

Interim Report

January–September 2020



Table of Content

Summary.....3

Quarterly Performance.....5

Income Statement6

Balance Sheet7

Statement of Changes in Equity8

Statement of Cash Flow9

Notes.....10

INTERIM REPORT FOR ENTERCARD GROUP AB

The Chief Executive Officer for EnterCard Group AB hereby submits the Interim report for January 1 - September 30, 2020.

SUMMARY

Scope, type of Operation and ownership

EnterCard Group AB operates in the Scandinavian market, with the issuance of credit cards and consumer loans as a primary business focus. The company was founded in 2005 by Barclays Bank, the largest credit institution providing credit cards financing in Europe, and Swedbank, a leading banking group in the Nordics and Baltics. The business focus of EnterCard is to issue credit cards and consumer loans under its own brand, re:member, in all three Scandinavian countries, as well as issuing credit cards and loans under different partners' brands and through their own distribution channels. EnterCard Group AB is owned by Swedbank AB, 60% and Barclays Principal Investments Limited, 40% through a joint venture. EnterCard Group AB operates two branches in Norway and Denmark, respectively.

Significant events during the period

There have been no significant events specific to Q3.

As Scandinavia progresses through the global pandemic, the countries in this region have oscillated between improving stability and momentary spikes with infection cases. This unsettled condition contributes to a sustained level of caution throughout the societies. A region that is safe and secure and has no mechanisms that infringe on its mobility, create the best conditions for commerce. This kind of environment is most conducive for customers of EnterCard to use the credit cards to facilitate their household economies. It is also a productive environment in which to add new credit card and loan accounts, further servicing the needs of the households in the region.

The customers of EnterCard continue to stay engaged in using their credit cards, showing a sustained improvement of spending level vs last year when looking at non-travel spend. Because of the travel advisories and related quarantines, travel spending remains at very low levels. This area of uncertainty will continue until there is a change with the travel advisories and related quarantines.

There is still an active demand for unsecured consumer loans in the marketplace. The patterns of activities vary across the region. The Norwegian regulators have been more active by influencing both consumers and actors serving the nation. Neither Swedish nor Danish authorities have deployed similar initiatives in their respective markets. The different postures taken by the authorities lead to different near-term growth prospects for loans in the countries.

As the region continues its return to a 'normal' or 'new normal' condition, EnterCard will keep focus on the development of the secondary loan market as it relates to non-performing exposures. The number of debt collection companies engaged in acquiring non-performing assets has declined materially. This is the result of capital concerns and anticipated impacts from the new European Banking Authority (EBA) guidelines on Non-Performing Exposures. These conditions can lead to some negative views to non-performing asset values and related recoverability. This can potentially have a depressing effect on earnings via higher impairments.

Though the market has a measure of sustained risk vs pre-Covid times, EnterCard has not added any extra-ordinary reserves against asset values during Q3.

Quarterly Performance

Operating income for the third quarter amounted to 844.6m SEK (compared to 889.6m SEK the same period previous year).

The operating profit for the quarter amounted to 293.0m SEK (299.1m SEK).

Year to date earnings, profitability and position

Operating income as per September 30, 2020, amounted to 2,550.7m SEK (2,758.9m SEK). Total loans to the public without considering provisions of anticipated loan losses as per September 30, 2020, increased to 34,248.3m SEK (33,593.8m SEK).

Non performing loans, after loan loss provision, as per September 30 amounted to a book value of 1,229.4m SEK which constitutes 3,6 percent of the total credit portfolio.

Operating profit before tax amounted to 556.1m SEK (834.6m SEK).

Investments

Investments in tangible assets during the period amounted to 0.1m SEK and intangible assets with 4.4m SEK. 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

EnterCard is a consumer financing company delivering products and services that meet the customer needs and expectations. EnterCard's operations encounters to a number of risks. As a result, considerations need to be made in

relation to these risks. The interest rate environment presents material of risk and uncertainty. As the Scandinavian central banks seek to assist their respective economies, the regional inter-bank offer rates remain low with no indication of near-term increase. The sharp increase in the Funds Transfer Premium (FTP), due to the Covid uncertainties, has started to reduce as anticipated.

EnterCard continues to monitor the regulatory environment to assess the likely impacts to the company. Like all other banks and credit institutions, EnterCard is benefiting from the relaxed regulatory measures issued forth by the European Banking Authority (EBA). The significant reduction of the Counter-Cyclical Buffer in the Scandinavian countries has provided ample security that capital regulatory targets are secure as the Covid 19 event progresses through its cycle. Though EnterCard has utilized the relaxation measures permitted for Covid initiated debt restructuring/forbearance and payment holidays to encourage companies to assist customers in navigating this difficult period, it has not had been significantly deployed. This relaxation is reflected in the application of the accounting rules under IFRS 9 allowing for a more measured consideration of changes in perceived risk. EnterCard remains very active to follow and incorporate regulatory guidance from European and local regulators.

Liquidity and funding

EnterCard's liquidity need is satisfied through credits and loans provided by the owners. EnterCard's cash balance as per September 30 amounted to 2,593.0m SEK, cash balance in the beginning of the year was 3,501.9m SEK.

The liquidity reserve amounted to 2,280.3m SEK (2,959.5m SEK). EnterCard Group AB's Liquidity Coverage Ratio (LCR) was 316% (529%). According to EnterCard's interpretation of the Basel Committee's most recent proposal on Net Stable Funding Ratio (NSFR), EnterCard's NSFR was 128% (149%).

As per September 30 2020, the survival horizon, in a scenario with a very limited access to funding and significantly decreased inflows from customers, was 110 days for Sweden, 124 days for Norway and 124 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 September 30, 2020 was 20,4%. The total adjusted Tier 1 Capital base amounted to 6,186.4m SEK and the total risk exposure amount for credit risk was 25,201.3m 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. Although, the company's result per September 30, 2020 have been subject for a general review.

Quarterly Performance

	2020	2019
TSEK	Q3	Q3
Interest income	841 232	855 692
Interest expenses	-51 718	-80 115
Net interest income	789 514	775 577
Commission income	165 791	251 857
Commission expenses	-112 425	-139 200
Net commissions	53 366	112 657
Net gain/loss transactions from financial instruments	-554	423
Other income	2 262	993
TOTAL OPERATING INCOME	844 588	889 651
Staff costs	-130 243	-144 970
Other general administrative expenses	-157 840	-191 424
Total general administrative expenses	-288 083	-336 393
Depreciation/amortization and impairment of tangible and intangible assets	-9 979	-11 673
Other costs	-1 631	-2 777
TOTAL OPERATING EXPENSES	-299 693	-350 844
Profit before loan losses	544 895	538 807
Loan losses, net	-252 164	-239 666
OPERATING PROFIT	292 731	299 141
Tax expense	-66 675	-68 184
PROFIT/LOSS FOR THE YEAR	226 055	230 957

Statement of comprehensive income

	2020	2019
TSEK	Q3	Q3
Profit for the year recognized within the income statement	226 055	230 957
Components which will not be reclassified to the income statement		
Revaluation of defined-benefit pensions	-	-
Tax	-	-
Total	-	-
Components which have or will be reclassified to the income statement		
Unrealised changes in fair value	2 433	-4 804
Exchange rate differences	-11 792	-4 627
Tax	-	-
Total	-9 359	-9 432
Total profit	216 696	221 525

Income statement

TSEK	Note	2020	2019	2019
		Jan-Sept	Jan-Sept	Full Year
Interest income		2 513 734	2 632 510	3 487 386
Interest expenses		-211 261	-221 035	-305 651
Net interest income		2 302 473	2 411 475	3 181 735
Commission income		584 725	728 611	980 917
Commission expenses		-344 253	-406 326	-538 291
Net commissions		240 472	322 284	442 626
Net gain/loss transactions from financial instruments	2	-3 694	3 798	-3 395
Other income		11 434	21 361	31 999
TOTAL OPERATING INCOME		2 550 685	2 758 918	3 652 965
Staff costs		-393 458	-427 012	-604 359
Other general administrative expenses		-573 266	-612 647	-885 854
Total general administrative expenses		-966 724	-1 039 659	-1 490 213
Depreciation/amortization and impairment of tangible and intangible assets		-29 932	-34 851	-46 291
Other costs		-8 930	-30 388	-34 453
TOTAL OPERATING EXPENSES		-1 005 586	-1 104 898	-1 570 958
Profit before loan losses		1 545 099	1 654 020	2 082 007
Loan losses, net	3	-988 997	-819 364	-740 770
OPERATING PROFIT		556 101	834 657	1 341 237
Tax expense		-126 788	-189 030	-281 932
PROFIT/LOSS FOR THE YEAR		429 313	645 627	1 059 305

Statement of comprehensive income

TSEK		2020	2019	2019
		Jan-Sept	Jan-Sept	Full Year
Profit for the year recognized within the income statement		429 313	645 627	1 059 305
Components which will not be reclassified to the income statement				
Revaluation of defined-benefit pensions		-	-	-23 003
Tax		-	-	4 739
Total		-	-	-18 264
Components which have or will be reclassified to the income statement				
Unrealised changes in fair value	2	-1 631	-10 561	5 151
Exchange rate differences		-146 389	140 353	68 730
Tax		-	-	4 739
Total		-148 020	129 791	58 662
Total profit		281 293	775 418	1 099 703

Balance Sheet

Assets

TSEK	Note	2020 30 Sept	2019 31 Dec	2019 30 Sept
Assets				
Deposits	4	2 592 986	3 501 872	3 926 874
Loans to the public	4	32 016 435	31 997 575	31 610 187
Bonds and other interest-bearing securities	5,6	2 280 337	2 772 996	2 959 468
Intangible assets		48 230	73 891	83 928
Tangible assets		5 544	7 868	8 110
Deferred tax assets		11 408	11 408	34 717
Other assets		150 169	434 922	152 126
Prepaid expenses and accrued income		83 097	77 069	109 837
TOTAL ASSETS		37 188 205	38 877 600	38 885 248

Liabilities and Equity

Liabilities

Amounts owed to credit institutions		30 327 540	31 982 199	32 449 663
Other liabilities		109 035	358 853	263 305
Accrued expenses and prepaid income		246 845	305 133	255 223
Pension provisions		46 522	49 571	29 664
Provisions		29 226	34 099	36 007
TOTAL LIABILITIES		30 759 168	32 729 856	33 033 863

Equity

Share capital		5 000	5 000	5 000
Fund for development expenditures		121 759	121 759	108 679
Reserves		-372 712	-224 692	-153 563
Retained earnings		6 674 991	6 245 677	5 891 270
TOTAL EQUITY		6 429 038	6 147 744	5 851 386
TOTAL LIABILITIES AND EQUITY		37 188 205	38 877 600	38 885 248

Statement of changes in Equity

TSEK	Restricted equity		Non-restricted equity			
	Share capital	Fund for development expenditures	*Foreign currency reserve	**Fair value reserve	Retained earnings	Total Equity
Opening balance January 1, 2019	5 000	108 679	-266 358	-16 997	5 895 644	5 725 967
Dividends					-650 000	-650 000
Profit/loss for the period			140 353	-10 561	645 627	775 418
<i>of which recognized in income statement</i>					645 627	645 627
<i>of which recognized in other comprehensive income</i>			140 353	-10 561	-	129 791
Closing balance September 30, 2019	5 000	108 679	-126 006	-27 558	5 891 270	5 851 385

TSEK						
Opening balance January 1, 2019	5 000	108 679	-266 358	-16 997	5 895 644	5 725 967
Adjustment previous years					-19 298	-19 298
Adjustment previous years					-8 629	-8 629
Dividends					-650 000	-650 000
Transfer to restricted equity		13 080			-13 080	-
Profit/loss for the year			54 613	4 049	1 041 041	1 099 703
<i>of which recognized in income statement</i>					1 059 305	1 059 305
<i>of which recognized in other comprehensive income</i>			68 730	5 151	-23 003	50 878
<i>of which tax recognized in other comprehensive income</i>			-14 117	-1 102	4 739	-10 480
Closing balance December 31, 2019	5 000	121 759	-211 745	-12 948	6 245 678	6 147 744

TSEK						
Opening balance January 1, 2020	5 000	121 759	-211 745	-12 948	6 245 678	6 147 744
Profit/loss for the period			-146 389	-1 631	429 313	281 293
<i>of which recognized in income statement</i>					429 313	429 313
<i>of which recognized in other comprehensive income</i>			-146 389	-1 631	-	-148 020
Closing balance September 30, 2020	5 000	121 759	-358 134	-14 578	6 674 991	6 429 038

*Currency translation reserve from revaluation of the branches

**Fair value changes of the bond portfolio

Statement of Cash Flow

	2020	2019	2019
TSEK	Jan-Sept	Full Year	Jan-Sept
Operating activities			
Operating profit/loss	556 101	1 341 237	834 657
Adjustments for non-cash items	306 256	325 750	285 427
Taxes paid	-161 799	-306 613	-253 884
Cash flow from operating activities before working capital changes	700 558	1 360 375	866 200
Cash flow from changes in working capital			
Increase/decrease in loans to the public	-1 264 629	-2 970 186	-2 316 583
Increase/decrease of bonds and other interest-bearing securities	343 352	-235 270	-382 096
Increase/decrease in other assets	302 838	-206 101	82 715
Increase/decrease in other liabilities	-169 148	-416	-90 371
Cash flow from operating activities	-787 587	-3 411 973	-2 706 335
Investing activities			
Purchase of intangible assets	-4 401	-21 202	-19 826
Purchase of tangible assets	-140	-4 481	-3 804
Cash flow from investing activities	-4 541	-25 683	-23 629
Financing activities			
Dividends	-	-650 000	-650 000
Increase/decrease of deposits and borrowing	-758 686	2 492 439	2 666 974
Cash flow from financing activities	-758 686	1 842 439	2 016 974
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	3 501 872	3 701 886	3 701 886
CASH FLOW FOR THE PERIOD	-850 256	-234 843	3 855 096
Exchange rate differences on cash and cash equivalents	-58 630	34 828	71 778
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2 592 986	3 501 872	3 926 874

Notes

The interim report for EnterCard Group AB (org nr 556673-0585) refers to the period January 1 - September 30, 2020. 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 2019.

Note 2 Net financial income

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

	2020	2019	2019
	Jan-Sept	Jan-Sept	Full Year
Realised gains/losses recognized in profit and loss			
Reclassification through Other comprehensive income to this periods profit for realised gains/losses	-	-	6 972
Realised gain/loss bonds and other interest-bearing securities	-1 878	4 989	-8 940
Exchange rate profit / loss	-1 816	-1 191	-1 427
Total realised gain/loss in profit or loss	-3 694	3 798	-3 395
Unrealised gains/losses recognized in Other comprehensive income			
Reclassification through Other comprehensive income to this periods profit for realised gains/losses	-	-	-6 972
Unrealised changes in value bonds and other interest-bearing securities	-1 631	-10 561	5 151
Total unrealised gain/loss in Other comprehensive income	-1 631	-10 561	-1 821
Total	-5 325	-6 763	-5 216

Note 3 Loan losses, net

	2020	2019	2019
	Jan-Sept	Jan-Sept	Full Year
Loans at amortized cost			
Change in provisions - stage 1	-266 493	2 433	25 953
Change in provisions - stage 2	67 068	-92 346	-103 159
Change in provisions - stage 3	-126 716	-154 242	-177 167
Total	-326 140	-244 154	-254 373
The periods write-off for established loan losses	-653 380	-689 347	-615 143
Recoveries from previously established loan losses	-13 458	101 766	114 919
Total	-666 838	-587 581	-500 224
Loan losses net, loans at amortized cost	-992 978	-831 735	-754 597
Loan losses credits granted but not utilized			
Change in provisions - stage 1	3 912	13 055	14 326
Change in provisions - stage 2	69	-684	-498
Loan losses net, loan commitments	3 981	12 371	13 828
Total loan losses	-988 997	-819 364	-740 770

Note 4 Change in provisions for loans

Change in book value (gross) and provisions September 30, 2020.

	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Book value, gross				
Opening balance January 1, 2020	28 711 600	2 908 225	2 345 283	33 965 108
Closing balance September 30, 2020	29 219 555	2 646 515	2 382 214	34 248 284
Provisions for loans to the public and loans to credit institutions				
Opening balance January 1, 2020	-412 464	-511 350	-1 043 719	-1 967 533
New and derecognised financial assets, net	-112 728	140 238	147 004	174 515
Changes in credit risk	3 214	13 891	54 657	71 763
Transfer between stages during the period				
from stage 1 to stage 2	42 256	-235 617	-	-193 361
from stage 1 to stage 3	10 416	-	-164 106	-153 689
from stage 2 to stage 1	-22 977	97 296	-	74 319
from stage 2 to stage 3		72 314	-112 041	-39 727
from stage 3 to stage 1	-154		4 121	3 967
from stage 3 to stage 2	-	-1 167	3 740	2 574
Other	-162 320	131	-42 487	-204 676
Closing balance September 30, 2020	-654 757	-424 261	-1 152 830	-2 231 849
Book value, net				
Opening balance January 1, 2020	28 299 136	2 396 875	1 301 564	31 997 576
Closing balance September 30, 2020	28 564 798	2 222 254	1 229 384	32 016 435

Change in book value (gross) and provisions September 30, 2019.

	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Book value, gross				
Opening balance January 1, 2019	26 689 070	2 209 674	1 751 725	30 650 468
Closing balance September 30, 2019	28 506 549	2 874 888	2 212 399	33 593 836
Provisions for loans to the public and loans to credit institutions				
Opening balance January 1, 2019	-447 687	-402 787	-898 261	-1 748 735
New and derecognised financial assets, net	12 625	106 622	252 080	371 327
Changes in credit risk	5 399	-4 001	73 377	74 775
Transfer between stages during the period				
from stage 1 to stage 2	56 687	-301 348	-	-244 661
from stage 1 to stage 3	20 750	-	-289 764	-269 014
from stage 2 to stage 1	-13 698	63 450	-	49 752
from stage 2 to stage 3		95 597	-216 601	-121 004
from stage 3 to stage 1	-90		2 215	2 125
from stage 3 to stage 2	-	-1 384	3 367	1 983
Other	-78 195	-63 349	41 348	-100 196
Closing balance September 30, 2019	-444 209	-507 200	-1 032 240	-1 983 649
Book value, net				
Opening balance January 1, 2019	26 241 383	1 806 887	853 464	28 901 734
Closing balance September 30, 2019	28 062 341	2 367 688	1 180 159	31 610 187

Change in book value (gross) September 30, 2020.

Book value, gross	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Opening balance January 1, 2020	28 711 600	2 908 224	2 345 284	33 965 108
New and derecognised financial assets, net	3 425 458	-625 376	-320 977	2 479 105
Changes in credit risk	-1 435 104	-80 191	-197 983	-1 713 278
Transfer between stages during the period				
from stage 1 to stage 2	-1 550 849	1 530 645	-	-20 203
from stage 1 to stage 3	-356 612	-	341 292	-15 320
from stage 2 to stage 1	701 732	-840 257	-	-138 525
from stage 2 to stage 3	-	-254 819	231 863	-22 955
from stage 3 to stage 1	6 495	-	-8 089	-1 594
from stage 3 to stage 2	-	8 286	-9 171	-885
Other	-283 165	1	-5	-283 169
Book value				
Closing balance September 30, 2020	29 219 555	2 646 515	2 382 214	34 248 284

Change in book value (gross) September 30, 2019.

Book value, gross	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Opening balance January 1, 2019	26 689 070	2 209 674	1 751 725	30 650 469
New and derecognised financial assets, net	3 400 994	-134 941	-578 899	2 687 154
Changes in credit risk	297 234	-24 827	-68 438	203 969
Transfer between stages during the period				
from stage 1 to stage 2	-1 712 153	1 817 945	-	105 792
from stage 1 to stage 3	-576 194	-	611 065	34 871
from stage 2 to stage 1	541 178	-601 276	-	-60 098
from stage 2 to stage 3	-	-435 437	437 706	2 268
from stage 3 to stage 1	4 551	-	-5 728	-1 177
from stage 3 to stage 2	-	7 539	-8 132	-593
Other	-138 132	36 212	73 101	-28 820
Book value				
Closing balance September 30, 2019	28 506 549	2 874 888	2 212 399	33 593 835

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

	2020 30 Sept	2019 31 Dec	2019 30 Sept
Credit facilities, granted but not paid	239 653	103 031	-
Credits granted but not utilized	42 015 200	42 368 957	42 157 947
Provisions for off-balance commitments			
Stage 1	25 472	30 182	31 852
Stage 2	3 754	3 918	4 156
Total	29 226	34 099	36 007

Allocation of loans between stages and provisions (IFRS 9)

	2020 30 Sept	2019 31 Dec	2019 30 Sept
Deposits			
Stage 1			
Book value, gross	2 592 986	3 501 872	3 926 874
Provisions	-	-	-
Total book value	2 592 986	3 501 872	3 926 874
Loans to the public, private customers			
Stage 1			
Book value, gross	28 824 109	28 285 934	28 106 675
Provisions	-654 534	-412 049	-443 807
Book value	28 169 575	27 873 885	27 662 868
Stage 2			
Book value, gross	2 646 515	2 908 225	2 874 888
Provisions	-424 261	-511 350	-507 200
Book value	2 222 254	2 396 875	2 367 688
Stage 3			
Book value, gross	2 373 723	2 337 258	2 202 676
Provisions	-1 147 979	-1 039 149	-1 024 124
Book value	1 225 744	1 298 108	1 178 552
Total book value	31 617 573	31 568 867	31 209 108
Loans to the public, corporate customers			
Stage 1			
Book value, gross	395 446	425 667	399 875
Provisions	-223	-415	-402
Book value	395 223	425 251	399 473
Stage 3			
Book value, gross	8 491	8 026	9 722
Provisions	-4 851	-4 570	-8 115
Book value	3 640	3 456	1 607
Total book value	398 863	428 708	401 080
Total	34 609 422	35 499 447	35 537 061
Book value gross, stage 1	31 812 541	28 711 600	28 506 549
Book value gross, stage 2	2 646 515	2 908 225	2 874 888
Book value gross, stage 3	2 382 214	2 345 283	2 212 399
Total book value gross	36 841 270	33 965 108	33 593 836
Provisions stage 1	-654 757	-412 464	-444 209
Provisions stage 2	-424 261	-511 350	-507 200
Provisions stage 3	-1 152 830	-1 043 719	-1 032 240
Total provisions	-2 231 849	-1 967 534	-1 983 649
Total book value	34 609 421	31 997 575	31 610 187
Share of loans in stage 3, gross, %	6,47%	6,90%	6,59%
Share of loans in stage 3, net, %	3,55%	4,06%	3,73%
Provision ratio of loans stage 1	2,06%	1,44%	1,56%
Provision ratio of loans stage 2	16,03%	17,58%	17,64%
Provision ratio of loans stage 3	48,39%	44,50%	46,66%
Total provision ratio of loans	6,06%	5,79%	5,90%

Note 5 Bonds and other interest-bearing securities

Financial assets measured at fair value through Other comprehensive income.

	2020	2019	2019
	30 Sept	31 Dec	30 Sept
Issuers			
Municipalities	1 050 766	1 353 850	1 967 595
Swedish mortgage institutions	207 534	-	-
Foreign credit institutions	76 629	178 228	182 916
Foreign mortgage institutions	833 948	1 128 910	720 391
Other foreign issuers	111 461	112 007	88 566
Total	2 280 337	2 772 996	2 959 468

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

	2020	2019	2019
	30 Sept	31 Dec	30 Sept
Remaining maturity			
Maximum 1 year	49 607	49 301	-
Longer than 1 year but maximum 5 years	2 230 731	2 522 267	2 752 704
Longer than 5 years	-	201 428	206 764
Total	2 280 337	2 772 996	2 959 468

	2020	2019	2019
	30 Sept	31 Dec	30 Sept
Total holdings of financial assets, broken down by issuer			
Issued by public entities	1 162 226	1 465 857	2 056 162
Issued by other borrowers	1 118 111	1 307 139	903 307
Total	2 280 337	2 772 996	2 959 468
Average remaining maturity, years	2,82	3,69	3,06
Average remaining fixed interest term, years	0,38	0,30	0,54
<i>of which listed securities, TSEK</i>	<i>2 280 337</i>	<i>2 772 996</i>	<i>2 959 468</i>
<i>of which unlisted securities, TSEK</i>	<i>-</i>	<i>-</i>	<i>-</i>

Note 6 Liquidity reserve and liquidity risk

	2020	Distribution by currency			2019	Distribution by currency		
	30 sept	SEK	NOK	DKK	30 Sept	SEK	NOK	DKK
Securities issued or guaranteed by government or central bank	111 461	-	-	111 461	112 007	-	-	112 007
Securities issued or guaranteed by municipalities or non-governmental public entities	1 050 766	859 735	191 030	-	1 353 850	1 066 805	287 046	-
Covered bonds issued by others	1 041 482	207 534	833 948	-	1 128 910	-	1 128 910	-
Securities issued or guaranteed by multilateral development banks	76 629	-	76 629	-	178 228	-	178 228	-
Total	2 280 337	1 067 269	1 101 607	111 461	2 772 996	1 066 805	1 594 184	112 007
<i>Distribution by currency, %</i>		<i>46,8%</i>	<i>48,3%</i>	<i>4,9%</i>		<i>38,5%</i>	<i>57,5%</i>	<i>4,0%</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. The outcome refers to the calculation in accordance with the statutory minimum capital requirement, called Pillar I, as well as capital in accordance to the combined buffer requirement.

EnterCard applies the standardized approach to calculate the capital requirement for credit risk. Credit risk is calculated on all asset and off-balance sheet items unless deducted from own funds. Capital requirements for operational risk is calculated using the standardized approach, which means that the activities are divided into business areas which have been assigned different beta factors. Capital requirement is calculated as a three-year average for the last three year's financial operating revenue in each business multiplied by the corresponding beta factor. EnterCard also calculates a capital requirement for currency risk.

The combined buffer requirement is a requirement to hold a capital conservation buffer of 2.5 percent of the risk-weighted exposure amount. The buffer requirement also includes a countercyclical buffer, which currently amounts to 0.2 percent of the risk-weighted exposure amount.

EnterCard does not have any exposures within Trading.

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 Norway, branch of EnterCard Group AB" and "EnterCard Denmark, branch of EnterCard Group AB". 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.

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

Capital Adequacy

	2020	2019
	30 Sept	31 Dec
Common Equity Tier 1 Capital: Instruments and reserves		
Capital instrument and associated share premium	5 000	5 000
Reserves	6 507 663	5 448 358
Accumulated other comprehensive income	-512 938	-364 919
Profit net, after deduction of foreseeable cost's and dividend's, verified by auditors	248 971	1 059 305
Common Equity Tier 1 Capital before adjustments	6 248 696	6 147 744
Value adjustments due to the requirements for prudent valuation	-2 635	-3 481
Intangible assets	-48 230	-73 891
Deferred tax assets that rely on future profitability and arise from temporary differences	-11 408	-11 408
Negative values associated to expected losses	-	-
Losses current year	-	-
Total adjustments of Common Equity Tier 1 Capital	-62 272	-88 779
Common Equity Tier 1 Capital	6 186 424	6 058 965
Additional Tier 1 Capital: instruments	-	-
Tier 1 Capital	6 186 424	6 058 965

	2020	2019
	30 Sept	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	6 186 424	6 058 965
Total risk weighted exposure amount	30 321 273	30 744 199
Common Equity Tier 1 capital ratio	20,4%	19,7%
Tier 1 capital ratio	20,4%	19,7%
Total capital ratio	20,4%	19,7%

	2020	2019
	30 Sept	31 Dec
Requirements buffers, %		
Total Tier 1 capital requirement including buffer requirement	7,2	9,4
<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>	0,2	2,4
<i>whereof system risk buffer requirement</i>	-	-
Common Equity Tier 1 capital available to be used as buffer	13,2	10,3
Leverage ratio	15,0	12,7

Risk exposure amount and own funds requirement for credit risk

Exposure classes	2020 30 Sept		2019 31 Dec	
	Risk exposure amount	Own funds requirement	Risk exposure amount	Own funds requirement
Institutional exposures	518 620	41 490	700 581	56 046
Covered bonds	104 148	8 332	112 891	9 031
Retail exposures	23 106 725	1 848 538	22 974 243	1 837 939
Regional governments or local authorities exposures	1 375	110	1 727	138
Corporate exposures	2 233	179	4 524	362
Exposures in default	1 229 378	98 350	1 309 590	104 767
Other exposures	238 810	19 105	519 859	41 589
Total	25 201 289	2 016 103	25 623 415	2 049 873
			2020 30 Sept	2019 31 Dec
Total capital requirement for credit risk according to the standardized approach			2 016 103	2 049 873
			2020 30 Sept	2019 31 Dec
Capital requirement for operational risk				
Risk exposure amount			5 068 212	4 632 277
Capital requirement according to the standardized approach			405 457	370 582
Total capital requirement for operational risk			405 457	370 582
			2020 30 Sept	2019 31 Dec
Capital requirement for market risk (foreign exchange risk)				
Risk exposure amount			51 772	488 507
Capital requirement			4 142	39 081
Total capital requirement for market risk			4 142	39 081
Capital requirements for settlement risk			-	-
Capital requirements for credit value adjustment (CVA) risk			-	-
Total capital requirements			2 425 702	2 459 536

Internal capital requirement

	2020		2019	
	30 Sept		31 Dec	
Capital requirement according to Pillar 1		% av REA*		% av REA*
Credit risk	2 016 103	6,6	2 049 873	6,7
Market risk	4 142	0,1	39 081	0,1
Operational risk	405 457	1,3	370 582	1,2
Settlement risk	-	-	-	-
Credit value adjustment (CVA) risk	-	-	-	-
Total capital requirement according to Pillar 1	2 425 702	8,0	2 459 536	8,0
Capital requirement according to Pillar 2				
Other capital requirement	260 532	0,9	274 183	0,9
Total capital requirement according to Pillar 2	260 532	0,9	274 183	0,9
Combined buffer requirement				
Countercyclical buffer	70 749	0,2	732 229	2,4
Capital conservation buffer	758 032	2,5	768 605	2,5
Total combined buffer requirement	828 781	2,7	1 500 834	4,9
Management buffer				
Additional management buffer	303 213	1,0	306 170	1,0
Total management buffer	303 213	1,0	306 170	1,0
Internal capital requirement				
Total capital requirement	3 818 228	12,6	4 540 722	14,8
Capital base				
Total capital base	6 186 424	20,4	6 058 965	19,7

*Risk exposure amount

Note 8 Related parties

Swedbank AB (publ) and Barclays Bank PLC has control through a joint venture. The companies are ultimate parent in the respective group.

	Swedbank Group			Barclays Group		
	2020 30 Sept	2019 31 Dec	2019 30 Sept	2020 30 Sept	2019 31 Dec	2019 30 Sept
Balance sheet						
Assets						
Deposits	2 592 986	3 501 872	3 926 874	-	-	-
Other assets	904	1 073	983	-	-	-
Total	2 593 890	3 502 945	3 927 857	-	-	-
Liabilities						
Amounts owed to credit institutions	15 163 770	15 991 100	16 224 832	15 163 770	15 991 100	16 224 832
Other liabilities	15 032	14 016	10 107	13 007	13 007	13 007
Total	15 178 802	16 005 116	16 234 939	15 176 777	16 004 107	16 237 839
Income statement						
Interest income	166	5 411	3 486	-	-	-
Interest expenses	-100 220	-141 894	-102 877	-100 130	-141 795	-102 827
Commission income	61 813	122 952	60 548	-	-	-
Commission expenses	-3 404	-5 254	-4 240	-	-	-
Other expenses	-5 848	-6 719	-5 093	-	-	-
Total	-47 494	-25 505	-48 175	-100 130	-141 795	-102 827

Stockholm November 27, 2020

Freddy Syversen
Chief Executive Officer