

Risk Management and Capital Adequacy Report Pillar 3 - 2016

EnterCard Sverige AB
as of 31 December 2016

Approved by the Board of Directors 23 March 2017

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DEFINITIONS

Board: Board of Directors of EnterCard Sweden AB

BRS: Business Risk Specialist

Capital ratio: Total capital expressed as a percentage of total risk exposure amount

CFO: Chief Finance Officer

CS: Compliance Specialist

CRD IV: 4th Capital Requirement Directives (Directive 2013/36/EU)

CRR: Capital Requirements Regulation (Regulation 575/2013/EU)

EnterCard: EnterCard Sverige AB

EnterCard Norge: EnterCard Norge AS

EnterCard Denmark: Branch of EnterCard Norge AS

EnterCard Group: EnterCard Sverige AB, EnterCard Norge AS including EnterCard Danmark Branch

ERM: The Enterprise Risk Management

ExCo: EnterCard Holding Executive committee

FSA: Financial Supervisory Authority; Finansinspektionen in Sweden

GDPR: General Data Protection Regulation

GOC: Governance and Oversight Committee, accountable to the Holding Board

GRC: Group Risk and Control

HQLA: High quality liquid assets

ICAAP: Internal Capital Adequacy Assessment Process

ILAAP: Internal Liquidity Adequacy Assessment Process

LCR: Liquidity Coverage Ratio

NSFR: Net Stable Funding Ratio

RemCo: Remuneration committee

REA: Risk Exposure Amount

RO: Risk Officer

PSD2: Payment Service Directive 2

SH: Survival Horizon

TF: Treasury Forum

1 EXECUTIVE SUMMARY

EnterCard Sverige AB (in this document referred to as EnterCard) is required to provide information about risk and capital management in accordance with the Capital Requirements Regulation (CRR) ("EU") No 575/2013 and the Swedish Financial Supervisory Authority (FSA) regulation FFFS 2014:12. Pillar 3 report is yearly updated and published together with the annual report.

EnterCard has a solid capital situation and a low risk profile; the company strictly adheres to the capital adequacy regulation and minimum requirement for regulatory capital. Figure 1 shows the capital requirements under Pillar 1 and Pillar 2, and the internally set capital risk appetite and capital base.

31 December 2016 (kSEK)	
Capital requirement - Pillar 1	822,898
Capital requirement - Pillar 2	68,054
Total Pillar 1 + 2 capital requirement	890,952
Total capital base	2,183,984
Total capital ratio	21.2%
Total internal capital adequacy target	15.2%

Fig 1. EnterCards capital adequacy as per 31 December 2016

EnterCard is exposed to several key risks such as credit risk, market risk, liquidity risk, operational risk, pension risk and strategic & business risk. The report describes each risk area along with the corresponding risk appetite. All risks are within the risk appetite per 31 December 2016.

2 PURPOSE AND SCOPE

The purpose of this Pillar 3 report is to provide information on EnterCard's capital adequacy and risk management in accordance with regulatory disclosure requirements defined in Part Eight of the CRR No 575/2013 and the and the Swedish FSA regulation FFFS 2014:12 and 2010:7.

This report provides the market with comprehensive information about EnterCard's capital and risk management and is based on performance as per 31 December 2016.

The report is submitted by EnterCard; i.e. EnterCard Sverige AB with corporate identity number 556673-0593. EnterCard is seen as consolidated situation in accordance with European Parliament and Council Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms CRR article 18.1, and shall thereby in accordance with applicable rules and regulations annually publish the Pillar 3 report.

The document has not been audited and do not form part of EnterCard's financial statements. However, all the information provided in this report has been gathered from other sources that have been approved by the Board, such as ICAAP and annual report.

The Pillar 3 report was endorsed by the Board of Directors 23 March 2017.

3 INTRODUCTION

EnterCard is an authorised credit institutions and is governed by the Board of EnterCard.

The pillar 3 report is part of the capital adequacy framework that builds on the three pillars:

- **Pillar 1**
Pillar 1 provides rules for calculating the minimum capital requirements for credit risk, market risk and operational risks. EnterCard is not exposed to any interest rate risk under Pillar I, as it has no trading book. EnterCard's pillar 1 capital requirement for credit risk and operational risk is calculated using the standardised approach.
- **Pillar 2**
Pillar 2 requires institutions to prepare and document their own internal capital adequacy assessment process (ICAAP). The FSA states that credit institutions shall have in place a sound, effective and complete strategies and processes to assess the amount, types and distribution of internal capital and liquidity that the management of EnterCard considers adequate to cover the nature and level of the risks to which the business of EnterCard is or might be exposed to.
- **Pillar 3**
Pillar 3 requires institutions to disclose comprehensive information on risk management and associated capital.

3.1 EnterCard's business areas

EnterCard is part of a corporate group, which operates in the Scandinavian market of payments and financial services. EnterCard's primary customer base is consumers. The group was established in 2005 by Barclays Bank, which is a leading British-European banking group and also a leading supplier of credit cards in Europe, and Swedbank, a leading Nordic-Baltic banking group.

EnterCard's business focus is to offer credit cards and consumer loans through its own brand re:member, as well as issuance of credit cards and consumer loans through various partners' brands, such as Swedbank and LO in Sweden. For EnterCard it is important to act as a responsible lender by continuously ensure that their customers use credit cards in a safe and secure manner and that reasonable levels of credit is given to each customer. Banks and other partners receive sales commission per sold card, and portfolio commissions calculated by revenue and interest-bearing loans. The company is headquartered in Stockholm.

The company is 100% owned by Swedish EnterCard Holding AB, which is owned by 60% of Swedish Swedbank and 40% of British Barclays Bank. EnterCard Holding AB furthermore fully own a Norwegian subsidiary, EnterCard Norge AS. Rights to the earnings and net assets of EnterCard Holding AB are owned equally (50%) by the parent companies.

During 2016, EnterCard has continued its ambition of complementing the core business of issuing credit cards with also offering consumer loans through the own proprietary brand re:member, in order to further meet customer needs. Consumer loans have during 2016 been launched in Sweden. The consumer loans product is distributed through both cross selling to existing re:member credit

card customers as well as through open channels, including traditional marketing channels and through agents and affiliates. Early results from the consumer loans launch indicate strong market appetite for EnterCard's products.

3.2 Future developments

It is expected that the increasingly acceptance of credit and debit cards as a payment instrument in Sweden continues. This forms the basis for continued growth in the number of cards and related loans in the market. EnterCard is planning further growth in prioritized segments of the market for credit and payment cards as well as consumer loans. It is expected that the company will have a positive economic development in the coming years. EnterCard look positively at the future prospects based on the market for our products, and general market- and economic situation.

The development towards more digital solutions continues as a result both to increased customer needs for convenience, speed and simplicity and advancements in technology. EnterCard is continuously active in developing simple and efficient digital customer interfaces, including enhancing all existing customer touch points and upcoming launches within digitalised payment solutions and e-Wallet. EnterCard is continuously exploring new ways of providing financing and creating engagement with the customers throughout the customer lifecycle. Efficiency and control is further improved through consolidation and modernization of EnterCard's IT platforms and automation of back-end processes.

The growth within consumer credit is continuing while at the same time the market is becoming more regulated to the consumers' advantage. EnterCard is exposed to several upcoming regulations, including Payment Service Directive 2 (PSD2) and General Data Protection Regulation (GDPR) will during 2017 have a focused approach in understanding the implications of these regulations, ensuring compliance and identifying commercial opportunities. Some of these regulations, especially PSD2, may have a disruptive effect on the value chain for payments. EnterCard will work actively to understand possible implications and how leverage the opportunities and mitigate the threats that may be the result of the regulations. EnterCard will continue to invest in projects to ensure regulatory compliance, reduce risk and increase control.

EnterCard Group also has as an ambition to simplify its legal entity structure by establishing one authorized credit market company in Sweden, with operational branches in the countries where EnterCard is currently active, i.e. Norway and Denmark. EnterCard Group has during Q3 2016 submitted an application to the Swedish FSA in order to be granted authorization for EnterCard Holding AB to conduct financing business and to merge the currently authorized entities in Norway and Sweden into this company. The new legal entity structure will make it possible for EnterCard to a greater extent operate in line with our current strategy and thereby strengthening the internal governance and control, reduce administrative complexity and increase efficiency. Furthermore, the new legal structure is deemed to facilitate governance, risk control, effective internal audit and reduce operational risk. The legal structure after the merger process will also be more consistent with the current operational management of the company, which is already based on an integrated structure with multiple regional processes and functions.

4 CAPITAL

The capital adequacy regulations sets the minimum requirement for the amount of capital a credit institution must hold in relation to the size of the risks it faces. The regulations strengthens the connection between EnterCard's current risk profile and future risk profile. The EnterCard

assessment of the capital need is assessed through regulatory minimum requirements, internal risk measurements and stress testing.

4.1 Capital adequacy regulation

Calculation of capital requirements is conducted in accordance with CRR 575/2013 on prudential requirements for credit institutions (prudential regulation) act (2014: 966) on capital buffers, and the Swedish FSA on regulatory requirements and capital buffers. Outcome refers to the calculation in accordance with the minimum capital requirements, called Pillar 1, the risk assessment and supervision, called Pillar 2; as well as capital under the combined buffer requirements.

Information in this report is submitted in accordance with CRR, 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 Swedish FSA’s regulations and general guidelines (FFFS 2008: 25) on Annual Reports in credit institutions and investment firms; and the Swedish FSA’s regulation regarding prudential requirements and capital buffers (FFFS 2014:12).

Internal and external capital requirements are calculated, monitored and forecasted in the capital plan. EnterCard takes into consideration its current and future risk profile and internal risk assessment of the capital need. The regulations also require institutions to have procedures that make it possible to continuously assess and maintain capital, including specifying the amount, the type and the distribution, which are sufficient to cover the nature and level of risks already present in the business or risks that the business may be exposed to.

4.1.1 Tier 1 and Tier 2 capital

The figure below shows the calculation of Tier 1, Tier 2 and capital base.

Capital Base (kSEK)	31.12.2016
Share capital	5,000
Statutory reserve	45,000
Retained earnings	2,185,113
Deductions intangible assets	-51,129
TOTAL COMMON EQUITY TIER I CAPITAL	2,183,984
Additional Tier 1 Capital	0
TOTAL TIER 1 CAPITAL	2,183,984
TOTAL TIER II CAPITAL	0
TOTAL CAPITAL	2,183,984

Fig. 2. Tier1, Tier 2 and capital as per 31 December 2016

EnterCard’s capital base amounted 2,184 mSEK per 31 December 2016, of which 100% is Common Equity Tier 1.

4.1.2 Capital requirement Pillar 1

The minimum capital requirement under Pillar 1 is the sum of the minimum requirements for credit, market and operational risks.

EnterCard holds capital for credit risk and operational risk. EnterCard applies the standardised approach to calculate the capital requirement for credit risk. Credit risk is calculated on all asset items and off-balance sheet items unless deducted from own funds. Capital requirements for operational risk are calculated using the standardised approach. Capital requirement is calculated as the three-year average for the last three year's financial operating revenue in each business multiplied by the corresponding beta factor.

EnterCard holds a regulatory minimum capital corresponding to 8% of its total risk exposure amount.

4.1.3 Capital requirement Pillar 2

The calculation of Pillar 2 capital is an individual requirement, assessed by performing scenarios and stress testing. Pillar 2 covers risks, which are not covered by Pillar 1 nor any capital buffer. EnterCard's Pillar 2 captures risk such as credit concentration risk, credit counterparty risk, interest rate risk in the banking book and pension risk. The internal capital adequacy assessment process (ICAAP) ensures that EnterCard identifies, measures, reports and controls its risks; and are adequately captured under the Pillar 2 framework, ensuring regulatory compliance. Pension risk has been assessed as an immaterial risk, no additional capital have been added under pillar 2.

The interest rate risk is the risk that underlying earnings are adversely affected by movements in the level of interest rates. The methodology for estimating capital requirement for interest rate risk is based on six different interest rate scenarios. The effect on the value of the portfolio is calculated for all six scenarios and EnterCard holds capital for the most severe of the six scenarios, which is 11.7 mSEK included in the Pillar 2 add-on.

EnterCard use the FSA's method based on the Herfindahl index for assessing the credit concentration risk, the capital requirement for single-name concentration, industry concentration and geographical concentration. The result of this methodology is a capital requirement under Pillar 2 of 56.1 mSEK.

Credit Counterparty Risk arises when EnterCard invests in securities in its liquidity reserve. The securities are of high credit quality and comply with the HQLA requirements of LCR, specified in CRR. EnterCard does not have credit counterparty risk from derivative transactions as no derivative transactions are made. EnterCard uses an approach based in stressed PD rates estimated by Moody's Corporation, which calculates a counterparty risk of 180k SEK. This is included to the total Pillar 2 add-on.

The Pillar 2 add-on of 0.7% covers capital requirements related to interest rate risk, credit concentration risk and counterparty risk.

For more information about the ICAAP process, see chapter 4.2.1.

Capital requirements (kSEK)	31.12.2016
Total risk exposure amount	10,286,223
- Credit risk	8,461,246
- Operational risk	1,824,977
Capital requirement - Pillar 1	822,898
- Credit risk	676,900
- Operational risk	145,998
Capital requirement - Pillar 2	68,054
- Interest rate risk	11,739
- Concentration risk	56,134
- Counterparty risk	180
Total Pillar 1 & 2 capital requirement	890,952

EnterCard capital requirement as per 31 December 2016

4.1.4 Capital buffers

In accordance with regulatory requirements, EnterCard holds a capital conservation buffer, countercyclical buffer and a systemic risk buffer on top of the Pillar 1 regulatory minimum and Pillar 2 internal assessments. The capital conservation buffer corresponds to 2.5% of EnterCard's total risk exposure amount and the countercyclical buffer is calculated to 2.0%.

In addition, EnterCard's risk appetite for Capital adds an internal buffer of 2.0% of its total REA on top of the regulatory capital requirements, as a safety margin to minimise the risk of breaching the regulatory requirement. All buffers are to be held in Common Equity Tier 1 capital.

The diagram below shows EnterCard's regulatory capital requirement plus the internal capital buffer. All percentage targets are corresponding to EnterCard's total risk exposure amount, e.g. the amount of capital corresponding to the required percentage of total risk exposure amount.

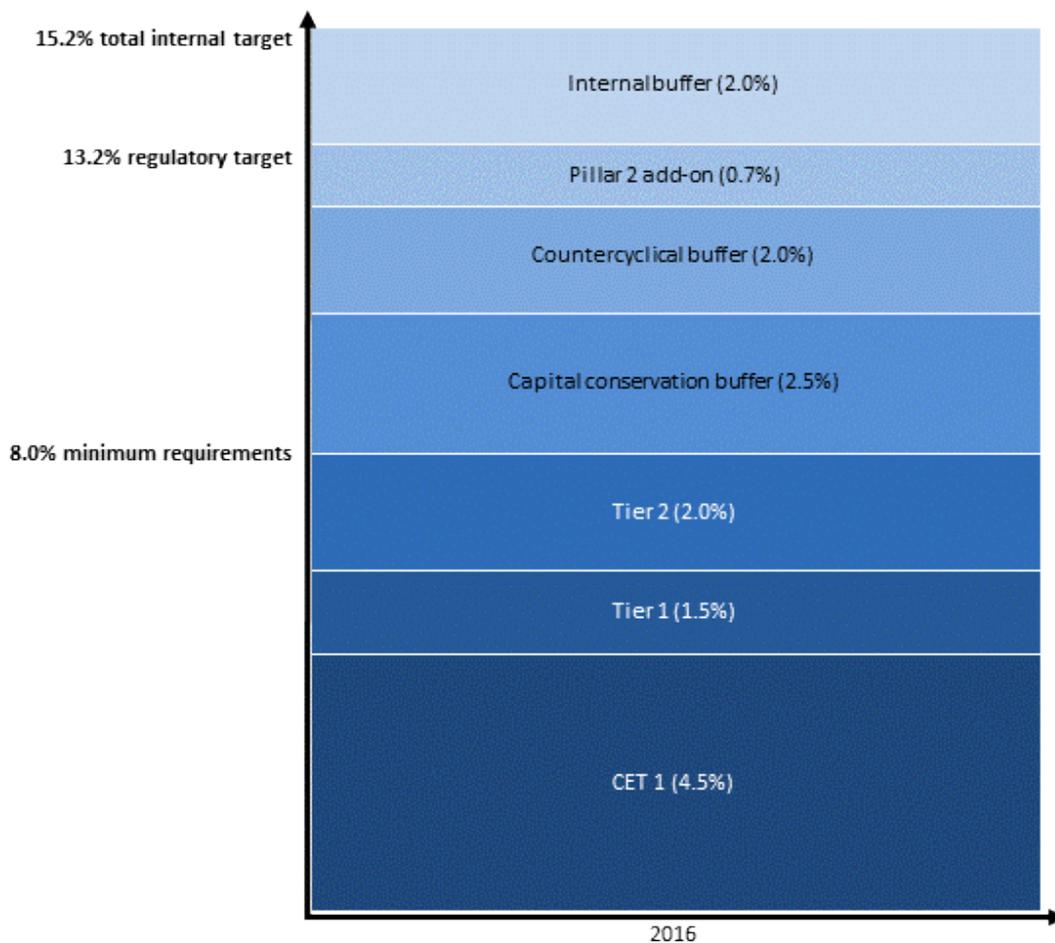


Fig. 3. EnterCard regulatory and internal capital targets per 31 December 2016

4.1.5 Key ratios and highlights 2016

The table below shows the capital adequacy of EnterCard. The figure shows the capital requirements under Pillar 1 and Pillar 2, and the internally set capital risk appetite and the capital base.

EnterCard's capital ratio was 21.2% as per 31 December 2016, above the internal risk appetite of 15.2%, which gives a capital surplus of 624 mSEK above internal requirements. EnterCard thereby holds sufficient capital as per 31 December 2016.

The leverage ratio is expected to be implemented with a minimum legal requirement of 3%. EnterCard's leverage ratio was 14% as per 31 December 2016, which is significant above the upcoming regulatory requirement.

31 December 2016 (kSEK)	
Total risk exposure amount	10,286,223
Capital requirement - Pillar 1	822,898
Capital requirement - Pillar 2	68,054
Total Pillar 1 + 2 capital requirement	890,952
Total capital base / CET1	2,183,984
CET 1 ratio	21.2%
Tier 1 ratio	21.2%
Total capital ratio	21.2%
Leverage ratio	14.0%
Total internal capital adequacy target	15.2%
Sum Internal Capital Requirement	1,559,556
Surplus of capital (internal target)	624,427

Fig.4. EnterCard capital adequacy per 31 December 2016

EnterCard has a solid capital situation and a low risk profile. The figure below illustrates the capital requirements under Pillar 1, Pillar 2 and capital buffers in relation to the capital base. EnterCard’s capital base solely comprises Common Equity Tier 1 (CET 1) capital, which is fully loss absorbing.

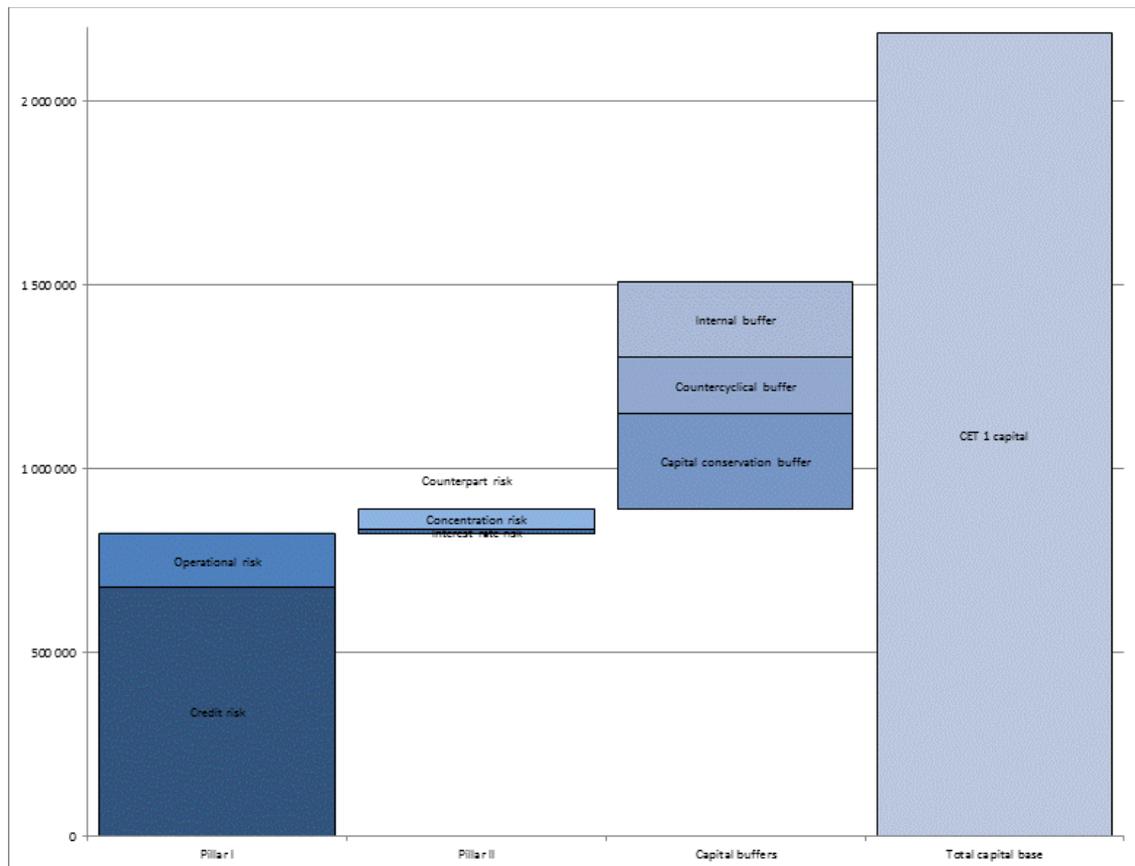


Fig. 5. EnterCard Sweden AB total capital requirement and capital base, as per 31 December 2016 (kSEK)

4.2 CAPITAL MANAGEMENT AND CONTROL

EnterCard ensures that capital management remains within the internal risk appetite and policy framework which is set by the board. Risk appetite levels are reviewed at least on a yearly basis.

EnterCard's approach to capital planning and management is conservative and robust and adheres to the risk and capital frameworks of the parent companies. Risk and capital planning follows as an extension of the medium term plan and short term plan processes in EnterCard and is reviewed regularly.

4.2.1 ICAAP

EnterCard's internal capital adequacy assessment process (ICAAP), including assessment on liquidity adequacy (ILAAP), aims to identify and measure EnterCard's need of capital and liquidity for all risk areas; the ICAAP shows that EnterCard holds adequate capital in relation to its risk profile, and that EnterCard holds sufficient high quality liquid assets (HQLA) in relation to its payment obligations. Based on stressed scenarios EnterCard's ICAAP evaluates how robust the company is towards internal and macro economical changes.

The evaluation of the capital and liquidity need is done regularly based on financial goals, risk profile and business strategy, in addition to stressed scenarios defining the need over a forward looking horizon. Besides the continuous monitoring and reporting to meet the minimum regulatory requirements regarding capital and liquidity coverage, a detailed review is performed and documented at least annually.

The regulations stipulate that EnterCard shall use the ICAAP/ILAAP as a tool, which ensures that the company identifies, assesses and manages the risks in a clear and transparent manner to which its business activities are or might be exposed to and may have an impact on capital and liquidity.

The outcome of EnterCard's ICAAP shows that EnterCard holds sufficient capital as per 31 December 2016. It also shows that EnterCard will hold sufficient capital in a stressed scenario the next three years.

4.2.2 Stress testing

EnterCard performs stress testing within all relevant risk areas, which could have an impact on capitalisation. Credit risk undertakes appropriate stress testing of impairment and capital estimates. The applied scenarios describe global events leading to an adverse and severely adverse recession, which are based on stress tests performed together with Barclays. All scenarios have been endorsed by the Board.

Based on the outcome of the credit risk, the effects on the capital plan are also assessed. The effects on the impairment will have an effect on the capital base, while the risk exposure amount (REA) will be affected by changes in gross balances. The aim of the capital plan stress testing is to ensure that EnterCard still has a capital surplus during the stress scenario.

A stress testing of the operational risk has also been done. EnterCard has developed three separate complementing simulations for the quantification of capital needs for operational risk. The simulations are based on EnterCard’s own view on the largest operational risks in the business as well as industry standard. The simulations used are deemed to be significantly stressed. These three simulations significantly stress the operational risk exposure and are applied to estimate EnterCard's capital need for Pillar 2.

4.2.3 Capital Contingency Plan

EnterCard has developed a capital contingency plan; the purpose of the contingency plan is to establish which potential measures could be taken in case the capitalisation of EnterCard is deviating from the desired level and which triggers that make it necessary to consider or propose such measures. The main aim of the capital contingency planning is to avoid a capital deficit situation and consequently non-compliance with internal targets and with the minimum capital requirement stipulated by the applicable capital adequacy regulations or imposed by the FSA.

In order to adjust the capitalisation, different measures are available including adjusting either the capital base or the risk exposure amount. The capital contingency plan lists the potential actions for both types of activities. The contingency plan does not focus on the precise action plan but rather sets the general framework of actions, which should help to promptly focus on improving capitalisation in case the contingency situation becomes a reality.

Depending on the state of the capitalisation, different scenarios (modes) could occur within the forecast period. A very sudden and instant drop in the capitalisation could occur, which would be difficult to plan for. Each mode will trigger different responses and actions.

For the purposes of capital contingency planning, six different modes are created with increasing severity escalation from “business as usual” to “non-compliance”.

5 RISK

5.1 BOARD’S DECLARATION OF RISK MANAGEMENT

5.1.1 Risk declaration

The Board is ultimately responsible for the business, the associated risks that this entails and the correct and efficient management of these risks, including the responsibility to ensure there is adequate capital and liquidity.

The Board declares that EnterCard has an overall satisfactory risk management and it is within all risk appetite levels.

5.1.2 Risk statement

A risk statement, which was approved by the Board, is required in accordance with CRR. In this chapter EnterCard describes its overall risk profile including key ratios and figures.

All risks are within the risk appetite per 31 December 2016.

The predominant risk in EnterCard is credit risk, which arises in unsecured lending for consumer financing. EnterCard measures its credit risk appetite by charge-off ratio divided into its different products and markets, see chapter 5.3.1. EnterCard is well within the risk appetite per 31 December 2016.

	EnterCard Sweden
Charge-off ratio Credit Cards <i>risk appetite</i>	5.5%
Charge-off ratio Credit Cards <i>actual</i>	2.67%
Charge-off ratio Consumer Loans <i>risk appetite</i>	18.0%
Charge-off ratio Consumer Loans <i>actual</i>	4.59%

Fig.6. Charge-off ratio per 31 December 2016

EnterCard holds sufficient liquid assets according to its payment obligations, its risks and underlying stress tests. EnterCard is in good control and well within the risk appetite for liquidity risk; the figures below shows EnterCard's internal liquidity measure, the Survival horizon, and the regulatory liquidity measure, the Liquidity coverage ratio (LCR), which is reported to the Swedish FSA on a monthly basis, see chapter 5.3.6.1.

	EnterCard Sweden
SH <i>risk appetite</i>	60 days
SH <i>risk tolerance</i>	75 days
SH - <i>actual</i>	103 days

Fig. 7. Survival horizon per 31 December 2016

	EnterCard Sweden
LCR <i>regulatory requirement</i>	70%
LCR <i>risk appetite</i>	84%
LCR <i>actual</i>	371%

Fig. 8. LCR per 31 December 2016

EnterCard's capitalisation is strong; the diagram below shows that capital ratios are well within the risk appetite.

	EnterCard Sweden
Capital ratio <i>risk appetite</i>	13.3%
Capital ratio <i>actual</i>	21.2%

Fig.9. Capital ratio per 31 December 2016

The implementation of IFRS9 impairment regulation will lead to a one-time reduction of the capital base and therefore an increased capital demand. Still, EnterCard does not anticipate any risks in meeting regulatory nor internal capital requirements. The company has currently an excess capital of 624m SEK.

Interest rate risk measures the value of EnterCard’s assets and liabilities being negatively affected by a change in the interest rates. EnterCard’s risk appetite for interest rate risk is the effect on the total value of the portfolio of a 200 basis points up/down parallel shift shall not exceed 20% of the capital base. The table below illustrates the interest rate risk sensitivity analysis per 31 December 2016 is well within the risk appetite, see chapter 5.3.3.

	EnterCard Sweden
200 bp parallel shift <i>risk appetite</i>	20%
200 bp parallel shift <i>actual</i>	1%

Fig. 10. Interest rate risk sensitivity, risk % of capital base per 31 December 2016

Operational risk measures the risk of losses resulting from inadequate or failed internal processes or procedures, human error, faulty systems or external events. EnterCard’s risk appetite includes incident measurements (backward-looking/detective) and self-assessment measurements (forward looking/preventive); these measurements ensures to capture a wide spectrum of operational risks and a correct evaluation of operational risks. EnterCard operated within its risk appetite per December 2016. Controls have been implemented and continuously strengthened; additional Business Risk Specialists will be employed in order to support the business with risk management and to be the linkage between business and risk function. EnterCard will comply with the requirements pursuant to regulation (EU) 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data before the regulation is applicable May 2018.

5.2 RISK MANAGEMENT AND CONTROL

Risk is defined as a potentially negative impact on a company that can arise due to current internal processes or future internal and external events. The concept of risk comprises both the likelihood that an event will occur and the impact it would have on EnterCard. To achieve EnterCard’s business goals regarding growth, profitability and economic stability it is necessary to continuously balance the goals of EnterCard against the associated risks. These risks are analysed through the enterprise view EnterCard has on business processes.

In the context of EnterCard’s field of activity, different types of risks arise, such as credit risk, operational risk, market risk and liquidity risk. For EnterCard, credit risk is the dominating risk. EnterCard is striving for a well-balanced consumer financing portfolio with a diversification of risk and a broad customer base within the EnterCard’s field of business, along with a sound control of default development in its portfolios.

5.2.1 Risk management processes

The Board of Directors and the MD are ultimately responsible for risk management. The purpose of the risk management is to secure that the risks taken in the business do not threaten EnterCard’s solvency or liquidity, and are balanced in regards to the possible return. This is ultimately managed through securing that the risk levels do not exceed the risk appetite level, set by the Board. EnterCard is continuously striving to reduce the operational risks through improvement of processes, availability and assurance. The Board of Directors sets the risk level of the business and the assignment of the responsibilities and authorities regarding the risk management. The assignment

sets a structure for decision making in risk areas. The decision makers are the Board of Directors, the CEO and the MD of each business unit.

EnterCard governance structure

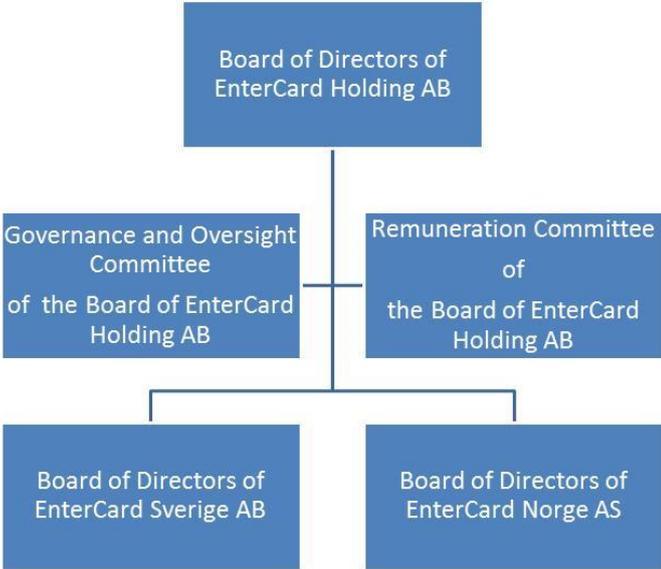


Fig 11. EnterCard governance structure

EnterCard risk operating model

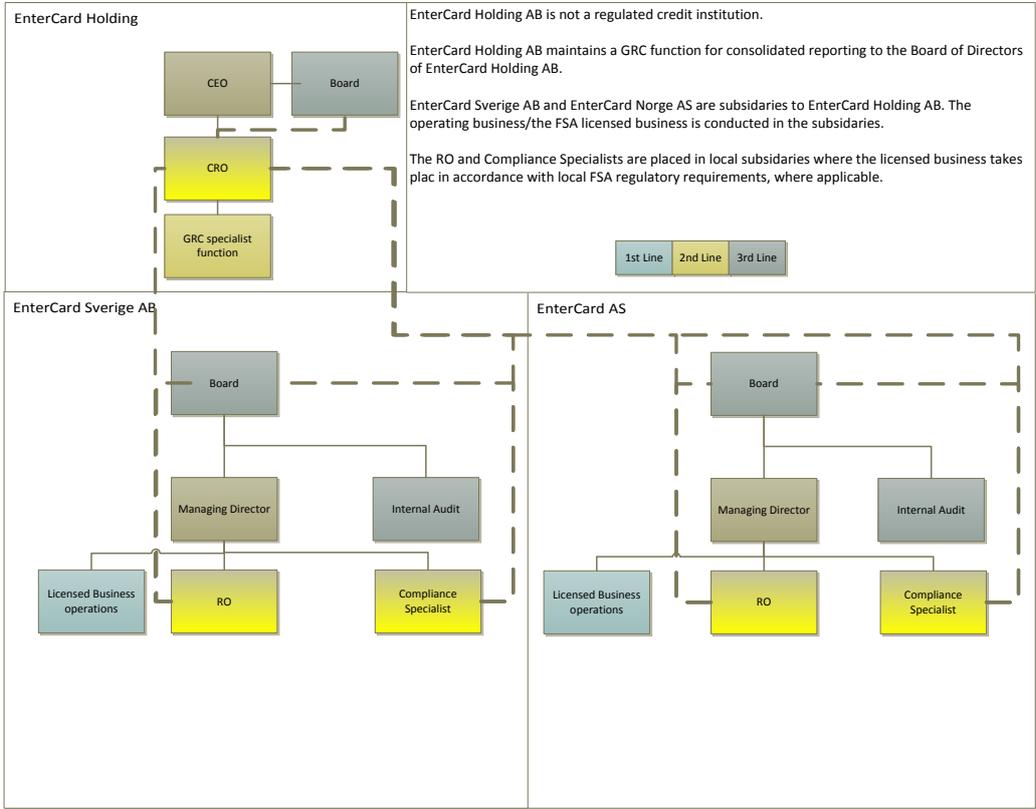


Fig 12. EnterCard Risk Operating Model

The comprehensive set of rules regarding control and internal control is one of the fundamental instruments for the Board of Directors and management for business control and good internal control. Risk management is executed within each business function under the supervision of and communication with the risk control function. The risk function regularly monitors and reports to the MD and Board of Directors. The responsibility for monitoring and reporting regulatory and ethical risks are on the compliance function.

The Risk and Compliance steering documents includes the overall policy for all risks is the Enterprise Risk Management (“ERM”) policy. The ERM policy functions as a starting point from which relevant risk policies and instructions are referred to such as the Credit policy, Financial Risk policy, Liquidity Risk policy, Capital policy, Operational Risk policy, Incident Management policy, Business Continuity Management policy, Internal Control policy, Compliance policy and the CEO Instruction for Risk and Control.

5.2.2 The Risk and Control Framework

EnterCard’s risk and control framework is built on the three lines of defences.

The first line of defence refers to all risk management activities carried out by the business operations and its support functions. The risk owners are supported by Business Risk Specialist (BRS) which are placed in the first line to support the risk profiling process. The BRS’s primary task is to support the risk owners with the identification and assessment of the risks as well as management response and mitigating actions. In addition, the BRS supports the risk owners with identification of risks and control self-assessments; linkage between materialised risks (incidents) and risk identification; update of business continuity plans and follow up on eventual audit observations.

The second line of defence refers to the Group Risk and Control (“GRC”) function, responsible for keeping a competence pool for all risk categories and to aggregate and give an independent and holistic view of the risks faced by the EnterCard. The GRC function provides independent reporting on the risk profile to the CEO, and to the Board of Directors on the risk profile. The GRC function will review/challenge the risk assessments to ensure that the business operates within the tolerance limits set and escalate whether risk appetite levels are at risk and also challenge the risk owners on the assessment if necessary. The GRC function will also conduct a yearly control assessment of first line’s self-assessment of the controls to ensure that controls are operating efficiently. The compliance specialist is responsible for the compliance management within the EnterCard operating entities.

The third line of defence refers to the Internal Audit function which is governed by and reports to the Board of Directors. EnterCard has an internal audit function which on behalf of the Board of Directors evaluates and audits. Additional single audits can be made, when deemed necessary, to ensure that there are adequate controls in place and that the procedures and procedural descriptions are in compliance with EnterCard policy.

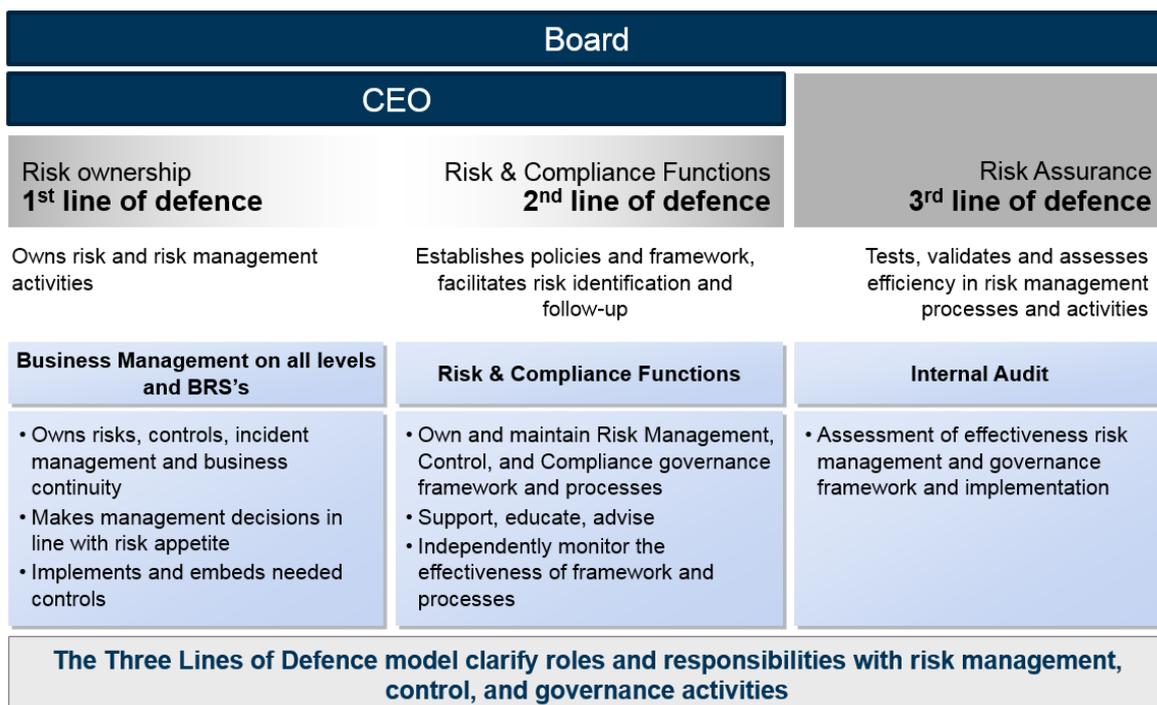


Fig. 13. EnterCard three lines of defence model

5.2.3 Risk Appetite and Enterprise Risk Management Policy

EnterCard has an enterprise wide process for risk identification, risk assessment, control design and implementation, presented in the figure below “EnterCard risk management cycle”.

There is also a control self-assessment routine with detailed remediation initiatives to secure operation within set Risk Appetite.

The Board of Directors establishes the risk strategy and decides on the overall risk appetite. In order to ensure and improve the approach to the risk appetite is regularly evaluated and if necessary revised. The overall risk appetite is clarified through risk appetites for all relevant risks within the risk universe in order to present how EnterCard acts within each risk area.

The EnterCard’s overall risk appetite is defined as follows:

“The exposure to the risks that can be taken by the EnterCard should remain within acceptable and controlled levels.”

The overall policy for all risks is the Enterprise Risk Management policy, which is the policy for all material risks included in the EnterCard risk universe.

EnterCard reports its risk exposures through the Board of Directors. Limits and targets embedded in the risk appetite may be adjusted in order to establish the risk strategy within the operations of EnterCard. A disciplined approach to dealing with risk is required to ensure that material risks are identified and appropriately managed. A risk universe contains the material risks to which the business may be exposed. All risks identified are assessed and monitored as part of the overall risk management. The risk categories contained in the risk universe shall, when appropriate, be addressed in a separate policy or instruction, which shall contain the key high-level principles for appropriate management of the respective risk. Material risks are aggregated and compared so risk measures are consistent across the EnterCard. The risk universe is documented in the ERM policy.

The CEO shall ensure that operational limits (tolerance limits) when deemed relevant, are set for the risk categories set out below in order to safeguard that business performance stays within the risk appetite and to avoid unwanted risk concentration of any kind. The CEO should also ensure that there are processes for monitoring, reporting and escalation on risk appetite and risk tolerance limits.

EnterCard risk management cycle

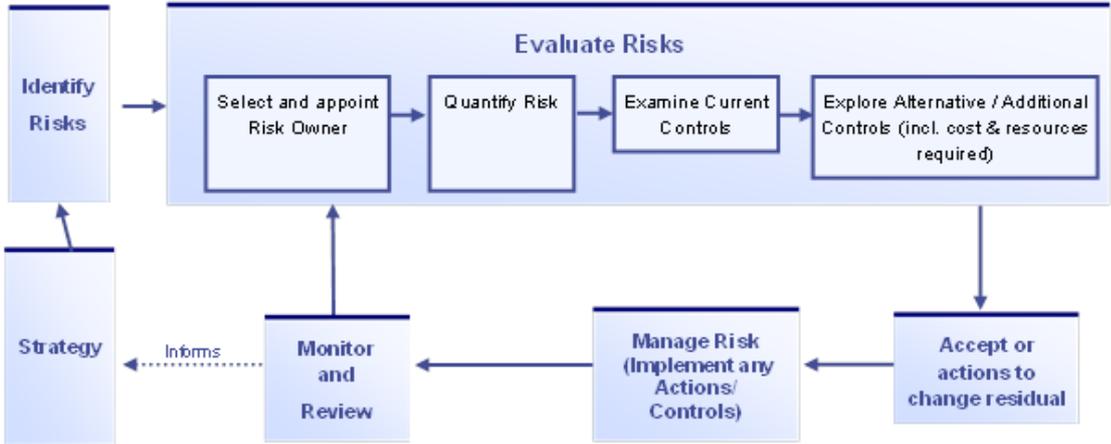


Fig. 14. EnterCard’s risk management cycle

5.3 RISK AREAS

EnterCard has identified the relevant risk areas that are material to EnterCard. In the following chapter, each risk area is defined along with the corresponding risk appetite.

EnterCard’s approach to risk appetite aims to limit the risk EnterCard is willing to accept on the course of pursuing its business. The overall capital risk appetite is that EnterCard will maintain sufficient capital adequacy to enable it to pursue its business objectives under normal and stressed conditions.

Risk appetite is also addressed more generally in EnterCard’s strategy and risk processes. Financial volatility is reviewed annually as part of the medium-term planning process incorporating key income and cost sensitivity analysis in the plan.

5.3.1 Credit risk

Credit risk and credit counterparty risk are the risks that EnterCard’s counterparties does not fulfill their payment obligations, with EnterCard either receiving late- or non-receipt of payments. The Board holds the overall responsibility and oversight for EnterCard's credit risk exposure.

Credit risk also encompasses concentration risk, estimated using the Herfindahl index, which examines exposures and concentrations in the credit portfolio specific to counterparties, sectors or

geographical areas. The risk occurs mainly in the form of geographical concentration when EnterCard offers lending to the public in Scandinavia. The loan portfolio is dominated by credits without collateral and is spread out on a large number of lenders within each country.

EnterCard lending is striving towards ambitious objectives in terms of ethics, quality and control. Even though credit risk, through lending to the public, is EnterCard's single largest risk exposure, credit losses in relation to outstanding credit volume are relatively small.

EnterCard conducts active monitoring and optimizing of the portfolios' credit risk. The decision to grant credit requires that there are sound grounds to expect that the borrower can fulfil his or her commitment to EnterCard. The assessment is primarily performed through both general credit rules and internal and external credit scoring models.

Credit risks are monitored through different surveillance systems to ensure that counterparties are fulfilling their commitments towards EnterCard. In case of late payment or an assessment that the counterparty is not able to fulfil his or her commitment, the credit card will be blocked. The maximum credit risk corresponds to the financial assets' book value.

EnterCard's risk appetite is set on the charge-off in relation to the end net receivables, and varies for different products and markets. The risk appetite level has been set to be triggered when the portfolio is at risk of consuming capital reserves. In the event of a breach, this is reported to the Board and an action plan is agreed to bring the exposure down within the risk appetite.

EnterCard has also a limited investment risk through HQLA, held to mitigate EnterCard's liquidity risk. The credit quality of the assets is very high and mainly consists of exposures to municipalities, governments and covered bonds.

The tables below show distribution of the risk exposures amount.

Risk exposure amount and own funds requirements for credit risks 2016 (Basel 3)

Exposure classes	Risk exposure amount	Own funds requirement
Institutional exposures	167 345	13 388
Regional governments or local authorities exposures	1 166	93
Retail exposures	7 877 174	630 174
Corporate exposures	7 773	622
Other exposures	407 788	32 623
Total	8 461 246	676 900
Total capital requirement for credit risk according to the standardised approach		676 900
Capital requirements for operational risk		
Risk exposure amount		1 824 977
Capital requirements according to the standardised approach		145 998
Total Capital requirement for operational risk		145 998
Total capital requirements		822 898
Requirements buffers, %		2016
Total Tier 1 capital requirement including buffer requirement		8,0
<i>whereof capital conservation buffer requirement</i>		2,5
<i>whereof countercyclical capital buffer requirement</i>		1,5
Common Equity Tier 1 capital available to be used as buffer		13,2

Risk exposure amount and own funds requirements for credit risks 2015 (Basel 3)

Exposure classes	Risk exposure amount	Own funds requirement
Institutional exposures	233 237	18 659
Regional governments or local authorities exposures	1 151	92
Retail exposures	6 762 209	540 977
Corporate exposures	9 227	738
Other exposures	347 785	27 823
Total	7 353 610	588 289
Total capital requirement for credit risk according to the standardised approach		588 289
Capital requirements for operational risk		
Risk exposure amount		1 769 083
Capital requirements according to the standardised approach		141 527
Total Capital requirement for operational risk		141 527
Total capital requirements		729 815

Fig 15. Distribution by exposure amount by classes for EnterCard per 31 December 2016 (kSEK)

The table below shows EnterCard's impaired exposures by industry type per 31 December 2016 compared to 31 December 2015.

Loan receivables allocates between following industries and loan types:

2016

	Book value before provisions	Specific provisions for individually assessed loans	Provisions for collectively assessed homogenous groups	Book value of loans after provisions	Book value for impaired loans
Industrial sector					
Private customers	10 836 982		-536 497	10 300 485	128 013
Corporate customers	390 871	-8 150		382 721	1 542
Loans	11 227 853	-8 150	-536 497	10 683 206	129 555
Credit institutions	835 847			835 847	
Total lending to credit institutions and public	12 063 700	-8 150	-536 497	11 519 053	129 555

2015

	Book value before provisions	Specific provisions for individually assessed loans	Provisions for collectively assessed homogenous groups	Book value of loans after provisions	Book value for impaired loans
Industrial sector					
Private customers	9 293 733		-505 161	8 788 572	140 549
Corporate customers	389 188	-9 549		379 639	2 252
Loans	9 682 921	-9 549	-505 161	9 168 211	142 801
Credit institutions	1 165 254			1 165 254	
Total lending to credit institutions and public	10 848 175	-9 549	-505 161	10 333 465	142 801

Fig. 16. EnterCard's impaired exposures by industry type per 31 December 2016 compared to 31 December 2015 (kSEK)

Provisions and impaired loans	2016	2015
<i>Provisions</i>		
Opening balance	-514 710	-487 542
Allocations/withdrawals from collective provision	-31 246	-26 713
Allocations/withdrawals from individual provision	1 308	-455
Total provisions	-544 647	-514 710
Total provision ratio for impaired loans, % (including collective reserves for individually claims assessed, in relation to book value before provision for individually identified impaired loans)	70,1%	70,0%
Provision ratio for individually identified impaired loans, %	84,1%	80,2%
<i>Impaired loans</i>		
Book value of impaired loans	129 555	142 801
Impaired loans as percentage of total lending	1,2%	1,6%
Past due loans that are not impaired		
Valuation category, loans and receivables		
Loans past due 5-30 days	122 778	136 235
Loans past due 31-60 days	34 845	38 794
Loans past due 61-90 days	18 033	18 768
Loans past due more than 91 days	7 285	7 731
Total	182 941	201 528

Fig. 17. EnterCard provisions and impaired loans per 31 December 2016

5.3.2 Operational risk

Operational risk refers to the risk of losses resulting from inadequate or failed internal processes or procedures, human error, faulty systems or external events. The definition includes legal risk and compliance risk. Through a rigorous IT security framework, combined with internal controls and audit, operational risk events are limited as far possible, whilst taking a balanced view of what is economically viable to mitigate. The majority of operational risk events are due to external fraud.

EnterCard performs regular self-evaluation of operative risk for all central processes. Managers ensures the identification, assessment and treatment of the Operational Risks inherent in their respective area. Appropriate mitigation techniques should be formulated to limit or reduce the impact of these risks and the effectiveness of the mitigation techniques should be periodically monitored.

EnterCard considers the Pillar 1 capital requirement, calculated using the standardized approach, to be sufficient and no additional capital should be held for operational risk.

5.3.2.1 REPUTATIONAL RISK

Reputational risk is defined as the risk of a decline in reputation from the point of view of stakeholders, customers, staff and/or the general public. Reputational risk is a secondary risk and arises from poorly managed incidents or external and internal events that affect EnterCard. For the operational risk scenarios, the financial impact of a reputational risk is considered when applicable, which is also included in the CEO instruction for the quantification for the ICAAP. There is a generic add-on of 10% for applicable scenarios. A reputational risk is also considered for scenarios where EnterCard loses customers which may be a consequence of a reputational impact. For example, one of the scenarios includes downtime in one of EnterCard's systems which result in loss of confidence from customers.

5.3.3 Market risk

Market risk refers to the risk that the market value of a financial instrument or future cash flows from a financial instrument is affected by the changes in market prices. EnterCard is exposed to market risks in the form of interest rate risk.

5.3.3.1 INTEREST RATE RISK

Interest rate risks are structural and arise when there is a mismatch between the interest fixing periods of assets and liabilities. EnterCard minimises the interest rate risk by matching the interest rate duration of the liabilities with the interest rate duration of the assets. Since EnterCard's lending mainly consists of floating interest rate, EnterCard has chosen to fund a large part of these assets with a floating interest rate. The interest rate risk is deemed low and is continuously monitored by Treasury and by the Risk Control function.

If there is a perfect match between the interest rate structure for assets and liabilities, EnterCard would have no exposure to any interest rate scenarios. This is not practically possible, but EnterCard strives to match the interest rate structure enough to have a limited interest rate risk exposure. The interest rate structure is seen from a contractual perspective.

The below sensitivity analysis shows the impact on the value of assets and liabilities when market interest rates rise/decrease by one percentage point (+/-1%). The total shows the effect in of a parallel shift of the same size.

	Market interest -1 percent		Market interest +1 percent	
	2016	2015	2016	2015
< 3 months	-1 196	-2 999	1 209	3 033
3-6 months	976	263	-990	-266
6-12 months	6 763	9 237	-6 883	-9 400
1-2 years	-1 667	16 623	1 709	-17 045
Total	4 876	23 124	-4 954	-23 678

Fig. 18. Interest rate risk sensitivity per 31 December 2016

5.3.3.2 CURRENCY RISK

Currency risk is defined by the risk that the value of EnterCard’s assets and liabilities will be negatively affected by a change in exchange rates.

The portfolio of EnterCard consists solely of local currency, i.e. all assets and liabilities are in SEK. It is concluded that there is no currency risk and thereby no need to hold capital for currency risk.

5.3.4 Strategic and business risk

EnterCard is aware of the need to continuously assess its strategic and business risks. Underlying strategic risks tend to remain relatively constant over time; however, the severity of these risks can change. Business cycles in the global and local economy influence the demand for EnterCard’s products and services. During periods of austerity and low consumer confidence, a business risk could materialise. However, the customer base is broad and the customer profile is well diversified. This risk and the consideration for a capital add-on is an integrated part of the stress testing scenarios.

EnterCard has a process to contingently evaluate and adapt its strategies. The processes include a strong control environment where deviations in the strategies are identified and adapted in an early stage which limits or prevents the risk for EnterCard of larger losses.

5.3.5 Liquidity risk

Liquidity risk refers to the risk of not being able to meet payment obligations at maturity without a significant increase in cost for obtaining means of payment due to increased funding costs. EnterCard manages the liquidity risk through funding with longer duration and a considerable buffer of liquid assets. The HQLA comprise of interest-bearing securities with high credit quality and a very good market liquidity, to secure that they can be sold with short notice to a relatively predictable price, in

a situation with lacking access to funding. As an extra liquidity reserve, EnterCard has a cash surplus in accounts at Swedbank as well as a credit facility with Swedbank.

5.3.5.1 LIQUIDITY RISK MEASURES

This chapter describes EnterCard's liquidity risk measures and appetite, which form the basis for the execution of EnterCard's liquidity strategy.

The internal risk appetite is managed by using the Survival Horizon as a metric to calculate how many days EnterCard can survive under a stressed scenario. EnterCard has defined a macro driven scenario, EnterCard specific scenario and a combination of macro and EnterCard specific scenario. For the combined scenario the survival horizon risk appetite is set to 60 days and a risk tolerance of 75 days.

To secure that EnterCard does not fall below the minimum internal acceptable level of liquidity, a Nominal Liquidity Hurdle has been set for EnterCard to be used as a short term liquidity measure. The cash balance forecast is updated with actual cash position on a continuous basis to make sure that any shift in forecasted curves are captured and updated to make sure that EnterCard does not breach the threshold of 100m SEK.

Control and supervision of liquidity risk is managed by the Treasury and the GRC function, who frequently report to the management and the Board. Treasury creates a weekly dashboard and a monthly liquidity pack for the management and CFO which includes survival horizon, Nominal Liquidity Hurdle and HQLA reserve.

In addition, EnterCard reports the liquidity coverage ratio ("LCR") to the Swedish FSA in accordance with EU standards and regulations. LCR measures EnterCard's net cash outflow under a stressed scenario over the coming 30 days relative to the amount of HQLA, which EnterCard holds. The risk appetite adds a cushion equivalent to 20% of the LCR is on top of the regulatory LCR regulatory requirement to avoid breaching the regulatory requirement. EnterCard's risk appetite will therefore be 120% when the LCR is fully implemented in 2018.

Net Stable Funding Ratio (NSFR) shows EnterCard's ability to manage liquidity situations over a one-year horizon. It ensures that EnterCard's long-term illiquid assets are funded with a minimum amount of stable long-term funding. NSFR is reported externally on a regular basis. From 2018, there will be a quantitative regulatory requirement on NSFR, in accordance with EU standards and regulations, and a risk appetite is also planned to be set up.

The table below shows maturity of assets and liabilities by exposure classes. In the summary of maturities the non-discounted cash flow are distributed from remaining time to maturity.

Remaining maturity 2016	<3 months	3-12 months	1-5 years	No maturity	Total
Loans to credit institutions	835 847	0	0	0	835 847
Loans to the public	10 534 886	36 979	111 341	0	10 683 206
Bonds and other interest-bearing securities	59 050	5 019	1 370 597	0	1 434 666
Prepaid expenses and accrued income	52 191	28 816	2 547	0	83 554
Other assets	76 078	0	43 975	53 427	173 480
Total assets	11 558 051	70 814	1 528 461	53 427	13 210 752
Amounts owed to credit institutions	752 000	2 112 000	7 706 000	0	10 570 000

Amounts owed to credit companies			170 000		170 000
Other liabilities	113 634	0	0	0	113 634
Accrued expenses and prepaid income	45 726	69 025	7 253	0	122 005
Equity	0	0	0	2 235 113	2 235 113
Total liabilities and equity	911 360	2 181 025	7 883 253	2 235 113	13 210 752

Remaining maturity 2015	<3 months	3-12 months	1-5 years	5-10 years	No maturity	Total
Loans to credit institutions	1 165 254	0	0	0	0	1 165 254
Loans to the public	9 009 202	39 954	119 055	0	0	9 168 211
Bonds and other interest-bearing securities	0	157 024	520 552	20 007	0	697 582
Prepaid expenses and accrued income	49 320	22 485	3 755	0	0	75 560
Other assets	36 799	0	34 557	0	37 577	108 933
Total assets	10 260 575	219 464	677 919	20 007	37 577	11 215 540
Amounts owed to credit institutions	583 333	2 711 667	5 700 000	0	0	8 995 000
Other liabilities	110 006	11 968	0	0	0	121 974
Accrued expenses and prepaid income	40 145	65 653	2 878	0	0	108 677
Equity	0	0	0	0	1 989 889	1 989 889
Total liabilities and equity	733 485	2 789 288	5 702 878	0	1 989 889	11 215 540

Fig. 19. Maturity of assets and liabilities by exposure classes

5.3.5.2 HIGH QUALITY LIQUID ASSETS

EnterCard holds a portfolio of HQLA in order to meet the regulatory LCR requirements. EnterCard assesses each month's stressed net cash outflow and holds a liquidity buffer enough to cover the stressed outflow from the credit card and loan products, plus the largest funding maturity that could occur in a 30-day period with current funding maturity structure.

EnterCard held an HQLA portfolio of 1,435m SEK as per 31 Dec 2016.

kSEK	Currency distribution	
	31.12.2016	SEK
Cash and holdings in central banks		
Deposits in other banks available overnight		
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	-	-
Securities issued or guaranteed by municipalities or other public sector entities	1 387 509	1 387 509
Covered bonds issued by other institutions	-	
Värdepapper emitterade eller garanterade av multinati	47 157	47 157
Covered bonds issued by EnterCard		
Securities issued by non-financial corporates		
Securities issued by financial corporates		
Other		
Total	1 434 666	1 434 666

Fig 20. EnterCard liquidity reserve distribution

5.3.5.3 FUNDING STRATEGY

Funding is exclusively provided through EnterCard's parents Swedbank AB and Barclays Bank PLC. EnterCard's is funded by unsecured loans from parents with a maturity that is deemed to be well in line with the behavioural maturity of outstanding balances, and ensures long term funding.

Funding is agreed every quarter through the Treasury Forum; however, if required, additional funding can be requested at any time. The funding provided is for operational needs and for acquiring HQLA for the coming three months. EnterCard forecasts future funding needs as part of its quarterly, annual and three year forecasting processes.

5.3.5.4 LIQUIDITY CONTINGENCY PLAN

EnterCard has developed a liquidity contingency plan. The purpose is to ensure a return to "business as usual" in the event of major liquidity disruption. The main purpose of liquidity continuity planning is to limit the damage and losses caused by serious events and maintain EnterCard's operation in prioritised functions. The liquidity contingency plan aims to reducing risks, responding effectively and restoring normality. In order to adjust for liquidity shortfall, different measures for handling the consequences of different types of crisis situations are described in the plan. The contingency plan does not focus on the precise action plan but rather sets out the general framework of actions, which should help to promptly focus on improving liquidity in the case the contingency situation becomes a reality.

The liquidity plan process for handling EnterCard's liquidity is divided into two Alert Modes classified by severity of the liquidity disturbance. Each mode will trigger different responsive actions. For the purposes of liquidity contingency planning, different Alert Modes are defined with increasing severity, escalating from "business as usual" to "non-compliance".

5.3.6 Financial Recovery Plan

EnterCard has developed a Financial Recovery Plan to enable senior management to manage a severe financial crisis which threatens capital or liquidity adequacy, or viability. The objective of the plan is to put in place measures (recovery options) to restore capital, liquidity or profitability so that EnterCard can operate sustainably and viably.

In addition to this, the Recovery Plan puts in place a recovery management framework designed to ensure that a crisis is swiftly identified and adequately managed.

6 REMUNERATION

EnterCard's overall approach to compensation is that the total compensation must be competitive and conform to market conditions, aligned with the requirements in the collective agreement. It also reflect the fundamental values of EnterCard: passionate, innovative, genuine, and support the company's business strategy, targets, long-term interests and vision.

As far as possible, the total compensation should be individually designed based on the employee's role, competence and experience as well as the contribution to the business, both when it comes to the performance and behavior. The compensation process is built up with a healthy balance between fixed and variable pay. EnterCard believes it is important that compensation work as an incentive for value-creation for the benefit of the company, with a balanced approach to risk-taking and long-term customer value and shareholder value.

The variable compensation is linked to individual employee targets and EnterCard's overall performance. The guiding principle is to reward performance, it is possible that the total variable compensation could be set to zero.

EnterCard diverges on the variable compensation for risk-takers, i.e. staff that is defined as specially regulated staff and staff with professional activities that have a material impact on the business risk profile, and other staff. The compensation program is cash based and the employees do not receive shares in the Group.

Remuneration Committee

The Remuneration Committee (RemCo) is established by the Board of Directors of EnterCard Holding AB and is responsible for preparing, assessing and proposing principles for compensation. The Board of Directors appoints members of RemCo, two board members amongst whom the chair alternates; and two representatives of the shareholders, one of whom is a representative of Barclays Bank Plc and one of whom is a representative of Swedbank AB. The representatives shall possess proven experience of compensation and risk analysis in order to assess if the compensation scheme is appropriate, and in line with the targets, risk tolerance and long-term sustainability. EnterCard confirms, that RemCo hold four meetings during 2016.

Decision-making process

The principles of variable compensation are governed in the Remuneration Policy approved by the Board of Directors, which covers all employees EnterCard. The Chief HR Officer is responsible for a recommendation to the RemCo of any applicable and necessary amendments and additions to the Remuneration Policy, based on a risk-analysis, and on input from the CEO, the Executive Committee, GRC, and Internal Audit. Based on the recommendation of the RemCo, the Board of Directors will endorse the Remuneration Policy.

Principles of deferred payment

The Board of Directors has decided that risk-takers can receive 60% of variable pay if the amount is under 100k SEK and 40% if the amount is over 100k SEK the year following the year of earning. EnterCard will retain the remaining 40%, respectively 60%, for three years before the amount is available for risk-takers. This is with the exception of senior management and identified staff with particularly high amount, which may be 50% deferred for three years. The deferred portion is paid out in cash. For other staff the variable compensation is paid out the year following the year of earning.

Description of compensation outcomes 2016

The table below shows the outcome of the expense total amount of compensation divided into categories of senior executives, risk-takers and other employees.

EnterCard has the following categories, which is exercising or could exercise a significant influence on the risk level:

- Employees on the Executive Committee
- Employees in leading strategic positions
- Leaders of control functions
- Employees responsible for granting credit
- Risk-taker, as defined by EU regulation, No 604/2014

EnterCard 2016

	ExCo	Risk-takers	Other employees
	1 employees	17 employees	205 employees
Fixed remuneration	1,556	15,255	78,989
Variable remuneration (bonus 2016)	697	3,937	10,621
Paid out (March 2017) Variable remuneration 2016 and deferred previous years	546	4,459	10,621
Deferred variable remuneration 2016 and previous years	984	7,388	0

EnterCard 2015

	ExCo	Risk-takers	Other employees
	1 employees	14 employees	242 employees
Fixed remuneration	1,525	10,649	73,450
Variable remuneration (bonus 2015)	488	2,024	10,014
Deferred variable remuneration 2015 and previous years	604	4,257	0

Fig.21. EnterCard's distribution of compensation as per 31 December 2016