

# Interim Report January–June 2023



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# INTERIM REPORT FOR ENTERCARD GROUP AB

The Chief Executive Officer for Entercard Group AB hereby submits the Interim report for January 1 - June 30, 2023.

## SUMMARY

### Scope, Type of Operation and Ownership

Entercard Group AB operates in the Scandinavian market, with issuance of credit cards and consumer loans. 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. The company is owned by Swedbank AB, 60% and Barclays Principal Investments Limited, 40% through a joint venture. Entercard is headquartered in Sweden and operates two branches in Norway and Denmark, respectively.

### Significant Events during the Period

Entercard is monitoring macro-events to assess whether there are possible impacts to the business. The period has largely been characterized by macro-economic uncertainty. Both inflation and interest rates in Scandinavia have continued to increase during the period. Entercard will continue to follow the development of the circumstances, as well as customer behaviors, and the general trends in Scandinavia when it comes to unsecure lending. The partnership around credit cards and consumer loans between Coop Norway and Entercard ended on Jan 31st 2023. Customers who wished to remain with Entercard were offered a new product under Entercard's Remember brand. In June Entercard launched consumer loans in the Finnish market.

### Quarterly result

Operating income for the second quarter amounted to 745,2m SEK (compared to 790,7m SEK same period previous year). The quarter's operating profit amounted to 166,2m SEK (165,4m SEK).

### Year to Date Earnings, Profitability and Position

Operating income as per June 30, 2023, amounted to 1 494,8m SEK (1 597,9m SEK). Total loans to the public without considering provisions of anticipated loan losses as per June 30, 2023, was 35 002,8 SEK (34 834,2m SEK).

Non performing loans, after loan loss provision, as per June 30 amounted to a book value of 1 637,5m SEK which constitutes 5,1 percent of the total credit portfolio.

Operating profit before tax amounted to 225,0m SEK (411,5m SEK).

### Investments

Investments in tangible asset was 7,6m SEK during the period. Intangible assets increased with 1,3m SEK during the period. Entercard continuously assesses whether there are indications of

diminished value for assets. The evaluation has shown that there is no need for impairment.

### Significant Risks and Factors of Uncertainty

Increasing inflation and historically large interest increases have led to concerns regarding the risk of an approaching recession and stagflation. Especially the Swedish economy has been highlighted by forecasters as having a weak growth outlook given the high sensitivity to interest rate change by households. A higher interest rate environment also risk influencing the funding cost for credit institutions, with a potential impact on interest margins. In addition, it is unclear how an environment with potentially higher unemployment and lower real wages will influence customers, and potential loan losses for credit companies

The environment ahead presents a new complexity in terms of volatility that Entercard management will follow to best adapt and meet customers borrowing needs.

### Liquidity and Funding

Entercard's liquidity need is satisfied through credits and loans provided by the owners. Entercard's cash balance as per June 30 amounted to 4 082,4m SEK (3 205,7m SEK).

The liquidity reserve amounted to 2 305,3m SEK (2 639,9m SEK). Entercard Group AB's Liquidity Coverage Ratio (LCR) was 321% (368%). According to Entercard's interpretation of the Basel Committee's most recent proposal on Net Stable Funding Ratio (NSFR), Entercard's NSFR was 132% (139%).

As per June 30, 2023, the survival horizon, in a scenario with a very limited access to funding was 153 days for Sweden, 153 days for Norway and 153 days for Denmark, to be compared with the risk appetite, decided by the Board, of 60 days.

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

### Capital Adequacy

Total capital ratio for Entercard as per June 30, 2023, was 17,8%. The total adjusted Tier 1 Capital base amounted to 4 989,9m SEK and the total risk exposure amount for credit risk was 25 790,0m 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 June 30, 2023, have been subject for a general review.

## Quarterly Performance

	2023	2022
TSEK	Q2	Q2
Interest income	960 614	758 075
Interest expenses	-347 457	-71 932
Net interest income	613 158	686 143
Commission income	208 603	208 568
Commission expenses	-86 145	-108 925
Net commissions	122 458	99 642
Net gain/loss transactions from financial instruments	-2 356	-3 861
Other income	11 914	8 744
<b>TOTAL OPERATING INCOME</b>	<b>745 173</b>	<b>790 667</b>
Staff costs	-138 160	-125 247
Other general administrative expenses	-217 780	-221 170
Total general administrative expenses	-355 940	346 417
Depreciation/amortization and impairment of tangible and intangible assets	-2 040	-2 893
<b>TOTAL OPERATING EXPENSES</b>	<b>-357 979</b>	<b>-349 310</b>
Profit before loan losses	387 194	441 357
Loan losses, net	-217 613	-275 969
Swedish bank tax and resolution fees	-3 396	-
<b>OPERATING PROFIT</b>	<b>166 185</b>	<b>165 388</b>
Tax expense	-38 083	-35 591
<b>PROFIT/LOSS FOR THE YEAR</b>	<b>128 102</b>	<b>129 797</b>

### Statement of comprehensive income

	2023	2022
TSEK	Q2	Q2
Profit for the year recognized within the income statement	128 102	129 797
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	2 099	-16 340
Exchange rate differences	36 791	-20 079
Tax	-	-
Total	38 890	-36 419
<b>Total profit</b>	<b>166 992</b>	<b>93 378</b>

## Income Statement

TSEK	Note	2023	2022	2022
		Jan-June	Full Year	Jan-June
Interest income		1 885 595	3 149 701	1 518 325
Interest expenses		-639 092	-459 534	-127 563
Net interest income		1 246 503	2 690 167	1 390 762
Commission income		410 775	831 157	400 923
Commission expenses		-180 440	-424 386	-209 149
Net commissions		230 335	406 771	191 773
Net gain/loss transactions from financial instruments	2	-4 120	-12 117	-4 495
Other income		22 113	45 500	19 830
<b>TOTAL OPERATING INCOME</b>		<b>1 494 831</b>	<b>3 130 321</b>	<b>1 597 870</b>
Staff costs		-288 992	-572 028	-270 409
Other general administrative expenses		-425 803	-828 136	-419 674
Total general administrative expenses		-714 796	-1 400 164	-690 083
Depreciation/amortization and impairment of tangible and intangible assets		-4 723	-11 397	-5 862
<b>TOTAL OPERATING EXPENSES</b>		<b>-719 519</b>	<b>-1 411 561</b>	<b>-695 945</b>
Profit before loan losses		775 312	1 718 760	901 925
Loan losses, net	3	-543 163	-877 445	-490 474
Swedish bank tax and resolution fees	9	-7 146	-20 004	-
<b>OPERATING PROFIT</b>		<b>225 004</b>	<b>821 311</b>	<b>411 451</b>
Tax expense		-50 369	-177 061	-90 233
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>174 635</b>	<b>644 250</b>	<b>321 218</b>

Statement of Comprehensive Income

TSEK	2023	2022	2022
	Jan-June	Full Year	Jan-June
Profit for the year recognized within the income statement	174 635	644 250	321 218
Components which will not be reclassified to the income statement			
Revaluation of defined-benefit pensions	-	-3 781	-
Tax	-	779	-
Total	-	-3 002	-
Components which have or will be reclassified to the income statement			
Unrealised changes in fair value	2	2 451	-25 655
Exchange rate differences	-27 344	60 551	29 613
Tax	-	-10 190	-
Total	-24 893	37 706	3 958
Other comprehensive income	-24 893	34 704	3 958
Total profit	149 742	678 954	325 176

## Balance Sheet

### Assets

TSEK	Note	2023 30 June	2022 31 Dec	2022 30 June
<b>Assets</b>				
Deposits	4	4 082 365	4 329 568	3 205 660
Loans to the public	4	32 058 280	32 457 465	31 753 685
Bonds and other interest-bearing securities	5,6	2 305 315	2 160 341	2 639 866
Intangible assets		15 262	15 099	16 690
Tangible assets		5 645	1 067	1 651
Deferred tax assets		11 638	11 638	13 548
Other assets		405 888	365 774	319 133
Prepaid expenses and accrued income		114 098	90 565	93 842
<b>TOTAL ASSETS</b>		<b>38 998 491</b>	<b>39 431 517</b>	<b>38 044 074</b>

### Liabilities and Equity

#### Liabilities

Amounts owed to credit institutions		33 115 547	33 522 931	32 554 486
Other liabilities		486 876	194 155	141 361
Accrued expenses and prepaid income		184 183	260 662	243 194
Pension provisions		16 463	23 201	22 565
Provisions		28 931	26 963	32 640
<b>TOTAL LIABILITIES</b>		<b>33 831 999</b>	<b>34 027 912</b>	<b>32 994 247</b>

#### Equity

Share capital		5 000	5 000	5 000
Fund for development expenditures		15 099	15 099	21 197
Reserves		-262 443	-237 550	-271 299
Retained earnings		5 408 836	5 621 056	5 294 929
<b>TOTAL EQUITY</b>		<b>5 166 492</b>	<b>5 403 605</b>	<b>5 049 828</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>38 998 491</b>	<b>39 431 517</b>	<b>38 044 074</b>

## Statement of Changes in Equity

TSEK	Restricted equity		Non-restricted equity			Total Equity
	Share capital	Fund for development expenditures	*Foreign currency reserve	**Fair value reserve	Retained earnings	
Opening balance January 1, 2022	5 000	21 197	-276 985	1 728	6 773 711	6 524 651
Dividends					-1 800 000	-1 800 000
Profit/loss for the period			29 613	-25 655	321 218	325 176
<i>of which recognized in income statement</i>					321 218	321 218
<i>of which recognized in other comprehensive income</i>			29 613	-25 655	-	3 958
Closing balance June 30, 2022	5 000	21 197	-247 372	-23 927	5 294 929	5 049 828

TSEK	Share capital	Fund for development expenditures	*Foreign currency reserve	**Fair value reserve	Retained earnings	Total Equity
Opening balance January 1, 2022	5 000	21 197	-276 985	1 728	6 773 711	6 524 651
Dividends					-1 800 000	-1 800 000
Transfer to/from restricted equity		-6 098			6 098	-
Profit/loss for the year			47 561	-9 855	641 248	678 954
<i>of which recognized in income statement</i>					644 250	644 250
<i>of which recognized in other comprehensive income</i>			60 551	-12 655	-3 781	44 115
<i>of which tax recognized in other comprehensive income</i>			-12 990	2 800	779	-9 411
Closing balance December 31, 2022	5 000	15 099	-229 423	-8 127	5 621 056	5 403 605

TSEK	Share capital	Fund for development expenditures	*Foreign currency reserve	**Fair value reserve	Retained earnings	Total Equity
Opening balance January 1, 2023	5 000	15 099	-229 423	-8 127	5 621 056	5 403 605
Dividends					-386 854	-386 854
Profit/loss for the period			-27 344	2 451	174 635	149 742
<i>of which recognized in income statement</i>			-	-	174 635	174 635
<i>of which recognized in other comprehensive income</i>			-27 344	2 451	-	-24 893
Closing balance June 30, 2023	5 000	15 099	-256 767	-5 676	5 408 836	5 166 492

\*\*Fair value changes of the bond portfolio



## Statement of Cash Flow

TSEK	2023 Jan-June	2022 Full Year	2022 Jan-June
<b>Operating activities</b>			
Operating profit/loss	225 004	821 311	411 451
Adjustments for non-cash items	-132 830	-20 377	63 606
Taxes paid	-76 868	-193 394	-99 529
Cash flow from operating activities before working capital changes	15 306	607 540	375 528
<b>Cash flow from changes in working capital</b>			
Increase/decrease in loans to the public	354 363	-1 609 453	-1 209 564
Increase/decrease of bonds and other interest-bearing securities	-170 456	-11 833	225 403
Increase/decrease in other assets	-8 926	741 527	20 195
Increase/decrease in other liabilities	-110 417	-30 157	-62 377
Cash flow from operating activities	64 564	-909 917	-1 026 343
<b>Investing activities</b>			
Purchase of intangible assets	-4 605	-3 135	-1 648
Purchase of tangible assets	-4 948	-460	-359
Cash flow from investing activities	-9 553	-3 595	-2 007
<b>Financing activities</b>			
Dividends	-	-1 800 000	-1 800 000
Increase/decrease of deposits and borrowing	-287 235	1 922 752	1 171 717
Cash flow from financing activities	-287 235	122 752	-628 283
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	4 329 568	4 446 056	4 446 056
CASH FLOW FOR THE PERIOD	-216 919	-183 220	-1 281 105
Exchange rate differences on cash and cash equivalents	-30 283	66 732	40 710
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4 082 365	4 329 568	3 205 660

# Notes

The interim report for Entercard Group AB (org nr 556673-0585) refers to the period January 1 - June 30, 2023. 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 2022.

## Note 2 Net Financial Income

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

	2023	2022	2022
	Jan-June	Full Year	Jan-June
<b>Realised gains/losses recognized in profit and loss</b>			
Realised gain/loss bonds and other interest-bearing securities	-1 679	-9 591	-3 632
Exchange rate profit / loss	-2 441	-2 526	-863
<b>Total realised gain/loss in profit or loss</b>	<b>-4 120</b>	<b>-12 117</b>	<b>-4 495</b>
<b>Unrealised gains/losses recognized in Other comprehensive income</b>			
Unrealised changes in value bonds and other interest-bearing securities	2 451	-12 655	-25 655
<b>Total unrealised gain/loss in Other comprehensive income</b>	<b>2 451</b>	<b>-12 655</b>	<b>-25 655</b>
<b>Total</b>	<b>-1 669</b>	<b>-24 772</b>	<b>-30 150</b>

## Note 3 Loan Losses, Net

	2023	2022	2022
	Jan-June	Full Year	Jan-June
<b>Loans at amortized cost</b>			
Change in provisions - stage 1	-36 008	8 729	-23 856
Change in provisions - stage 2	-29 804	-31 694	9 142
Change in provisions - stage 3	107 911	-13 602	-72 199
<b>Total</b>	<b>42 099</b>	<b>-36 567</b>	<b>-86 913</b>
The periods write-off for established loan losses	-639 092	-1 096 400	-476 875
Recoveries from previously established loan losses	55 611	250 378	74 154
<b>Total</b>	<b>-583 481</b>	<b>-846 022</b>	<b>-402 721</b>
<b>Loan losses net, loans at amortized cost</b>	<b>-541 382</b>	<b>-882 589</b>	<b>-489 634</b>
<b>Loan losses credits granted but not utilized</b>			
Change in provisions - stage 1	-2 012	4 959	-338
Change in provisions - stage 2	231	185	-502
<b>Loan losses net, loan commitments</b>	<b>-1 781</b>	<b>5 144</b>	<b>-840</b>
<b>Total loan losses</b>	<b>-543 163</b>	<b>-877 445</b>	<b>-490 474</b>

## Note 4 Change in Provisions for Loans

Change in book value (gross) and provisions June 30, 2023.

Book value, gross	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Opening balance January 1, 2023	29 018 299	2 703 931	3 733 075	35 455 305
Closing balance June 30, 2023	28 522 418	2 909 318	3 571 042	35 002 778
Provisions for loans to the public and loans to credit institutions				
Opening balance January 1, 2023	-489 259	-451 780	-2 056 801	-2 997 840
New and derecognised financial assets, net	-28 259	110 018	272 566	354 325
Changes in credit risk	-6 426	12 383	13 173	19 130
Transfer between stages during the period				
from stage 1 to stage 2	55 320	-250 385	-	-195 065
from stage 1 to stage 3	8 261	-	-114 515	-106 254
from stage 2 to stage 1	-16 922	65 751	-	48 829
from stage 2 to stage 3	-	34 809	-85 546	-50 737
from stage 3 to stage 1	-50	-	1 568	1 518
from stage 3 to stage 2	-	-2 321	5 484	3 162
Other	-52 143	94	30 481	-21 568
Closing balance June 30, 2023	-529 477	-481 431	-1 933 591	-2 944 498
Book value, net				
Opening balance January 1, 2023	28 529 040	2 252 151	1 676 274	32 457 465
Closing balance June 30, 2023	27 992 941	2 427 887	1 637 451	32 058 280

Change in book value (gross) and provisions June 30, 2022.

Book value, gross	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Opening balance January 1, 2022	27 368 889	2 432 613	3 643 769	33 445 271
Closing balance June 30, 2022	28 618 377	2 439 430	3 776 384	34 834 191
Provisions for loans to the public and loans to credit institutions				
Opening balance January 1, 2022	-489 487	-415 083	-2 066 430	-2 971 000
New and derecognised financial assets, net	-60 881	17 113	336 356	292 589
Changes in credit risk	3 514	15 225	6 007	24 746
Transfer between stages during the period				
from stage 1 to stage 2	45 595	-197 420	-	-151 825
from stage 1 to stage 3	14 038	-	-170 460	-156 422
from stage 2 to stage 1	-17 046	70 435	-	53 390
from stage 2 to stage 3	-	114 032	-228 480	-114 449
from stage 3 to stage 1	-87	-	2 993	2 905
from stage 3 to stage 2	-	-3 697	8 250	4 552
Other	-12 880	-8 939	-43 174	-64 993
Closing balance June 30, 2022	-517 235	-408 333	-2 154 938	-3 080 506
Book value, net				
Opening balance January 1, 2022	26 879 402	2 017 531	1 577 339	30 474 272
Closing balance June 30, 2022	28 101 142	2 031 097	1 621 446	31 753 685

Change in book value (gross) June 30, 2023.

Book value, gross	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Opening balance January 1, 2023	29 018 299	2 703 931	3 733 075	35 455 305
New and derecognised financial assets, net	1 011 286	-410 942	-457 638	142 706
Changes in credit risk	-268 917	-39 054	-87 343	-395 313
<b>Transfer between stages during the period</b>				
from stage 1 to stage 2	-1 427 334	1 445 780	-	18 446
from stage 1 to stage 3	-238 659	-	225 749	-12 911
from stage 2 to stage 1	518 972	-626 261	-	-107 288
from stage 2 to stage 3	-	-174 232	170 417	-3 815
from stage 3 to stage 1	1 178	-	-2 747	-1 569
from stage 3 to stage 2	-	10 096	-10 654	-558
Other	-92 407	-	182	-92 226
<b>Book value</b>				
Closing balance June 30, 2023	28 522 418	2 909 318	3 571 042	35 002 778

Change in book value (gross) June 30, 2022.

Book value, gross	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Opening balance January 1, 2022	27 368 889	2 432 613	3 643 769	33 445 271
New and derecognised financial assets, net	1 439 467	-110 085	-535 884	793 499
Changes in credit risk	-94 000	-52 676	-74 673	-221 349
<b>Transfer between stages during the period</b>				
from stage 1 to stage 2	-1 176 307	1 176 040	-	-267
from stage 1 to stage 3	-322 611	-	326 183	3 572
from stage 2 to stage 1	529 662	-587 700	-	-58 038
from stage 2 to stage 3	-	-436 489	439 870	3 380
from stage 3 to stage 1	3 892	-	-4 706	-814
from stage 3 to stage 2	-	17 727	-18 200	-473
Other	869 385	-	24	869 409
<b>Book value</b>				
Closing balance June 30, 2022	28 618 377	2 439 430	3 776 384	34 834 191

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

	2023 30 June	2022 31 Dec	2022 30 June
Credit facilities, granted but not paid	84 365	88 171	93 418
Credits granted but not utilized	44 393 152	45 115 870	43 428 683
<b>Provisions for off-balance commitments</b>			
Stage 1	21 645	19 499	24 561
Stage 2	7 286	7 463	8 079
Total	28 931	26 963	32 640

Allocation of loans between stages and provisions (IFRS 9)

	2023 30 June	2022 31 Dec	2022 30 June
<b>Deposits</b>			
<b>Stage 1</b>			
Book value, gross	4 082 365	4 329 568	3 205 660
Total book value	4 082 365	4 329 568	3 205 660
<b>Loans to the public, private customers</b>			
<b>Stage 1</b>			
Book value, gross	28 145 048	28 612 358	28 079 106
Provisions	-529 000	-488 751	-517 426
Book value	27 616 048	28 123 606	27 561 680
<b>Stage 2</b>			
Book value, gross	2 909 318	2 703 931	2 439 430
Provisions	-481 431	-451 780	-408 333
Book value	2 427 887	2 252 151	2 031 097
<b>Stage 3</b>			
Book value, gross	3 562 798	3 725 434	3 768 348
Provisions	-1 929 503	-2 052 775	-2 150 859
Book value	1 633 295	1 672 658	1 617 489
Total book value	31 677 230	32 048 416	31 210 266
<b>Loans to the public, corporate customers</b>			
<b>Stage 1</b>			
Book value, gross	377 370	405 941	539 271
Provisions	-477	-507	191
Book value	376 893	405 433	539 462
<b>Stage 3</b>			
Book value, gross	8 244	7 642	8 036
Provisions	-4 088	-4 026	-4 079
Book value	4 156	3 616	3 957
Total book value	381 049	409 049	543 419
<b>Total</b>	<b>36 140 644</b>	<b>36 787 033</b>	<b>34 959 345</b>
Book value gross, stage 1	28 522 418	29 018 299	28 618 377
Book value gross, stage 2	2 909 318	2 703 931	2 439 430
Book value gross, stage 3	3 571 042	3 733 075	3 776 384
Total book value gross	35 002 778	35 455 305	34 834 191
Provisions stage 1	-529 477	-489 259	-517 235
Provisions stage 2	-481 430	-451 780	-408 333
Provisions stage 3	-1 933 591	-2 056 801	-2 154 938
Total provisions	-2 944 498	-2 997 840	-3 080 506
Total book value	32 058 280	32 457 465	31 753 685
Share of loans in stage 3, gross, %	10,20%	10,53%	10,84%
Share of loans in stage 3, net, %	5,11%	5,16%	5,11%
Provision ratio of loans stage 1	1,86%	1,69%	1,81%
Provision ratio of loans stage 2	16,55%	16,71%	16,74%
Provision ratio of loans stage 3	54,15%	55,10%	57,06%
Total provision ratio of loans	8,41%	8,46%	8,84%

## Note 5 Bonds and Other Interest-bearing Securities

Financial assets measured at fair value through Other comprehensive income.

	2023	2022	2022
	30 June	31 Dec	30 June
<b>Issuers</b>			
Municipalities	950 049	1 078 424	1 645 345
Swedish mortgage institutions	322 194	203 618	322 796
Foreign credit institutions	885 414	619 864	327 085
Foreign mortgage institutions	-	119 442	208 971
Other foreign issuers	147 658	138 994	135 668
<b>Total</b>	<b>2 305 315</b>	<b>2 160 341</b>	<b>2 639 865</b>

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

	2023	2022	2022
	30 June	31 Dec	30 June
<b>Remaining maturity</b>			
Maximum 1 year	213 949	255 793	135 668
Longer than 1 year but maximum 5 years	2 091 366	1 904 548	2 422 520
Longer than 5 years	-	-	81 677
<b>Total</b>	<b>2 305 315</b>	<b>2 160 341</b>	<b>2 639 865</b>

	2023	2022	2022
	30 June	31 Dec	30 June
<b>Total holdings of financial assets, broken down by issuer</b>			
Issued by public entities	1 097 707	1 217 418	1 781 013
Issued by other borrowers	1 207 608	942 924	858 852
<b>Total</b>	<b>2 305 315</b>	<b>2 160 341</b>	<b>2 639 865</b>
Average remaining maturity, years	2,17	2,48	2,59
Average remaining fixed interest term, years	0,29	0,50	0,29
<i>of which listed securities, TSEK</i>	<i>2 305 315</i>	<i>2 160 341</i>	<i>2 639 865</i>
<i>of which unlisted securities, TSEK</i>	<i>-</i>	<i>-</i>	<i>-</i>

## Note 6 Liquidity Reserve and Liquidity Risk

	2023	Distribution by currency			2022	Distribution by currency		
	30 June	SEK	NOK	DKK	30 June	SEK	NOK	DKK
Securities issued or guaranteed by government or central bank	147 658	-	-	147 658	135 668	-	-	135 668
Securities issued or guaranteed by municipalities or non-governmental public entities	950 049	789 812	160 238	-	1 645 345	1 396 740	248 605	-
Covered bonds issued by others	322 194	322 194	-	-	531 768	322 796	208 971	-
Securities issued or guaranteed by multilateral development banks	885 414	-	885 414	-	327 085	-	327 085	-
<b>Total</b>	<b>2 305 315</b>	<b>1 112 005</b>	<b>1 045 652</b>	<b>147 658</b>	<b>2 639 866</b>	<b>1 719 536</b>	<b>784 661</b>	<b>135 668</b>
<i>Distribution by currency, %</i>		<i>48,2%</i>	<i>45,4%</i>	<i>6,4%</i>		<i>65,1%</i>	<i>29,7%</i>	<i>5,1%</i>

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



## Note 7 Capital adequacy

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

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

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

The combined buffer requirement is a requirement to hold a capital conservation buffer of 2,5 percent of the risk-weighted exposure amount. The buffer requirement also includes a countercyclical buffer, which currently amounts to 2,1 percent of the risk-weighted exposure amount. Currently countercyclical buffer rates for Sweden, Norway and Denmark are 2%, 2,5% and 2,5%, respectively in June 2023.

Entercard does not have a trading book.

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

Besides the above capital adequacy requirement, Entercard holds additional capital according to the total capital calculated in the Internal Capital Adequacy Assessment Process (ICAAP). As of December 31, 2022, the internal capital requirement amounted to 14,8 percent.

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

Risk and Capital adequacy report (Pillar 3) 2022 is available on Entercard website <http://www.entercard.com>.

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

### Capital Adequacy

	2023	2022
	30 June	31 Dec
<b>Common Equity Tier 1 Capital: Instruments and reserves</b>		
Capital instrument and associated share premium	5 000	5 000
Reserves	5 365 307	5 107 607
Accumulated other comprehensive income	-378 450	-353 252
Profit net, after deduction of foreseeable cost's and dividend's, verified by auditors	34 927	257 700
Common Equity Tier 1 Capital before adjustments	5 026 784	5 017 055
Value adjustments due to the requirements for prudent valuation	-9 957	-7 265
Intangible assets	-15 262	-15 098
Deferred tax assets that rely on future profitability and arise from temporary differences	-11 638	-11 638
Negative values associated to expected losses	-	-
Losses current year	-	-
Total adjustments of Common Equity Tier 1 Capital	-36 857	-34 002
Common Equity Tier 1 Capital	4 989 927	4 983 053
Additional Tier 1 Capital: instruments	-	-
Tier 1 Capital	4 989 927	4 983 053

	2023	2022
	30 June	31 Dec
<b>Tier 2 Capital: Instruments and provisions</b>		
Capital instrument and associated share premium	-	-
Credit value adjustments	-	-
Tier 2 Capital before adjustments	-	-
Total adjustments of Common Equity Tier 2 Capital	-	-
Tier 2 Capital	-	-
Total Capital	4 989 927	4 983 053
Total risk weighted exposure amount	28 043 348	28 421 014
Common Equity Tier 1 capital ratio	17,8%	17,5%
Tier 1 capital ratio	17,8%	17,5%
Total capital ratio	17,8%	17,5%

	2023	2022
	30 June	31 Dec
<b>Requirements buffers, %</b>		
Total Tier 1 capital requirement including buffer requirement	9,1	8,3
<i>whereof minimum CET1 requirement</i>	4,5	4,5
<i>whereof capital conservation buffer requirement</i>	2,5	2,5
<i>whereof countercyclical capital buffer requirement</i>	2,1	1,3
Common Equity Tier 1 capital available to be used as buffer	8,7	9,3
Leverage ratio	11,5%	11,3%

Risk exposure amount and own funds requirement for credit risk

Exposure classes	2023		2022	
	30 June		31 Dec	
	Risk exposure amount	Own funds requirement	Risk exposure amount	Own funds requirement
Institutional exposures	816 550	65 324	866 028	69 282
Covered bonds	32 219	2 578	32 306	2 584
Retail exposures	22 773 151	1 821 852	23 001 986	1 840 159
Regional governments or local authorities exposures	2 323	186	2 125	170
Corporate exposures	2 717	217	2 716	217
Exposures in default	1 637 451	130 996	1 720 596	137 648
Other exposures	525 631	42 050	457 405	36 592
<b>Total</b>	<b>25 790 042</b>	<b>2 063 203</b>	<b>26 083 161</b>	<b>2 086 653</b>
			2023	2022
			30 June	31 Dec
Total capital requirement for credit risk according to the standardized approach			2 063 203	2 086 653
			2023	2022
			30 June	31 Dec
<b>Capital requirement for operational risk</b>				
Risk exposure amount			1 951 652	1 939 063
Capital requirement according to the alternative standardized approach			156 132	155 125
<b>Total capital requirement for operational risk</b>			<b>156 132</b>	<b>155 125</b>
			2023	2022
			30 June	31 Dec
<b>Capital requirement for market risk (foreign exchange risk)</b>				
Risk exposure amount			301 655	398 789
Capital requirement			24 132	31 903
<b>Total capital requirement for market risk</b>			<b>24 132</b>	<b>31 903</b>
Capital requirements for settlement risk			-	-
Capital requirements for credit value adjustment (CVA) risk			-	-
<b>Total capital requirements</b>			<b>2 243 468</b>	<b>2 273 681</b>

### Internal capital requirement

	2023		2022	
	30 June	% av REA*	31 Dec	% av REA*
<b>Capital requirement according to Pillar 1</b>				
Credit risk	2 063 203	7,4	2 086 653	7,3
Market risk	24 132	0,1	31 903	0,1
Operational risk	156 132	0,6	155 125	0,5
Settlement risk	-	-	-	-
Credit value adjustment (CVA) risk	-	-	-	-
<b>Total capital requirement according to Pillar 1</b>	<b>2 243 468</b>	<b>8,0</b>	<b>2 273 681</b>	<b>8,0</b>
<b>Capital requirement according to Pillar 2</b>				
Other capital requirement	568 967	2,0	570 308	2,0
<b>Total capital requirement according to Pillar 2</b>	<b>568 967</b>	<b>2,0</b>	<b>570 308</b>	<b>2,0</b>
<b>Combined buffer requirement</b>				
Countercyclical buffer	593 216	2,1	356 446	1,3
Capital conservation buffer	701 084	2,5	710 525	2,5
<b>Total combined buffer requirement</b>	<b>1 294 300</b>	<b>4,6</b>	<b>1 066 971</b>	<b>3,8</b>
<b>Management buffer</b>				
Additional management buffer	280 433	1,0	284 210	1,0
<b>Total management buffer</b>	<b>280 433</b>	<b>1,0</b>	<b>284 210</b>	<b>1,0</b>
<b>Internal capital requirement</b>				
<b>Total capital requirement</b>	<b>4 387 168</b>	<b>15,6</b>	<b>4 195 171</b>	<b>14,8</b>
<b>Capital base</b>				
<b>Total capital base</b>	<b>4 989 927</b>	<b>17,8</b>	<b>4 983 053</b>	<b>17,6</b>

\*Risk exposure amount

## Note 8 Related Parties

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

	Swedbank Group			Barclays Group		
	2023 30 June	2022 31 Dec	2022 30 June	2023 30 June	2022 31 Dec	2022 30 June
<b>Balance Sheet</b>						
<b>Assets</b>						
Deposits	3 681 762	4 329 568	3 205 660	-	-	-
Other assets	928	1 105	1 029	-	-	-
<b>Total</b>	<b>3 682 690</b>	<b>4 330 674</b>	<b>3 206 689</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>						
Amounts owed to credit institutions	16 557 774	16 761 466	16 227 243	16 557 774	16 761 466	16 277 243
Other liabilities	198 353	8 582	14 007	-	-	-
<b>Total</b>	<b>16 756 126</b>	<b>16 770 047</b>	<b>16 291 250</b>	<b>16 557 774</b>	<b>16 761 466</b>	<b>16 277 243</b>
<b>Income Statement</b>						
Interest income	37 134	19 657	-834	-	-	-
Interest expenses	-313 749	-230 136	-53 200	-313 705	-228 046	-53 303
Commission income	48 913	95 149	47 341	-	-	-
Commission expenses*	-42 432	-101 736	-51 574	-	-	-
Other expenses	-6 674	-11 660	-5 052	-	-	-
<b>Total</b>	<b>-276 808</b>	<b>-228 727</b>	<b>-63 319</b>	<b>-313 705</b>	<b>-228 046</b>	<b>-53 303</b>

\*Adjustment of commission expenses to Swedbank TSEK -49 999 per 30 June 2022.

## Note 9 Specification of bank tax and resolution fees

	2023	2022	2022
	30 June	31 Dec	30 June
Bank tax	-	-8 022	-
Resolution fees	-7 146	-11 983	-
Total	-7 146	-20 004	-

\*The resolution fee of 5 991 330 sek was classified as Other general administrative expenses during the first two quarters in 2022.

Stockholm August 29th, 2023

Jan Haglund  
Chief Executive Officer