital requirements for settlement risk			-	-
Capital requirements for credit value adjustment (CVA) risk			-	-
Total capital requirements			2 214 897	2 229 473

Internal capital requirement

	2024		2023	
	31 March	% av REA*	31 Dec	% av REA*
Capital requirement according to Pillar 1				
Credit risk	2 021 467	7,3	2 041 404	7,3
Market risk	35 431	0,1	31 937	0,1
Operational risk	157 998	0,6	156 132	0,6
Settlement risk	-	-	-	-
Credit value adjustment (CVA) risk	-	-	-	-
Total capital requirement according to Pillar 1	2 214 897	8,0	2 229 473	8,0
Capital requirement according to Pillar 2				
Other capital requirement	526 038	1,9	535 788	1,9
Total capital requirement according to Pillar 2	526 038	1,9	535 788	1,9
Combined buffer requirement				
Countercyclical buffer	584 325	2,1	587 933	2,1
Capital conservation buffer	692 155	2,5	696 710	2,5
Total combined buffer requirement	1 276 480	4,6	1 284 643	4,6
Pillar 2 guidance and internal buffer				
Additional management buffer	276 862	1,0	-	-
Pillar 2 guidance	276 862	1,0	278 684	1,0
Total Pillar 2 guidance and internal buffer	553 724	2,0	278 684	1,0
Internal capital requirement				
Total capital requirement	4 571 139	16,5	4 328 588	15,5
Capital base				
Total capital base	4 757 783	17,2	4 886 820	17,5

	2024		2023	
	TSEK	%	TSEK	%
Leverage ratio requirements*, TSEK/%				
Leverage ratio requirement Pillar 1	1 235 011	3,0	1 251 101	3,0
Leverage ratio Pillar 2 guidance	617 506	1,5	625 551	1,5
Total capital requirement including pillar 2 guidance	1 852 517	4,5	1 876 652	4,5
Tier 1 capital	4 757 783		4 886 820	

*Entercard's calculation based on SFSA's announced leverage ratio requirements, including pillar 2 requirements and Pillar 2 guidance.

Note 8 Related Parties

Swedbank AB (publ) and Barclays Principal Investments Limited have control through a joint venture. Swedbank AB (publ) is the ultimate parent in its group, while Barclays Principal Investments Limited is a wholly owned subsidiary of the ultimate parent, Barclays PLC. Transactions with related parties consists of deposits and funding received from parents including related interest income and expenses, commission income and costs related to IT-systems.

	Swedbank Group			Barclays Group		
	2024 31 March	2023 31 Dec	2023 31 March	2024 31 March	2023 31 Dec	2023 31 March
Balance Sheet						
Assets						
Deposits	2 453 770	2 507 877	3 950 971	-	-	-
Other assets	-	-	892	-	-	-
Total	2 453 770	2 507 877	3 951 864	-	-	-
Liabilities						
Amounts owed to credit institutions	15 839 549	16 048 477	16 612 052	15 839 549	16 048 477	12 450 000
Other liabilities	6 442	12 967	2 873	-	-	-
Total	15 845 991	16 061 444	16 614 924	15 839 549	16 048 477	12 450 000
Income Statement						
Interest income	13 875	84 232	19 021	-	-	-
Interest expenses	-200 802	-723 209	-142 845	-200 634	-723 943	-
Commission income	14 763	91 020	24 210	-	-	-
Commission expenses	-19 180	-88 278	-22 400	-	-	-
Other expenses	-2 038	-11 017	-3 233	-	-	-
Total	-193 382	-647 251	-125 247	-200 634	-723 943	-

Note 9 Specification of bank tax and resolution fees

	2024	2023	2023
	31 March	31 Dec	31 March
Bank tax	-	-10 323	-
Resolution fees	-3 750	-14 292	-3 750
Total	-3 750	-24 615	-3 750

Stockholm May 28th, 2024

Jan Haglund
Chief Executive Officer