

Interim Report

January - September 2024

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INTERIM REPORT FOR ENTERCARD GROUP AB

The Chief Executive Officer for Entercard Group AB hereby submits the Interim report for January 1 - September 30, 2024.

SUMMARY

Scope, Type of Operation and Ownership

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

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

Ownership

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

Significant Events during the Period

The period has largely been characterized by macro-economic uncertainty. The last couple of year's monetary policy with higher interest rates has helped to reduce inflation. The Swedish Riksbank began cutting its policy rate in May and has since then made 2 additional cuts in August and September respectively. Interest rates in Scandinavia have however continued to be at high level compared with the previously prevailing period of low interest rates. The environment with lower real wages impacts customers and credit losses, in particular in the Swedish market. Entercard will continue to follow the development of the circumstances, as well as customer behavior.

Quarterly result

Operating income for the third quarter amounted to 735,7m SEK (compared to 743,0m SEK same period previous year). The quarter's operating profit amounted to 365,5m SEK (81,7m SEK).

Year to Date Earnings, Profitability and Position

Operating income as per September 30, 2024, amounted to 2 195,1m SEK (2 237,9m SEK). Total loans to the public without considering provisions of anticipated loan losses as per September 30, 2024, was 34 954,0m SEK (35 447,0m SEK).

Non-performing loans, after loan loss provisions, as per September 30, 2024 amounted to a book value of 1 910,7m SEK (1 562,0 m SEK) which constitutes 6,0 (4,8) percent of the total credit portfolio.

Operating profit before tax amounted to 281,3m SEK (306,7m SEK).

Investments

Investments in tangible asset was 3,1m SEK during the period.

Intangible assets increased with 12,0m 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

The market predicts that inflation will come down further, leading to multiple policy rate cuts going forward. The process of reducing policy rates has so far been somewhat slower than expected. The Swedish Riksbank has however indicated that a so called "double" rate cut can materialize in the fourth quarter. Even though indications are positive 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 related to the war in Ukraine and the development in the Middle east are prevalent.

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, 2024 amounted to 2 405,8m SEK (3 815,9m SEK).

The liquidity reserve amounted to 1 741,5m SEK (2 474,4m SEK). Entercard Group AB's Liquidity Coverage Ratio (LCR) was 360% (307%). According to Entercard's interpretation of the Basel Committee's most recent proposal on Net Stable Funding Ratio (NSFR), Entercard's NSFR was 124% (132%).

As per September 30, 2024, the survival horizon, in a scenario with a very limited access to funding and significantly decreased inflows from customers, was 172 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 September 30, 2024, was 17,8%. The total adjusted Tier 1 Capital base amounted to 4 835,3m SEK and the total risk exposure amount for credit risk was 25 045,2m 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, 2024, have been subject for a general review.

Quarterly Performance

	2024	2023
TSEK	Q3	Q3
Interest income	991 102	1 013 633
Interest expenses	-380 994	-405 435
Net interest income	610 108	608 199
Commission income	230 996	218 735
Commission expenses	-115 169	-97 680
Net commissions	115 827	121 056
Net gain/loss transactions from financial instruments	-467	-763
Other income	10 259	14 532
TOTAL OPERATING INCOME	735 727	743 023
Staff costs	-140 242	-143 801
Other general administrative expenses	-201 402	-208 574
Total general administrative expenses	-341 644	-352 374
Depreciation/amortization and impairment of tangible and intangible assets	-2 181	-2 368
TOTAL OPERATING EXPENSES	-343 825	-354 742
Profit before loan losses	391 902	388 281
Loan losses, net	-23 279	-303 039
Swedish bank tax and resolution fees	-3 148	-3 573
OPERATING PROFIT	365 475	81 668
Tax expense	-77 016	-17 691
PROFIT/LOSS FOR THE YEAR	288 459	63 977

Statement of comprehensive income

	2024	2023
TSEK	Q3	Q3
Profit for the year recognized within the income statement	288 459	63 977
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	2 579	2 625
Exchange rate differences	-27 192	1 244
Tax	-	-
Total	-24 613	3 869
Total profit	263 846	67 846

Income Statement

		2024	2023	2023
TSEK	Note	Jan-Sept	Full Year	Jan-Sept
Interest income		2 992 805	3 910 134	2 899 228
Interest expenses		-1 185 615	-1 448 274	-1 044 527
Net interest income		1 807 190	2 461 860	1 854 702
Commission income		670 123	843 357	629 510
Commission expenses		-312 929	-374 007	-278 120
Net commissions		357 194	469 350	351 391
Net gain/loss transactions from financial instruments	2	-3 214	-5 256	-4 883
Other income		33 928	43 818	36 645
TOTAL OPERATING INCOME		2 195 098	2 969 772	2 237 854
Staff costs		-430 993	-581 667	-432 793
Other general administrative expenses		-634 052	-848 632	-634 377
Total general administrative expenses		-1 065 045	-1 430 299	-1 067 170
Depreciation/amortization and impairment of tangible and intangible assets		-7 798	-9 976	-7 091
TOTAL OPERATING EXPENSES		-1 072 843	-1 440 275	-1 074 261
Profit before loan losses		1 122 255	1 529 497	1 163 593
Loan losses, net	3	-831 556	-1 476 725	-846 202
Swedish bank tax and resolution fees	9	-9 445	-24 615	-10 719
OPERATING PROFIT		281 254	28 157	306 672
Tax expense		-62 502	-43 846	-68 060
PROFIT/LOSS FOR THE YEAR		218 752	-15 689	238 612

Statement of Comprehensive Income

	2024	2023	2023
TSEK	Jan-Sept	Full Year	Jan-Sept
Profit for the year recognized within the income statement	218 752	-15 689	238 612
Components which will not be reclassified to the income statement			
Revaluation of defined-benefit pensions	-	15 109	-
Tax	-	-3 112	-
Total	-	11 996	-
Components which have or will be reclassified to the income statement			
Unrealised changes in fair value	2	6 641	5 076
Exchange rate differences	-7 535	-72 216	-26 100
Tax	-	13 402	-
Total	-894	-53 490	-21 024
Other comprehensive income	-894	-41 493	-21 024
Total profit	217 858	-57 182	217 588

Balance Sheet

Assets

TSEK	Note	2024 30 Sept	2023 31 Dec	2023 30 Sept
Assets				
Deposits	4	2 405 812	3 234 669	3 815 896
Loans to the public	4	31 808 798	32 170 538	32 488 410
Bonds and other interest-bearing securities	5,6	1 741 500	1 539 893	2 474 411
Intangible assets		27 288	19 422	16 420
Tangible assets		20 104	21 450	16 978
Deferred tax assets		25 949	25 949	11 638
Other assets		153 187	317 251	297 254
Prepaid expenses and accrued income		92 243	90 084	92 236
TOTAL ASSETS		36 274 881	37 419 256	39 213 244

Liabilities and Equity

Liabilities

Amounts owed to credit institutions		30 799 601	32 096 955	33 277 005
Other liabilities		135 433	162 895	505 895
Accrued expenses and prepaid income		143 537	180 568	151 854
Pension provisions		5 240	3 795	17 835
Provisions		13 339	15 172	26 317
TOTAL LIABILITIES		31 097 150	32 459 384	33 978 906

Equity

Share capital		5 000	5 000	5 000
Fund for development expenditures		19 422	19 422	15 099
Reserves		-291 934	-291 040	-258 574
Retained earnings		5 445 243	5 226 491	5 472 813
TOTAL EQUITY		5 177 731	4 959 873	5 234 338
TOTAL LIABILITIES AND EQUITY		36 274 881	37 419 256	39 213 244

Statement of Changes in Equity

TSEK	Restricted equity		Non-restricted equity			Total Equity
	Share capital	Fund for development expenditures	*Foreign currency reserve	**Fair value reserve	Retained earnings	
Opening balance January 1, 2023	5 000	15 099	-229 423	-8 127	5 621 056	5 403 605
Dividends					-386 854	-386 854
Profit/loss for the period			-26 100	5 076	238 612	217 588
<i>of which recognized in income statement</i>					238 612	238 612
<i>of which recognized in other comprehensive income</i>			-26 100	5 076	-	-21 024
Closing balance September 30, 2023	5 000	15 099	-255 523	-3 051	5 472 813	5 234 338

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

TSEK						
Opening balance January 1, 2024	5 000	19 422	-286 924	-4 117	5 226 491	4 959 873
Profit/loss for the period			-7 535	6 641	218 752	217 858
<i>of which recognized in income statement</i>			-	-	218 752	218 752
<i>of which recognized in other comprehensive income</i>			-7 535	6 641	-	-894
Closing balance September 30, 2024	5 000	19 422	-294 459	2 524	5 445 243	5 177 731

*Currency translation reserve from revaluation of the branches

**Fair value changes of the bond portfolio

Statement of Cash Flow

	2024	2023	2023
TSEK	Jan-Sept	Full Year	Jan-Sept
Operating activities			
Operating profit/loss	281 254	28 157	306 672
Adjustments for non-cash items	-95 772	195 234	-123 208
Taxes paid	38 015	-33 146	-100 939
Cash flow from operating activities before working capital changes	223 497	190 245	82 525
Changes in working capital			
Increase/decrease in loans to the public	359 733	-312 540	-82 236
Increase/decrease of bonds and other interest-bearing securities	-211 679	576 623	-330 036
Increase/decrease in other assets	65 905	20 872	50 982
Increase/decrease in other liabilities	-38 448	-41 042	-44 744
Cash flow from changes in working capital	175 511	243 914	-406 033
Investing activities			
Purchase of intangible assets	-12 001	-12 570	-7 715
Purchase of tangible assets	-3 065	-22 277	-16 686
Cash flow from investing activities	-15 065	-34 846	-24 401
Financing activities			
Dividends	-	-386 550	-
Increase/decrease of deposits and borrowing	-1 214 143	-1 043 819	-141 307
Cash flow from financing activities	-1 214 143	-1 430 369	-141 307
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	3 234 669	4 329 568	4 329 568
CASH FLOW FOR THE PERIOD	-830 200	-1 031 056	-489 217
Exchange rate differences on cash and cash equivalents	1 343	-63 843	-24 455
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2 405 812	3 234 669	3 815 896

Notes

The interim report for Entercard Group AB (org nr 556673-0585) refers to the period January 1 - September 30, 2024. The company is based in Stockholm, Sweden.

Note 1 Accounting Principles

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

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

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

Note 2 Net Financial Income

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

	2024	2023	2023
	Jan-Sept	Full Year	Jan-Sept
Realised gains/losses recognized in profit and loss			
Realised gain/loss bonds and other interest-bearing securities	-622	-3 174	-2 200
Exchange rate profit / loss	-2 592	-2 082	-2 683
Total realised gain/loss in profit or loss	-3 214	-5 256	-4 883
Unrealised gains/losses recognized in Other comprehensive income			
Unrealised changes in value bonds and other interest-bearing securities	6 641	5 324	5 076
Total unrealised gain/loss in Other comprehensive income	6 641	5 324	5 076
Total	3 427	68	193

Note 3 Loan Losses, Net

	2024	2023	2023
	Jan-Sept	Full Year	Jan-Sept
Loans at amortized cost			
Change in provisions - stage 1	86 270	-48 528	-43 887
Change in provisions - stage 2	69 784	-131 865	-45 764
Change in provisions - stage 3	-65 042	-67 031	170 739
Total	91 012	-247 424	81 088
The periods write-off for established loan losses	-936 974	-1 368 753	-934 532
Recoveries from previously established loan losses	12 572	127 755	6 495
Total	-924 402	-1 240 999	-928 037
Loan losses net, loans at amortized cost	-833 390	-1 488 423	-846 949
Loan losses credits granted but not utilized			
Change in provisions - stage 1	-265	9 442	657
Change in provisions - stage 2	2 099	2 256	90
Loan losses net, loan commitments	1 834	11 698	747
Total loan losses	-831 556	-1 476 725	-846 202

Note 4 Change in Provisions for Loans

Change in book value (gross) and provisions September 30, 2024.

Book value, gross	Performing loans		Non-performing loans	Total
	Stage 1	Stage 2	Stage 3	
Opening balance January 1, 2024	28 763 834	2 993 694	3 636 409	35 393 937
Closing balance September 30, 2024	27 660 034	3 197 547	4 096 385	34 953 966
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	-5 937	46 163	556 548	596 774
Changes in credit risk	31 817	35 979	157 282	225 079
Transfer between stages during the period				
from stage 1 to stage 2	69 689	-300 998	-	-231 309
from stage 1 to stage 3	33 520	-	-389 951	-356 432
from stage 2 to stage 1	-15 678	87 702	-	72 024
from stage 2 to stage 3	-	205 009	-382 271	-177 262
from stage 3 to stage 1	-54	-	1 354	1 300
from stage 3 to stage 2	-	-3 799	9 206	5 407
Other	-26 918	-	-30 432	-57 350
Closing balance September 30, 2024	-449 133	-510 343	-2 185 692	-3 145 168
Book value, net				
Opening balance January 1, 2024	28 228 262	2 413 295	1 528 981	32 170 538
Closing balance September 30, 2024	27 210 901	2 687 204	1 910 693	31 808 798

Change in book value (gross) and provisions September 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 September 30, 2023	28 956 642	3 002 478	3 487 848	35 446 968
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	-32 258	132 589	315 185	415 516
Changes in credit risk	514	9 716	12 904	23 134
Transfer between stages during the period				
from stage 1 to stage 2	60 824	-287 796	-	-226 972
from stage 1 to stage 3	8 609	-	-130 973	-122 364
from stage 2 to stage 1	-16 628	77 222	-	60 594
from stage 2 to stage 3	-	24 640	-65 063	-40 423
from stage 3 to stage 1	-100	-	1 394	1 294
from stage 3 to stage 2	-	-1 810	4 310	2 500
Other	-67 311	94	-6 780	-73 997
Closing balance September 30, 2023	-535 609	-497 125	-1 925 824	-2 958 558
Book value, net				
Opening balance January 1, 2023	28 529 040	2 252 151	1 676 274	32 457 465
Closing balance September 30, 2023	28 421 033	2 505 353	1 562 024	32 488 410

Change in book value (gross) September 30, 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	394 093	-228 360	-907 313	-741 580
Changes in credit risk	-221 037	-38 110	-101 753	-360 900
Transfer between stages during the period				
from stage 1 to stage 2	-1 776 038	1 854 239	-	78 201
from stage 1 to stage 3	-732 473	-	757 086	24 613
from stage 2 to stage 1	572 172	-680 440	-	-108 268
from stage 2 to stage 3	-	-719 912	731 533	11 621
from stage 3 to stage 1	2 394	-	-2 655	-261
from stage 3 to stage 2	-	16 436	-16 610	-174
Other	657 089	-	-313	656 776
Book value				
Closing balance September 30, 2024	27 660 034	3 197 547	4 096 385	34 953 966

Change in book value (gross) September 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	1 041 123	-542 818	-526 501	-28 196
Changes in credit risk	-188 445	-21 787	-116 653	-326 885
Transfer between stages during the period				
from stage 1 to stage 2	-1 616 535	1 676 096	-	59 561
from stage 1 to stage 3	-263 145	-	253 718	-9 427
from stage 2 to stage 1	553 051	-688 168	-	-135 117
from stage 2 to stage 3	-	-132 278	128 320	-3 958
from stage 3 to stage 1	1 490	-	-2 617	-1 127
from stage 3 to stage 2	-	7 792	-8 353	-561
Other	410 804	-290	26 859	437 373
Book value				
Closing balance September 30, 2023	28 956 642	3 002 478	3 487 848	35 446 968

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

	2024 30 Sept	2023 31 Dec	2023 30 Sept
Credit facilities, granted but not paid	11 009	16 057	86 638
Credits granted but not utilized	38 759 243	43 381 566	44 324 774
Provisions for off-balance commitments			
Stage 1	10 250	9 987	18 917
Stage 2	3 090	5 185	7 400
Total	13 339	15 172	26 317

Allocation of loans between stages and provisions (IFRS 9)

	2024 30 Sept	2023 31 Dec	2023 30 Sept
Deposits			
Stage 1			
Book value, gross	2 405 812	3 234 669	3 815 896
Total book value	2 405 812	3 234 669	3 815 896
Loans to the public, private customers			
Stage 1			
Book value, gross	27 144 067	28 221 133	28 425 900
Provisions	-448 809	-535 030	-535 308
Book value	26 695 258	27 686 103	27 890 592
Stage 2			
Book value, gross	3 197 547	2 993 694	3 002 478
Provisions	-510 343	-580 399	-497 125
Book value	2 687 204	2 413 295	2 505 353
Stage 3			
Book value, gross	4 074 823	3 628 892	3 478 837
Provisions	-2 177 160	-2 102 254	-1 921 552
Book value	1 897 663	1 526 638	1 557 285
Total book value	31 280 125	31 626 036	31 953 230
Loans to the public, corporate customers			
Stage 1			
Book value, gross	515 967	542 701	530 742
Provisions	-324	-542	-300
Book value	515 643	542 159	530 442
Stage 3			
Book value, gross	21 562	7 518	9 011
Provisions	-8 532	-5 174	-4 273
Book value	13 030	2 343	4 738
Total book value	528 673	544 502	535 180
Total	34 214 610	35 405 207	36 304 306
Book value gross, stage 1	27 660 034	28 763 834	28 956 642
Book value gross, stage 2	3 197 547	2 993 694	3 002 478
Book value gross, stage 3	4 096 385	3 636 409	3 487 848
Total book value gross	34 953 966	35 393 937	35 446 968
Provisions stage 1	-449 133	-535 572	-535 608
Provisions stage 2	-510 343	-580 399	-497 125
Provisions stage 3	-2 185 692	-2 107 428	-1 925 825
Total provisions	-3 145 168	-3 223 399	-2 958 558
Total book value	31 808 798	32 170 538	32 488 410
Share of loans in stage 3, gross, %	11,72%	10,27%	9,84%
Share of loans in stage 3, net, %	6,01%	4,75%	4,81%
Provision ratio of loans stage 1	1,62%	1,86%	1,85%
Provision ratio of loans stage 2	15,96%	19,39%	16,56%
Provision ratio of loans stage 3	53,36%	57,95%	55,22%
Total provision ratio of loans	9,00%	9,11%	8,35%

Note 5 Bonds and Other Interest-bearing Securities

Financial assets measured at fair value through Other comprehensive income.

	2024	2023	2023
	30 Sept	31 Dec	30 Sept
Issuers			
Municipalities	800 924	644 957	951 294
Swedish mortgage institutions	402 518	202 006	321 877
Foreign credit institutions	239 713	438 807	1 062 729
Foreign mortgage institutions	174 426	119 139	-
Other foreign issuers	123 920	134 984	138 511
Total	1 741 500	1 539 893	2 474 411

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

	2024	2023	2023
	30 Sept	31 Dec	30 Sept
Remaining maturity			
Maximum 1 year	200 866	134 984	66 152
Longer than 1 year but maximum 5 years	1 376 710	1 404 909	2 408 259
Longer than 5 years	163 925	-	-
Total	1 741 500	1 539 893	2 474 411

	2024	2023	2023
	30 Sept	31 Dec	30 Sept
Total holdings of financial assets, broken down by issuer			
Issued by public entities	924 843	779 941	1 089 805
Issued by other borrowers	816 657	759 952	1 384 606
Total	1 741 500	1 539 893	2 474 411
Average remaining maturity, years	2,38	2,35	2,35
Average remaining fixed interest term, years	0,56	0,45	0,53
<i>of which listed securities, TSEK</i>	<i>1 741 500</i>	<i>1 539 893</i>	<i>2 474 411</i>
<i>of which unlisted securities, TSEK</i>	<i>-</i>	<i>-</i>	<i>-</i>

Note 6 Liquidity Reserve and Liquidity Risk

2024		Distribution by currency			
30 Sept	Total	SEK	NOK	DKK	EUR
Securities issued or guaranteed by government or central bank	123 920	-	-	123 920	-
Securities issued or guaranteed by municipalities or non-governmental public entities	800 924	650 938	149 986	-	-
Covered bonds issued by others	576 944	521 305	-	-	55 639
Securities issued or guaranteed by multilateral development banks	239 713	-	239 713	-	-
Total	1 741 500	1 172 243	389 699	123 920	55 639
Distribution by currency, %		67,3%	22,4%	7,1%	3,2%

2023		Distribution by currency			
30 Sept	Total	SEK	NOK	DKK	EUR
Securities issued or guaranteed by government or central bank	138 511	-	-	138 511	-
Securities issued or guaranteed by municipalities or non-governmental public entities	951 294	789 015	162 279	-	-
Covered bonds issued by others	321 877	321 877	-	-	-
Securities issued or guaranteed by multilateral development banks	1 062 729	-	1 062 729	-	-
Total	2 474 411	1 110 891	1 225 008	138 511	-
Distribution by currency, %		44,9%	49,5%	5,6%	0,0%

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

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

Entercard does not have a trading book.

Entercard Group AB is a Swedish credit market company with license to conduct financing business in the Scandinavian market. The operations in Norway and Denmark 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 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 September 30, 2024, the internal capital requirement amounted to 16.5 percent.

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

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

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

Capital Adequacy

	2024	2023
	30 Sept	31 Dec
Common Equity Tier 1 Capital: Instruments and reserves		
Capital instrument and associated share premium	5 000	5 000
Reserves	5 349 618	5 365 307
Accumulated other comprehensive income	-395 640	-394 746
Profit net, after deduction of foreseeable cost's and dividend's, verified by auditors	43 750	-15 689
Common Equity Tier 1 Capital before adjustments	5 002 729	4 959 873
Value adjustments due to the requirements for prudent valuation	-114 145	-1 007
Intangible assets	-27 288	-19 422
Deferred tax assets that rely on future profitability and arise from temporary differences	-25 949	-25 949
Negative values associated to expected losses	-	-26 675
Losses current year	-	-
Total adjustments of Common Equity Tier 1 Capital	-167 382	-73 052
Common Equity Tier 1 Capital	4 835 347	4 886 820
Additional Tier 1 Capital: instruments	-	-
Tier 1 Capital	4 835 347	4 886 820
Tier 2 Capital: Instruments and provisions		
Capital instrument and associated share premium	-	-
Credit value adjustments	-	-
Tier 2 Capital before adjustments	-	-
Total adjustments of Common Equity Tier 2 Capital	-	-
Tier 2 Capital	-	-
Total Capital	4 835 347	4 886 820
Total risk weighted exposure amount	27 160 027	27 868 407
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%
Requirements buffers, %		
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	8,7	8,4
Leverage ratio	12,1%	11,7%

Risk exposure amount and own funds requirement for credit risk

Exposure classes	2024		2023	
	30 Sept		31 Dec	
	Risk exposure amount	Own funds requirement	Risk exposure amount	Own funds requirement
Institutional exposures	481 256	38 501	647 004	51 760
Covered bonds	57 694	4 616	32 114	2 569
Retail exposures	22 324 210	1 785 937	22 874 188	1 829 935
Regional governments or local authorities exposures	2 481	198	2 979	238
Corporate exposures	3 309	265	3 493	279
Exposures in default	1 910 693	152 855	1 528 981	122 318
Other exposures	265 534	21 243	428 785	34 303
Total	25 045 178	2 003 614	25 517 544	2 041 404
			2024	2023
			30 Sept	31 Dec
Total capital requirement for credit risk according to the standardized approach			2 003 614	2 041 404
			2024	2023
Capital requirement for operational risk			30 Sept	31 Dec
Risk exposure amount			1 974 974	1 951 652
Capital requirement according to the alternative standardized approach			157 998	156 132
Total capital requirement for operational risk			157 998	156 132
			2024	2023
Capital requirement for market risk (foreign exchange risk)			30 Sept	31 Dec
Risk exposure amount			139 876	399 211
Capital requirement			11 190	31 937
Total capital requirement for market risk			11 190	31 937
Capital requirements for settlement risk			-	-
Capital requirements for credit value adjustment (CVA) risk			-	-
Total capital requirements			2 172 802	2 229 473

Internal capital requirement

	2024		2023	
	30 Sept		31 Dec	
Capital requirement according to Pillar 1		% av REA*		% av REA*
Credit risk	2 003 614	7,4	2 041 404	7,3
Market risk	11 190	-	31 937	0,1
Operational risk	157 998	0,6	156 132	0,6
Settlement risk	-	-	-	-
Credit value adjustment (CVA) risk	-	-	-	-
Total capital requirement according to Pillar 1	2 172 802	8,0	2 229 473	8,0
Capital requirement according to Pillar 2				
Other capital requirement	516 041	1,9	535 788	1,9
Total capital requirement according to Pillar 2	516 041	1,9	535 788	1,9
Combined buffer requirement				
Countercyclical buffer	571 807	2,1	587 933	2,1
Capital conservation buffer	679 001	2,5	696 710	2,5
Total combined buffer requirement	1 250 807	4,6	1 284 643	4,6
Pillar 2 guidance and internal buffer				
Additional management buffer	271 600	1,0	-	-
Pillar 2 guidance	271 600	1,0	278 684	1,0
Total Pillar 2 guidance and internal buffer	543 201	2,0	278 684	1,0
Internal capital requirement				
Total capital requirement	4 482 851	16,5	4 328 588	15,5
Capital base				
Total capital base	4 835 347	17,8	4 886 820	17,5

	2024		2023	
	TSEK	%	TSEK	%
Leverage ratio requirements*, TSEK/%				
Leverage ratio requirement Pillar 1	1 202 652	3,0	1 251 101	3,0
Leverage ratio Pillar 2 guidance	601 326	1,5	625 551	1,5
Total capital requirement including pillar 2 guidance	1 803 978	4,5	1 876 652	4,5
Tier 1 capital	4 835 347		4 886 820	

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

Note 8 Related Parties

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

	Swedbank Group			Barclays Group		
	2024	2023	2023	2024	2023	2023
Balance Sheet	30 Sept	31 Dec	30 Sept	30 Sept	31 Dec	30 Sept
Assets						
Deposits	1 954 882	2 507 877	3 014 602	-	-	-
Other assets	-	-	890	-	-	-
Total	1 954 882	2 507 877	3 015 492	-	-	-
Liabilities						
Amounts owed to credit institutions	15 399 800	16 048 477	16 638 503	15 399 800	16 048 477	16 831 778
Other liabilities	9 822	12 967	201 760	-	-	193 275
Total	15 409 623	16 061 444	16 840 263	15 399 800	16 048 477	17 025 052
Income Statement						
Interest income	35 250	84 232	62 296	-	-	-
Interest expenses	-593 040	-723 209	-514 135	-592 544	-723 943	-513 921
Commission income	46 072	91 020	73 251	-	-	-
Commission expenses	-74 033	-88 278	-67 930	-	-	-
Other expenses	-5 102	-11 017	-9 099	-	-	-
Total	-590 853	-647 251	-455 617	-592 544	-723 943	-513 921

Note 9 Specification of bank tax and resolution fees

	2024	2023	2023
	30 Sept	31 Dec	30 Sept
Bank tax	-	-10 323	-
Resolution fees	-9 445	-14 292	-10 719
Total	-9 445	-24 615	-10 719

