

# Interim Report

## January - March 2025

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# INTERIM REPORT FOR ENTERCARD GROUP AB

The Chief Executive Officer for Entercard Group AB hereby submits the Interim report for January 1 - March 31, 2025.

## SUMMARY

### Scope, Type of Operation and Ownership

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

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

### Ownership

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

### Significant Events during the Period

The period has largely been characterized by macro-economic uncertainty. Higher interest rates during 2023 and 2024 helped to reduce inflation in Sweden and the EU approaching the target of 2%. The market has anticipated continued declining inflation and interest rates. During the quarter new uncertainty has emerged following new trade policies from the US, with unclear impacts when it comes to tariffs and international trade going forward. Last years high inflation has led to decreased real wages which impacts customers and credit losses, in particular in the Swedish market. Entercard will continue to follow the development of the circumstances, as well as customer behavior.

### Year to Date Earnings, Profitability and Position

Operating income as per March 31, 2025, amounted to 733,6m SEK (732,3m SEK). Total loans to the public without considering provisions of anticipated loan losses as per March 31, 2025, was 33 879,7m SEK (35 327,0m SEK).

Non-performing loans, after loan loss provisions, as per March 31, 2025 amounted to a book value of 2 136,8m SEK (1 610,0 m SEK) which constitutes 7,0 (5,0) percent of the total credit portfolio.

Operating profit before tax amounted to 80,9m SEK (-99,0m SEK).

### Investments

No investments in tangible assets were made during the period. Intangible assets increased with 10,4 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

Uncertainty in the market is genuinely high and amplified by a more unpredictable US presidency. Most forecasters still expect inflation to continue to reduce in the Nordics, however, risks with negative impacts from increasing tariffs are noted. Even though there are some positive indications in terms of the Nordic economies, concerns regarding the risk of an extended recession remain and the development of the Swedish labor market economy is uncertain. Entercard's management follows the development closely to adapt to the environment. In addition to the above-mentioned uncertainties geo-political risks exists related to the war in Ukraine and the conflicts in Gaza and Kashmir.

### Liquidity and Funding

Entercard's liquidity need is satisfied through credits and loans provided by the owners. Entercard's cash balance as per March 31, 2025 amounted to 2 997,5m SEK (2 960,0m SEK).

The liquidity reserve amounted to 2 135,7m SEK (1 571,0m SEK). Entercard Group AB's Liquidity Coverage Ratio (LCR) was 271 % (221 %). According to Entercard's interpretation of the Basel Committee's most recent proposal on Net Stable Funding Ratio (NSFR), Entercard's NSFR was 133 % (131 %).

As per March 31, 2025, the survival horizon, in a scenario with a very limited access to funding and significantly decreased inflows from customers, was 144 days for Entercard Group, to be compared with the risk appetite, decided by the Board of 60 days.

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

### Capital Adequacy

Total capital ratio for Entercard as per March 31, 2025, was 18,4%. The total adjusted Tier 1 Capital base amounted to 5 033,2 SEK and the total risk exposure amount for credit risk was 24 003,0 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 March 31, 2025, have been subject for a general review.

## Income Statement

TSEK	Note	2025	2024	2024
		Jan-March	Full Year	Jan-March
Interest income		917 148	3 965 822	1 006 181
Interest expenses		-292 235	-1 527 676	-401 440
Net interest income		624 913	2 438 146	604 741
Commission income		213 574	892 669	213 950
Commission expenses		-112 676	-421 183	-93 496
Net commissions		100 898	471 486	120 454
Net gain/loss transactions from financial instruments	2	-18	-3 953	-2 120
Other income		7 843	59 355	9 227
<b>TOTAL OPERATING INCOME</b>		<b>733 636</b>	<b>2 965 034</b>	<b>732 302</b>
Staff costs		-150 884	-586 265	-151 843
Other general administrative expenses		-214 200	-901 830	-209 075
Total general administrative expenses		-365 084	-1 488 095	-360 918
Depreciation/amortization and impairment of tangible and intangible assets		-2 214	-10 027	-2 939
<b>TOTAL OPERATING EXPENSES</b>		<b>-367 298</b>	<b>-1 498 122</b>	<b>-363 857</b>
Profit before loan losses		366 338	1 466 912	368 445
Loan losses, net	3	-283 815	-1 163 950	-463 655
Swedish bank tax and resolution fees	9	-1 600	-12 594	-3 750
<b>OPERATING PROFIT</b>		<b>80 923</b>	<b>290 368</b>	<b>-98 960</b>
Tax expense		-18 154	-60 329	19 465
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>62 769</b>	<b>230 039</b>	<b>-79 495</b>

**Statement of Comprehensive Income**

TSEK	2025	2024	2024
	Jan-March	Full Year	Jan-March
Profit for the year recognized within the income statement	62 769	230 039	-79 495
Components which will not be reclassified to the income statement			
Revaluation of defined-benefit pensions	-	-3 793	-
Tax	-	781	-
<b>Total</b>	<b>-</b>	<b>-3 012</b>	<b>-</b>
Components which have or will be reclassified to the income statement			
Unrealised changes in fair value	2	1 580	1 786
Exchange rate differences	-37 412	301	14 256
Tax	-	-71	-
<b>Total</b>	<b>-35 832</b>	<b>4 924</b>	<b>16 042</b>
Other comprehensive income	-35 832	1 912	16 042
<b>Total profit</b>	<b>26 938</b>	<b>231 951</b>	<b>-63 453</b>

## Balance Sheet

### Assets

TSEK	Note	2025	2024	2024
		31 March	31 Dec	31 March
<b>Assets</b>				
Deposits	4	2 997 536	2 799 482	2 960 012
Loans to the public	4	30 543 356	30 898 064	31 995 309
Bonds and other interest-bearing securities	5,6	2 135 726	1 740 924	1 571 064
Intangible assets		41 809	32 487	20 503
Tangible assets		17 257	18 825	20 462
Deferred tax assets		3 402	3 402	51 812
Other assets		256 007	395 179	169 846
Prepaid expenses and accrued income		143 377	64 242	118 333
<b>TOTAL ASSETS</b>		<b>36 138 470</b>	<b>35 952 605</b>	<b>36 907 341</b>

### Liabilities and Equity

#### Liabilities

Amounts owed to credit institutions	30 635 971	30 457 789	31 679 097
Other liabilities	82 142	103 264	113 032
Accrued expenses and prepaid income	178 449	182 363	199 296
Pension provisions	4 593	4 449	4 703
Provisions	18 554	12 916	14 793
<b>TOTAL LIABILITIES</b>	<b>30 919 709</b>	<b>30 760 781</b>	<b>32 010 921</b>

#### Equity

Share capital	5 000	5 000	5 000
Fund for development expenditures	32 487	32 487	19 422
Reserves	-321 948	-286 117	-274 998
Retained earnings	5 503 222	5 440 454	5 146 996
<b>TOTAL EQUITY</b>	<b>5 218 761</b>	<b>5 191 824</b>	<b>4 896 420</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>36 138 470</b>	<b>35 952 605</b>	<b>36 907 341</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, 2024	5 000	19 422	-286 924	-4 117	5 226 491	4 959 873
Profit/loss for the period			14 256	1 786	-79 495	-63 453
<i>of which recognized in income statement</i>					-79 495	-79 495
<i>of which recognized in other comprehensive income</i>			14 256	1 786	-	16 042
Closing balance March 31, 2024	5 000	19 422	-272 668	-2 331	5 146 996	4 896 420
<hr/>						
TSEK						
Opening balance January 1, 2024	5 000	19 422	-286 924	-4 117	5 226 491	4 959 873
Transfer to/from restricted equity		13 065			-13 065	-
Profit/loss for the year			1 372	3 552	227 027	231 951
<i>of which recognized in income statement</i>					230 039	230 039
<i>of which recognized in other comprehensive income</i>			301	4 694	-3 793	1 202
<i>of which tax recognized in other comprehensive income</i>			1 071	-1 142	781	710
Closing balance December 31, 2024	5 000	32 487	-285 552	-565	5 440 453	5 191 824
<hr/>						
TSEK						
Opening balance January 1, 2025	5 000	32 487	-285 552	-565	5 440 453	5 191 824
Profit/loss for the period			-37 412	1 580	62 769	26 938
<i>of which recognized in income statement</i>			-	-	62 769	62 769
<i>of which recognized in other comprehensive income</i>			-37 412	1 580	-	-35 832
Closing balance March 31, 2025	5 000	32 487	-322 964	1 015	5 503 222	5 218 761

\*Currency translation reserve from revaluation of the branches

\*\*Fair value changes of the bond portfolio

## Statement of Cash Flow

TSEK	2025	2024	2024
	Jan-March	Full Year	Jan-March
<b>Operating activities</b>			
Operating profit/loss	80 923	290 368	-98 960
Adjustments for non-cash items	-97 578	197 565	93 734
Taxes paid	-59 540	-11 860	55 291
Cash flow from operating activities before working capital changes	-76 195	476 073	50 065
<b>Changes in working capital</b>			
Increase/decrease in loans to the public	164 711	1 122 756	162 645
Increase/decrease of bonds and other interest-bearing securities	-408 896	-205 458	-27 262
Increase/decrease in other assets	179 035	-131 030	91 242
Increase/decrease in other liabilities	-15 483	-39 202	-55 114
Cash flow from changes in working capital	-80 633	747 065	171 510
<b>Investing activities</b>			
Purchase of intangible assets	-10 382	-17 974	-2 820
Purchase of tangible assets	-	-3 514	-122
Cash flow from investing activities	-10 382	-21 488	-2 942
<b>Financing activities</b>			
Increase/decrease of deposits and borrowing	384 509	-1 632 623	-501 475
Cash flow from financing activities	384 509	-1 632 623	-501 475
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	2 799 482	3 234 669	3 234 669
CASH FLOW FOR THE PERIOD	217 300	-430 973	-282 842
Exchange rate differences on cash and cash equivalents	-19 246	-4 213	8 185
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2 997 536	2 799 482	2 960 012

# Notes

The interim report for EnterCard Group AB (org nr 556673-0585) refers to the period January 1 - March 31, 2025. 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 2024.

## Note 2 Net Financial Income

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

	2025	2024	2024
	Jan-March	Full Year	Jan-March
Realised gains/losses recognized in profit and loss			
Reclassification through Other comprehensive income to this periods profit for realised gains/losses	-	-	-
Realised gain/loss bonds and other interest-bearing securities	-	-414	-553
Exchange rate profit / loss	-18	-3 539	-1 567
Total realised gain/loss in profit or loss	-18	-3 953	-2 120
Unrealised gains/losses recognized in Other comprehensive income			
Reclassification through Other comprehensive income to this periods profit for realised gains/losses	-	-	-
Unrealised changes in value bonds and other interest-bearing securities	1 580	4 694	1 786
Total unrealised gain/loss in Other comprehensive income	1 580	4 694	1 786

## Note 3 Loan Losses, Net

	2025	2024	2024
	Jan-March	Full Year	Jan-March
Loans at amortized cost			
Change in provisions - stage 1	23 811	86 295	38 525
Change in provisions - stage 2	28 500	19 597	-22 003
Change in provisions - stage 3	-46 576	-255 328	-133 879
Total	5 735	-149 436	-117 357
The periods write-off for established loan losses	-303 635	-1 244 653	-368 444
Recoveries from previously established loan losses	19 853	227 844	21 713
Total	-283 782	-1 016 809	-346 731
Loan losses net, loans at amortized cost	-278 047	-1 166 245	-464 088
Loan losses credits granted but not utilized			
Change in provisions - stage 1	-5 947	1	332
Change in provisions - stage 2	179	2 294	101
Loan losses net, loan commitments	-5 768	2 296	433
Total loan losses	-283 815	-1 163 950	-463 655

## Note 4 Change in Provisions for Loans

Change in book value (gross) and provisions March 31, 2025.

	Performing loans		Non-performing loans		Total
	Stage 1	Stage 2	Stage 3		
Book value, gross					
Opening balance January 1, 2025	26 875 055	3 088 902	4 309 264	34 273 221	
Closing balance March 31, 2025	26 373 122	2 984 765	4 521 769	33 879 656	
Provisions for loans to the public and loans to credit institutions					
Opening balance January 1, 2025	-450 765	-561 519	-2 362 873	-3 375 157	
New and derecognised financial assets, net	-4 679	18 692	140 371	154 383	
Changes in credit risk	6 776	11 703	34 670	53 149	
Transfer between stages during the period					
from stage 1 to stage 2	36 207	-185 135	-	-148 928	
from stage 1 to stage 3	3 898	-	-37 627	-33 729	
from stage 2 to stage 1	-15 619	59 646	-	44 027	
from stage 2 to stage 3	-	140 775	-244 303	-103 528	
from stage 3 to stage 1	-142	-	1 548	1 406	
from stage 3 to stage 2	-	-13 879	22 171	8 293	
Other	2 755	-	61 028	63 783	
Closing balance March 31, 2025	-421 568	-529 717	-2 385 015	-3 336 300	
Book value, net					
Opening balance January 1, 2025	26 424 290	2 527 382	1 946 391	30 898 064	
Closing balance March 31, 2025	25 951 554	2 455 048	2 136 754	30 543 356	

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

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

Change in book value (gross) March 31, 2025.

Book value, gross	Performing loans		Non-performing loans		Total
	Stage 1	Stage 2	Stage 3		
Opening balance January 1, 2025	26 875 055	3 088 902	4 309 264	34 273 221	
New and derecognised financial assets, net	299 986	-68 513	-231 810	-338	
Changes in credit risk	-625 894	-62 431	-71 684	-760 010	
Transfer between stages during the period					
from stage 1 to stage 2	-1 029 749	1 040 310	-	10 561	
from stage 1 to stage 3	-79 481	-	79 059	-422	
from stage 2 to stage 1	499 001	-568 819	-	-69 818	
from stage 2 to stage 3	-	-488 891	487 643	-1 249	
from stage 3 to stage 1	4 151	-	-4 534	-384	
from stage 3 to stage 2	-	44 209	-46 168	-1 961	
Other	430 054	-	1	430 055	
Book value					
Closing balance March 31, 2025	26 373 122	2 984 765	4 521 769	33 879 656	

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

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

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

	2025	2024	2024
	31 March	31 Dec	31 March
Credit facilities, granted but not paid	11 786	9 766	23 606
Credits granted but not utilized	39 946 343	38 314 218	43 364 806
Provisions for off-balance commitments			
Stage 1	15 860	10 014	9 696
Stage 2	2 694	2 902	5 097
Total	18 554	12 916	14 793

Allocation of loans between stages and provisions (IFRS 9)

	2025	2024	2024
	31 March	31 Dec	31 March
<b>Deposits</b>			
Stage 1			
Book value, gross	2 997 536	2 799 482	2 960 012
Total book value	2 997 536	2 799 482	2 960 012
<b>Loans to the public, private customers</b>			
Stage 1			
Book value, gross	26 004 485	26 469 280	27 782 654
Provisions	-421 215	-450 357	-499 207
Book value	25 583 270	26 018 923	27 283 447
Stage 2			
Book value, gross	2 984 765	3 088 902	3 217 840
Provisions	-529 716	-561 519	-603 680
Book value	2 455 049	2 527 382	2 614 160
Stage 3			
Book value, gross	4 502 593	4 288 791	3 820 279
Provisions	-2 373 806	-2 352 082	-2 220 055
Book value	2 128 787	1 936 709	1 600 224
Total book value	30 167 106	30 483 015	31 497 831
<b>Loans to the public, corporate customers</b>			
Stage 1			
Book value, gross	368 637	405 775	488 200
Provisions	-353	-408	-485
Book value	368 284	405 367	487 715
Stage 3			
Book value, gross	19 176	20 473	18 092
Provisions	-11 210	-10 791	-8 329
Book value	7 966	9 682	9 763
Total book value	376 250	415 049	497 478
<b>Total</b>	<b>33 540 892</b>	<b>33 697 546</b>	<b>34 955 321</b>
Book value gross, stage 1	26 373 122	26 875 055	28 270 854
Book value gross, stage 2	2 984 765	3 088 902	3 217 840
Book value gross, stage 3	4 521 769	4 309 264	3 838 371
<b>Total book value gross</b>	<b>33 879 656</b>	<b>34 273 221</b>	<b>35 327 065</b>
Provisions stage 1	-421 568	-450 765	-499 692
Provisions stage 2	-529 716	-561 519	-603 680
Provisions stage 3	-2 385 016	-2 362 873	-2 228 384
<b>Total provisions</b>	<b>-3 336 300</b>	<b>-3 375 157</b>	<b>-3 331 756</b>
<b>Total book value</b>	<b>30 543 356</b>	<b>30 898 064</b>	<b>31 995 309</b>
Share of loans in stage 3, gross, %	13,35%	12,57%	10,87%
Share of loans in stage 3, net, %	7,00%	6,30%	5,03%
Provision ratio of loans stage 1	1,60%	1,68%	1,77%
Provision ratio of loans stage 2	17,75%	18,18%	18,76%
Provision ratio of loans stage 3	52,75%	54,83%	58,06%
<b>Total provision ratio of loans</b>	<b>9,85%</b>	<b>9,85%</b>	<b>9,43%</b>

## Note 5 Bonds and Other Interest-bearing Securities

Financial assets measured at fair value through Other comprehensive income.

Issuers	2025	2024	2024
	31 March	31 Dec	31 March
Municipalities	648 468	648 766	807 056
Swedish mortgage institutions	914 460	399 236	402 362
Foreign credit institutions	237 102	240 643	101 724
Foreign mortgage institutions	53 631	175 143	119 048
Other foreign issuers	282 064	277 137	140 874
<b>Total</b>	<b>2 135 726</b>	<b>1 740 924</b>	<b>1 571 064</b>

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

Remaining maturity	2025	2024	2024
	31 March	31 Dec	31 March
Maximum 1 year	325 479	244 639	342 584
Longer than 1 year but maximum 5 years	1 659 813	1 333 130	1 064 848
Longer than 5 years	150 435	163 155	163 632
<b>Total</b>	<b>2 135 726</b>	<b>1 740 924</b>	<b>1 571 064</b>

Total holdings of financial assets, broken down by issuer	2025	2024	2024
	31 March	31 Dec	31 March
Issued by public entities	930 532	925 902	947 930
Issued by other borrowers	1 205 194	815 022	623 134
<b>Total</b>	<b>2 135 726</b>	<b>1 740 924</b>	<b>1 571 064</b>
Average remaining maturity, years	2,31	2,33	2,27
Average remaining fixed interest term, years	0,79	0,48	0,37
<i>of which listed securities, TSEK</i>	2 135 726	1 740 924	1 571 064
<i>of which unlisted securities, TSEK</i>	-	-	-

## Note 6 Liquidity Reserve and Liquidity Risk

2025	31 March	Distribution by currency				
		Total	SEK	NOK	DKK	EUR
Securities issued or guaranteed by government or central bank	133 889	-	-	133 889	-	-
Securities issued or guaranteed by municipalities or non-governmental public entities	796 643	648 468	148 175	-	-	-
Covered bonds issued by others	968 092	914 460	-	-	53 631	-
Securities issued or guaranteed by multilateral development banks	237 102	-	237 102	-	-	-
<b>Total</b>	<b>2 135 726</b>	<b>1 562 928</b>	<b>385 278</b>	<b>133 889</b>	<b>53 631</b>	
<i>Distribution by currency, %</i>		73,2%	18,0%	6,3%	2,5%	

  

2024	31 March	Distribution by currency				
		Total	SEK	NOK	DKK	EUR
Securities issued or guaranteed by government or central bank	140 874	-	-	140 874	-	-
Securities issued or guaranteed by municipalities or non-governmental public entities	807 056	652 131	154 925	-	-	-
Covered bonds issued by others	521 410	521 410	-	-	-	-
Securities issued or guaranteed by multilateral development banks	101 724	-	101 724	-	-	-
<b>Total</b>	<b>1 571 064</b>	<b>1 173 541</b>	<b>256 649</b>	<b>140 874</b>	<b>-</b>	
<i>Distribution by currency, %</i>		74,7%	16,3%	9,0%	0,0%	

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

## Note 7 Capital adequacy

The calculation of capital requirements is conducted in accordance with Regulation (EU) 2024/162 of the European Parliament and of the Council on 1 January 2024 amending Regulation (EU) 873/2020 on prudential requirements for credit institutions and investment firms (prudential regulation), 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 also calculates the capital requirement for operational risk.

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

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

Entercard does not have a trading book.

Entercard Group AB is a Swedish credit market company with license to conduct financing business in the Scandinavian market. The operations in Norway and Denmark are conducted through the branches "Entercard Norge, filial av Entercard Group AB" and "Entercard Danmark, filial af Entercard Group AB". Entercard's lending in Finland is conducted through cross-border operations. Information in this note is submitted in accordance with prudential regulation, Commission Implementing Regulation (EU) no 637/2021 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.

In addition to the capital requirements mentioned above, Entercard holds additional capital according to the internal capital requirements, which is the sum of the regulatory capital requirement and an internal buffer. Entercard also calculates the capital need under Pillar 2 on a regular basis as a part of the Internal Capital Adequacy Assessment Process (ICAAP) and holds capital according to the highest of the internal assessment and the fixed capital requirement for Pillar 2, currently at 1.9 percent. As of March 31, 2025, the internal capital requirement amounted to 16.5 percent.

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

Risk and Capital adequacy report (Pillar 3) 2024 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

	2025	2024
	31 March	31 Dec
<b>Common Equity Tier 1 Capital: Instruments and reserves</b>		
Capital instrument and associated share premium	5 000	5 000
Reserves	5 579 657	5 349 618
Accumulated other comprehensive income	-428 665	-392 833
Profit net, after deduction of foreseeable cost's and dividend's, verified by auditors	62 769	230 039
Common Equity Tier 1 Capital before adjustments	5 218 761	5 191 824
Value adjustments due to the requirements for prudent valuation	-1 173	-1 118
Intangible assets	-41 809	-32 487
Deferred tax assets that rely on future profitability and arise from temporary differences	-3 402	-3 402
Negative values associated to expected losses	-139 141	-104 361
Losses current year	-	-
Total adjustments of Common Equity Tier 1 Capital	-185 525	-141 368
Common Equity Tier 1 Capital	5 033 236	5 050 456
Additional Tier 1 Capital: instruments	-	-
Tier 1 Capital	5 033 236	5 050 456
 <b>Tier 2 Capital: Instruments and provisions</b>	 2025	 2024
	31 March	31 Dec
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	5 033 236	5 050 456
Total risk weighted exposure amount	27 355 415	27 031 776
 Common Equity Tier 1 capital ratio	 18,4%	 18,7%
Tier 1 capital ratio	18,4%	18,7%
Total capital ratio	18,4%	18,7%
 <b>Requirements buffers, %</b>	 2025	 2024
	31 March	31 Dec
Total Tier 1 capital requirement including buffer requirement	9,1	9,1
whereof minimum CET1 requirement	4,5	4,5
whereof capital conservation buffer requirement	2,5	2,5
whereof countercyclical capital buffer requirement	2,1	2,1
Common Equity Tier 1 capital available to be used as buffer	9,3	9,6
Leverage ratio	12,6%	12,7%

## Risk exposure amount and own funds requirement for credit risk

Exposure classes	2025		2024	
	31 March	31 Dec	31 March	31 Dec
Institutional exposures	599 590	47 967	559 978	44 798
Covered bonds	96 809	7 745	57 438	4 595
Retail exposures	20 736 523	1 658 922	21 631 658	1 730 533
Regional governments or local authorities exposures	2 230	178	2 885	231
Corporate exposures	14 451	1 156	2 845	228
Exposures in default	2 136 754	170 940	1 946 391	155 711
Other exposures	416 641	33 331	478 246	38 260
<b>Total</b>	<b>24 002 998</b>	<b>1 920 240</b>	<b>24 679 441</b>	<b>1 974 355</b>
			2025	2024
			31 March	31 Dec
<b>Total capital requirement for credit risk according to the standardized approach</b>		<b>1 920 240</b>		<b>1 974 355</b>
			2025	2024
			31 March	31 Dec
<b>Capital requirement for operational risk</b>			<b>31 March</b>	<b>31 Dec</b>
Risk exposure amount			2 910 001	1 974 974
Capital requirement according to the alternative standardized approach			232 800	157 998
<b>Total capital requirement for operational risk</b>			<b>232 800</b>	<b>157 998</b>
			2025	2024
			31 March	31 Dec
<b>Capital requirement for market risk (foreign exchange risk)</b>			<b>31 March</b>	<b>31 Dec</b>
Risk exposure amount			442 416	377 361
Capital requirement			35 393	30 189
<b>Total capital requirement for market risk</b>			<b>35 393</b>	<b>30 189</b>
Capital requirements for settlement risk			-	-
Capital requirements for credit value adjustment (CVA) risk			-	-
<b>Total capital requirements</b>			<b>2 188 433</b>	<b>2 162 542</b>

**Internal capital requirement**

	2025		2024	
	31 March	% av REA*	31 Dec	% av REA*
<b>Capital requirement according to Pillar 1</b>				
Credit risk	1 920 240	7,0	1 974 355	7,3
Market risk	35 393	0,1	30 189	0,1
Operational risk	232 800	0,9	157 998	0,6
Settlement risk	-	-	-	-
Credit value adjustment (CVA) risk	-	-	-	-
Total capital requirement according to Pillar 1	2 188 433	8,0	2 162 542	8,0
<b>Capital requirement according to Pillar 2</b>				
Other capital requirement	519 753	1,9	513 604	1,9
Total capital requirement according to Pillar 2	519 753	1,9	513 604	1,9
<b>Combined buffer requirement</b>				
Countercyclical buffer	574 454	2,1	568 834	2,1
Capital conservation buffer	683 885	2,5	675 794	2,5
Total combined buffer requirement	1 258 339	4,6	1 244 628	4,6
<b>Pillar 2 guidance and internal buffer</b>				
Additional management buffer	273 554	1,0	270 318	1,0
Pillar 2 guidance	273 554	1,0	270 318	1,0
Total Pillar 2 guidance and internal buffer	547 108	2,0	540 636	2,0
<b>Internal capital requirement</b>				
Total capital requirement	4 513 633	16,5	4 461 410	16,5
<b>Capital base</b>				
Total capital base	5 033 236	18,4	5 050 456	18,7

	2025		2024	
	TSEK	%	TSEK	%
<b>Leverage ratio requirements*, TSEK/%</b>				
Leverage ratio requirement Pillar 1	1 202 206	3,0	1 192 148	3,0
Leverage ratio Pillar 2 guidance	601 103	1,5	596 074	1,5
Total capital requirement including pillar 2 guidance	1 803 309	4,5	1 788 221	4,5
Tier 1 capital	5 033 236		5 050 456	

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

## Note 8 Related Parties

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

	Swedbank Group			Barclays Group		
	2025	2024	2024	2025	2024	2024
Balance Sheet	31 March	31 Dec	31 March	31 March	31 Dec	31 March
<b>Assets</b>						
Deposits	2 458 424	2 317 798	2 453 770	-	-	-
Total	2 458 424	2 317 798	2 453 770	-	-	-
<b>Liabilities</b>						
Amounts owed to credit institutions	15 317 985	15 228 894	15 839 549	15 317 985	15 228 894	15 839 549
Other liabilities	6 945	18 684	6 442	-	-	-
Total	15 324 931	15 247 579	15 845 991	15 317 985	15 228 894	15 839 549
<b>Income Statement</b>						
Interest income	7 668	65 837	13 875	-	-	-
Interest expenses	-146 193	-763 013	-200 802	-146 027	-763 024	-200 634
Commission income	14 781	61 713	14 763	-	-	-
Commission expenses	-28 283	-102 117	-19 180	-	-	-
Other expenses	-1 535	-6 907	-2 038	-	-	-
Total	-153 562	-744 486	-193 382	-146 027	-763 024	-200 634

## Note 9 Specification of bank tax and resolution fees

	2025	2024	2024
	31 March	31 Dec	31 March
Bank tax	-	-	-
Resolution fees	-1 600	-12 594	-3 750
Total	-1 600	-12 594	-3 750