Annual Report
2021

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Entercard Group AB 556673–0585

ANNUAL REPORT

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CERTIFICATE OF ADOPTION

The undersigned Chief Executive Officer hereby certifies that this copy of the Annual Accounts and audit report corresponds to the original and that the income statement and balance sheet have been adopted at the annual general meeting of the shareholders held . It was further resolved at the Annual General Meeting to accept the Board's proposal for the appropriation of the current year's earnings.

Stockholm 2022

Jan Haglund

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ANNUAL REPORT FOR ENTERCARD GROUP AB

The board and the Chief Executive Officer for Entercard Group AB hereby submits the Annual Report for the financial year 2021.

THE BOARD OF DIRECTOR'S REPORT

Scope and Type of Operations

The business focus of Entercard is to issue credit cards and consumer loans under its own brand, re:member, in Denmark, Norway and Sweden, 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, Coop in Norway and LO in Denmark. Today, Entercard has approximately 1,7 million customers and 466 employees in Stockholm, Copenhagen, Oslo, and Trondheim.

It is important for Entercard to act as a responsible provider of consumer credit by continually securing that customers use their credit facilities, whether credit cards or loans, in a safe and sound way and to ensure that reasonable credit levels are given to each

Ownership

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

Sustainability

In Entercard, we are aware of our impact on society in our role as an employer, loan issuer, business partner and as a social actor. In supporting the sustainable development goals by UN, Entercard has chosen to focus on four areas: education, equality, proper working condition, economic growth and sustainable cities and society. The work for a sustainable society is an integral element in realizing the company's vision. Entercard has divided sustainability into these categories, economic, ecological and social sustainability.

In the sustainability report on our web page you can read more on how Entercard supports the sustainable development goals by UN.

Significant Events during the Year

The year of 2021 reflected two dominating yet opposite conditions. The Covid 19 global pandemic from 2020 continued into the start of 2021 with regular reporting of infection and death rates. There was a continuation of concern for the possible persistence of the pandemic and a possible higher toll placed upon countries and their societies. Health authorities in Scandinavia continued to manage the situation very actively with the deployment of new and modified health guidelines to mitigate the adverse effects of the prolonged personal and commercial restrictions. This environment reflected a measure of uncertainty for consumers and, as a consequence, the use of Entercard products.

As the year progressed, the Scandinavian governments were in line with other European nations to adopt vaccination efforts to address the risk associated with possible future infections. As vaccination rates steadily increased through Q2 and into Q3 of 2021, confidence that the pandemic was under better control began to grow. Correspondingly, the governments of Scandinavia moved to abolish all Covid restrictions. These decisions enabled a return to in-person work at the employers' workplaces. It also inspired a greater level of social activity at restaurants and for travel. The significant shift toward the end of 2021 to a posture of living with Covid as the common flu created a pathway toward normalcy. It also improved the conditions for a fuller use of Entercard's products and services.

The development of the conditions around the pandemic throughout 2021 was positive for the Scandinavian countries and positive for Entercard to continue servicing financing needs of the consumer market. However, as has been the case with the pandemic, volatility continued to be the prevailing condition. As 2021 came to a close, the emergence of a new virus variant inflamed fears and triggered reinstituting moderate restrictions, which were carried into 2022. The resurgence of the virus increases the uncertainty for consumers and dampens the anticipated freedom, mobility and 'normalcy'. Entercard remains vigilant and adaptive to respond to the environment, in order to best serve its customers and the broader market.

Beyond the issues related to the pandemic, Entercard began a new chapter with appointment of Jan Haglund as the new Chief Executive Officer, as of September 1, 2021. Jan brings industry experience that will be valuable for Entercard as it fulfills its mission to make its customers' everyday lives easier by delivering smart payment and financing solutions.

Entercard is an issuer of credit cards for a number of independent savings banks in Norway and Sweden. The number of relationships in Sweden increased during 2021, including the new relationship with Skurup Sparbank in Sweden. However, Entercard discontinued its relationship with Helgeland Sparebank in Norway.

Significant Events after the Year End

As was mentioned previously, the fluctuating condition of the Covid-19 pandemic was a dominant factor for Entercard and its customers during 2021. As the year ended, there were ominous clouds over the world due to the emergence of the Omicron virus variant. However, as the first quarter of 2022 comes to a close, a significant reversal of circumstances is prevailing in many countries. Several nations have eliminated nearly all Covid restrictions. The countries that have yet to completely do away with restrictions have indicated that in the near-period ahead further relaxations to the restrictions are forecasted.

This current set of events provides strong indication that the pandemic is nearly over, which enables more mobility and economic activity in society. This is a positive development for Entercard and its customers. Entercard will continue to provide financial products and services to help customers successfully manage their everyday lives.

Since the war in Ukraine arose in late February, several nations across the world have condemned Russia with severe sanctions. The progression of the ongoing conflict and the impact on markets is currently uncertain.

The impact on Entercard is still unclear, however Entercard will continue to monitor the situation closely.

Future Developments

The development towards more digital solutions continues with a focus to enhance convenience, speed and simplicity for the customer while not compromising on security.

- The market for consumer finance products is expected to return to growth, but at a slower pace.

- Consumer preferences continue to change, further accelerated by Covid-19. Consumers have become mobile first, increasingly shifting in-store to online purchases and are ever more familiar with digital solutions.

- Tougher competition rise in the payment and financing market. Buy Now, Pay Later (BNPL) and instant account-to-account payments through i.e. Swish, Vipps and MobilePay have established significant market shares in the online market.

As a response to this, Entercard will further strengthen the customer experience and engagement, operational excellence and already strong analytics capabilities in order to maintain the position as a market leader for credit cards in Scandinavia and a top tier provider of consumer finance. Entercard continues developing simple and efficient digital customer interfaces, including enhancing all existing customer touch points in order to build loyalty and engagement throughout the customer lifecycle.

In addition to the trends of changing consumer behaviour and a tougher competitive landscape, actual and anticipated regulatory developments will be important for Entercard going forward. Regulators across Europe and within Scandinavia continue to be active in putting forth measures that will provide more security, access and protection for consumers. Entercard will continue to operate as a responsible lender with strong focus on compliance and robust risk control.

- The Swedish Financial Supervisory Authority has issued new guidelines regarding consumer credit assessments for the Swedish market, effective from November 1, 2021. The new guidelines are clarifying what information lenders should gather for credit assessments and how this information should be used. Entercard has an implementation project running in order to secure timely implementation. At the beginning of 2020, Finansinspektionen initiated a thematic review into how creditors comply with section 12 of the Consumer Credit Act regarding credit assessment. In October 2021, Finansinspektionen decided to initiate a sanction review regarding some of the creditors who participated in the survey. A decision on a possible sanction is expected in the spring of 2022. Entercard was not included in the review but monitors developments.

- In July 2020 the European Court of Justice (ECJ) decided that the Privacy Shield could no longer be used as a basis for transfer of personal data to the US (Schrems II). At the same time, the court recognized that EU's Standard Contractual Clauses (SCC) contained sufficient security mechanisms provided that these are used correctly. The court confirmed that transfers from EU/EEA to third countries under SCCs (as well as other approved transfer mechanisms) will only be valid if the data exporter can verify, on a case by case basis, that the level of protection provided to the personal data following the transfer is essentially equivalent to and does not undermine the level of protection guaranteed to data subjects under GDPR. Following the finalized recommendations from the European Data Protection Board (EDPB) published in June 18th 2021, Entercard has initiated processes that will ensure that all transfers of personal data to a third country are identified, that Transfer Impact Assessment (TIA) are carried out and (if needed) that necessary supplementary measured are implemented and documented.

Entercard will continue to build a sustainable business for customers, employees and shareholders.

Earnings, Profitability and Position

Operating income amounted to 3 366,4m SEK (3 452,3m SEK) and operating profit amounted to 1 032,3m SEK (690,2m SEK). Total loans to the public excluding provisions of anticipated loan losses amounted to 33 455,3m SEK (33 699,6m SEK). Impaired loans amounted to a book value of 1 577,3m SEK (1 421,8m SEK) which constitutes 5,1 percent of the total credit portfolio. Total provisions amounts to 2 971,0m SEK (2 520,6m SEK).

Staff

The number of employees at year-end was 466 (476). More information about personnel, salaries and compensation is disclosed in note 6.

Risk Management

Within Entercard´s business activities, different types of risks arise such as credit risk, operational risk, market risk, liquidity risk and capital risk. For Entercard, credit risk is the dominating risk. Entercard is striving for a well-balanced credit portfolio with diversification through a broad customer base combined with a sound and comprehensive control of the development of losses in its portfolios.

The Board of Directors and the CEO are ultimately responsible for risk management. The purpose of risk management is to secure that the risks taken in the business do not threaten Entercard’s solvency or liquidity, and are balanced in regards to the possible return. This is ultimately managed through securing that the risk levels do not exceed the risk appetite, set by the Board of Directors.

Entercard is continuously working with the management of the operational risks through improvement of processes, system, availability and assurance. For a more detailed description of the risks, please refer to note 2.

Liquidity and Funding

Funding has exclusively been provided by Swedbank AB and Barclays Bank PLC. Entercard’s liquidity need is satisfied through loans provided by the owners and through a considerable buffer of liquid assets. Entercard’s cash balance amounted to at year end 4 446,1m SEK (4 570,2m SEK).

The liquidity reserve amounted to 2 875,4m SEK (1 878,2m SEK), more detailed information about the liquidity reserve is provided in note 2 and note 14. Entercard Group Liquidity Coverage Ratio (LCR) was 326 % (277 %) and Net Stable Funding Ratio (NSFR) was 128 % (123 %).

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 amounted to 17,6 % (18,2 %) at year end. Information of the composition of the capital base and capital requirements are included in the Capital Adequacy Analysis in note 25.

Proposal for the Treatment of Current Year's Earnings (SEK)

The following profits are available for appropriation at the annual general meeting	
Retained earnings	5 652 705 719
Current year's net profit/loss	845 748 691
Total	6 498 454 410

The Board of Directors propose:	
dividends	1 800 000 000
to be carried forward	4 698 454 410
Total	6 498 454 410

Restricted equity is not included in total amount that could be distributed as dividend.

The Board's Opinion to the Proposed Dividend

It is the assessment of the Board of Directors that the dividend does not prevent the company from executing its obligations, both on a short- and long term basis, and will allow the company to make the investments necessary. The proposed dividend is therefor in accordance with Chapter 17, 3 § 2-3 sections in the Swedish Companies Act.

The proposed dividend is also in accordance with the dividend policy of Entercard, which provides directives on the dividend size maintaining the capital base and the liquidity on a sufficient level.

As regards to the company's result and financial position in other respects please refer to the income statement, balance sheet, cash flow analysis, capital adequacy and notes set out below.

All amounts are in thousand Swedish krona unless otherwise indicated.

Five Year Summary Entercard Group AB

TSEK	2021	2020	2019	2018	2017
Deposits	4 446 056	4 570 206	3 501 872	3 701 886	2 650 169
Loans to the public, net	30 474 272	31 178 979	31 997 575	28 901 734	24 186 570
Bonds and other interest-bearing securities	2 875 442	1 878 204	2 772 996	2 501 252	2 025 314
Other assets	451 727	334 249	605 157	506 705	451 318
Total assets	38 247 497	37 961 639	38 877 600	35 611 577	29 313 371
Amounts owed to credit institutions	31 203 598	30 940 736	31 982 199	29 174 827	22 966 924
Liabilities and provisions	519 248	466 468	747 656	710 783	694 859
Equity	6 524 651	6 554 435	6 147 744	5 725 967	5 651 587
Total liabilities, provisions and equity	38 247 497	37 961 639	38 877 600	35 611 577	29 313 371
Net interest income	2 970 090	3 123 397	3 181 735	2 928 859	2 590 811
Net commission income	325 594	315 335	395 982	411 364	397 538
Net gain/loss from financial instruments	-6 755	-9 830	-3 395	-1 921	-7 271
Other income	77 461	23 383	31 999	38 145	51 819
Total income	3 366 390	3 452 286	3 606 321	3 376 448	3 032 898
Total costs	-1 331 802	-1 363 305	-1 524 314	-1 471 417	-1 394 045
Profit before loan losses	2 034 588	2 088 981	2 082 007	1 905 031	1 638 853
Loan losses, net	-1 002 271	-1 398 800	-740 770	-649 326	-512 850
Operating profit/loss	1 032 317	690 181	1 341 237	1 255 704	1 126 003
Tax expense	-186 568	-157 676	-281 932	-307 914	-276 536
Profit/loss for the year	845 749	532 504	1 059 305	947 790	849 467

Key Ratios

TSEK	2021	2020	2019	2018	2017
Profit					
Interest margin, %	11,0%	11,8%	12,6%	13,0%	13,6%
*Interest earning income in relation to cost of funding					
C/I ratio before loan losses	0,40	0,39	0,43	0,44	0,46
*Total costs before loan losses in relation to total operating income					
C/I ratio after loan losses	0,69	0,80	0,63	0,63	0,63
*Total costs after loan losses in relation to total operating income					
Return on equity after tax, %	12,9%	8,4%	17,8%	16,7%	15,7%
*Profit for the financial year in relation to the average of shareholder's equity current and previous year.					
Return on total assets	2,2%	1,4%	2,7%	2,7%	2,9%
*Net profit divided by the total balances					
Liquidity					
Liquidity Coverage Ratio (LCR)	326%	277%	369%	383%	411%
Net Stable Funding Ratio (NSFR)	128%	123%	144%	142%	148%
Capital					
Capital base tSEK	4 686 884	5 496 309	6 058 965	4 941 811	4 972 717
Total capital ratio, %	17,6%	18,2%	19,7%	16,4%	18,9%
*Capital base in relation to risk-weighted assets					
Credit quality					
Loan loss ratio, net, %	3,3%	4,5%	2,3%	2,2%	2,1%
*Loan losses in relation to loans to the public					
Share of impaired loans, %	5,2%	4,5%	4,1%	3,0%	3,1%
*Impaired loans, net, in relation to loans to the public					
Other					
Average number of employees	452	466	466	397	420

Income Statement

TSEK	Note	2021	2020
Interest income	3	3 189 771	3 384 533
Interest expenses	3	-219 681	-261 135
Net interest income	3	2 970 090	3 123 397
Commission income		750 803	770 567
Commission expenses		-425 209	-455 231
Net commissions		325 594	315 335
Net gain/loss transactions from financial instruments	4	-6 755	-9 830
Other income		77 461	23 383
Total operating income		3 366 390	3 452 286
Staff costs	6	-544 539	-539 955
Other general administrative expenses	7	-763 414	-785 411
Total general administrative expenses		-1 307 953	-1 325 366
Depreciation and impairments of tangible and intangible assets	8	-23 849	-37 940
Total operating expenses		-1 331 802	-1 363 305
Profit before loan losses		2 034 588	2 088 981
Loan losses, net	9	-1 002 271	-1 398 800
Operating profit		1 032 317	690 181
Tax expense	10	-186 568	-157 676
Profit/loss for the year		845 749	532 504

Statement of Comprehensive Income

TSEK		2021	2020
Profit for the year recognized within the income statement		845 749	532 504
Components which will not be reclassified to the income statement			
Revaluation of defined-benefit pensions	6	13 430	6 707
Tax related to the above	10	-2 767	-1 382
Total		10 663	5 325
Components which have or will be reclassified to the income statement			
Unrealised changes in fair value	4	14 087	4 725
Foreign currency translation differences		126 494	-214 488
Tax related to the above	10	-26 777	45 395
Total		113 804	5 325
Other comprehensive income		124 467	-159 043
Total profit		970 216	373 462

Balance Sheet

Assets

TSEK	Note	2021 Dec 31	2020 Dec 31
Assets			
Deposits	11	4 446 056	4 570 206
Loans to the public, net	12, 13	30 474 272	31 178 979
Bonds and other interest-bearing securities	14	2 875 442	1 878 204
Intangible assets	15	21 197	41 296
Tangible assets	17	2 491	4 864
Deferred tax assets	10	13 548	15 563
Other assets	18	342 189	198 020
Prepaid expenses and accrued income	19	72 302	74 507
Total assets		38 247 497	37 961 639

Liabilities and Equity

TSEK	Note	2021 Dec 31	2020 Dec 31
Liabilities			
Amounts owed to credit institutions	20	31 203 598	30 940 736
Other liabilities	21	190 337	142 827
Accrued expenses and prepaid income	22	269 492	253 430
Pension provisions	6	27 953	41 579
Other provisions	13	31 465	28 632
Total liabilities		31 722 846	31 407 204
Equity			
Share capital (5 000 shares)		5 000	5 000
Fund for development expenditures		21 197	41 296
Reserves		-275 257	-389 060
Retained earnings		6 773 711	6 897 200
Total equity		6 524 651	6 554 435
Total liabilities and equity		38 247 497	37 961 639

Notes not directly relating to income statement, balance sheet, cash flow analysis and changes in equity:

Note 1 - Accounting Principles

Note 2 - Risks and Risk Control

Note 5 - Geographic Distribution of Income

Note 16 - Operational Leasing

Note 23 - Assets Pledged and Contingent Liabilities

Note 24 - Assets and Liabilities in Foreign Currency

Note 25 - Capital Adequacy Analysis

Note 26 - Related Parties

Note 27 - Classification and Valuation of Financial Assets and Liabilities

Note 28 - Specifications in Cash Flow

Note 29 - Proposal for the Treatment of Current Year's Earnings (SEK)

Note 30 - Significant Events after Year End

Note 31 - Information regarding the Parent Company

Statement of Changes in Equity

	Restricted equity		Non-restricted equity			
TSEK	Share capital	Fund for development expenditures	Foreign currency reserve	Fair value reserve	Retained earnings	Total Equity
Opening balance January 1, 2020	5 000	121 759	-211 745	-12 948	6 245 678	6 147 744
Translation differences					11 539	11 539
Adjustment previous years					21 691	21 691
Transfer to/from restricted equity		-80 463			80 463	-
Total comprehensive income for the year			-168 588	4 220	537 830	373 462
of which recognized in income statement					*532 504*	*532 504*
of which recognized in other comprehensive income			*-214 488*	*4 725*	*6 707*	*-203 056*
of which tax recognized in other comprehensive income			*45 900*	*-505*	*-1 382*	*44 013*
Closing balance December 31, 2020	5 000	41 296	-380 333	-8 728	6 897 201	6 554 435
Opening balance January 1, 2021	5 000	41 296	-380 333	-8 728	6 897 201	6 554 435
Dividends					-1 000 000	-1 000 000
Transfer to/from restricted equity		-20 099			20 099	-
Total comprehensive income for the year			103 348	10 456	856 412	970 216
of which recognized in the income statement					*845 749*	*845 749*
of which recognized in other comprehensive income			*126 494*	*14 087*	*13 430*	*154 011*
of which tax recognized in other comprehensive income			*-23 146*	*-3 631*	*-2 767*	*-29 544*
Closing balance December 31, 2021	5 000	21 197	-276 985	1 728	6 773 711	6 524 651

Equity Classes

Share capital consists of 5 000 shares with quota value of 1 000 SEK. Fund for development expenditures, classified as restricted equity, increases by the amount internally developed intangible assets capitalized for the year. The Fund is reduced with the yearly depreciation and impairment related to the intangible assets accumulated within the Fund.

Foreign currency translation reserve is related to currency revaluation of the branches' balances from their functional currency to their presentation currency. Fair value reserve consist fair value changes of the bond portfolio.

Statement of Cash Flow

TSEK	Note	2021	2020
Operating activities			
Operating profit/loss		1 032 317	690 181
Adjustments for non-cash items	28	416 809	647 177
Taxes paid		-289 748	-163 080
Cash flow from operating activities before working capital changes		1 159 378	1 174 278
Cash flow from changes in working capital			
Increase/decrease in loans to the public		901 956	-833 842
Increase/decrease in other assets		-16 783	244 222
Increase/decrease of bonds and other interest-bearing securities		-947 049	742 622
Increase/decrease other liabilities		4 680	-135 870
Cash flow from operating activities		-57 196	17 133
Investing activities			
Purchase of intangible assets		-428	-4 997
Purchase of tangible assets		-91	-140
Cash flow from investing activities		-519	-5 137
Financing activities			
Dividends		-1 000 000	
Increase/decrease of borrowing		-300 376	-37 191
Cash flow from financing activities		-1 300 376	-37 191
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		4 570 206	3 501 872
CASH FLOW FOR THE YEAR		-198 712	1 149 082
Exchange rate differences on cash and cash equivalents		74 562	-80 749
CASH AND CASH EQUIVALENTS AT END OF YEAR		4 446 056	4 570 206

Comments on the Cash Flow Statement

The cash flow statement shows the receipts and disbursements during the year as well as cash and cash equivalents at the beginning and end of the year. The cash flow statement is reported using the indirect method and is divided into receipts and disbursements for operating activities, investing activities and financing activities.

Operating Activities

Cash flow from operating activities is based on operating profit for the year. Adjustments are made for items not included in the cash flow from operating activities. Changes in assets and liabilities from operating activities consist of items that are part of normal business activities - such as loans to and borrowings from the public and credit institutions - and that are not attributable to investing and financing activities. Cash flow includes interest received to an amount of 3 185m SEK.

Investment Activities

Investment activities consists of the purchase and sale of fixed assets.

Financing Activities

Net change in borrowing with shorter terms and higher turnover is included in increase/decrease in borrowing from credit institutions. Cash flow includes interest payments of long term lending to the amount of 215m SEK.

Reconciliation of liability arising from financing activities. Opening balance 2021, 30 941m SEK, cash flow -300m SEK, exchange rate differences 563m SEK on the ingoing balances, closing balance 31 204m SEK.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash and balances with Swedbank AB.

Notes

The Annual Report is submitted as of December 31, 2021 for Entercard Group AB, corporate identity number 556673-0585, maintains its registered office in Stockholm. The address to the head office is Klarabergsgatan 60, 111 21 Stockholm.

Note 1 Accounting Principles

Basis of the Statements of Account

The accounting policies applied are consistent with Swedish Law of Annual Accounts in Credit Institutions and Securities Companies (ÅRKL) as well as the rules and regulations issued by the Financial Supervisory Authorities (Finansinspektionen) FFFS 2008:25, including changing regulations, and the Council for Financial Reporting Board's recommendation RFR 2 accounting for legal entities. The company applies thereby with so called limited-by-law IFRS and refers to standards that have been adopted for use with the limitations of the ÅRKL, FFFS 2008:25 and RFR 2.

The annual accounts have been approved for issue by the Board on April 5th, 2022. The income statement and balance sheet are subject to approval at the Annual General Meeting on April 6th, 2022.

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

Changes in Accounting Principles and Disclosures

Entercard has not adopted any new accounting pronouncements and changes for the financial reporting for 2021.

Other IFRS Amendments

Any other amended IFRS standards or interpretations than the aforementioned have not been applied nor had an impact on the company's financial position, result, cash flow or disclosures.

New Standards and Interpretations

Standards, amendments to standards and interpretations with effective dates from 2021 or later issued by International Accounting Standard Board (IASB) and IFRS Interpretations Committee are expected to be immaterial or not applicable for the financial reporting for Entercard at the time of implementation.

Changes in Accounting Treatment

Historically, when Entercard purchased a bond at premium, the premium was booked through the Other Comprehensive Income account over the lifetime and later reclassified to "Net gain/loss transactions from financial instruments" when the bond was realized. In September 2021 Entercard changed the booking routine such that the amortization of the premium over the bond's lifetime was booked directly as interest expense in the income statement. Accumulated amortization of premium as of September 2021, which was booked as Other Comprehensive Income and amounted to MSEK 22.6, was reclassified to interest expense.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On 27 August 2020 the International Accounting Standards Board (IASB) published 'Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16' (IBOR reform Phase 2). IBOR reform Phase 2 provides temporary relief to address the accounting issues, which arise upon the replacement of an InterBank Offered Rate (IBOR) with an alternative nearly risk-free interest rate (RFR). Publication of IBOR reform Phase 2 concludes the IASB's work to respond to the effects of IBOR reform on financial reporting. The effective date of the IBOR reform Phase 2 amendments is for annual periods beginning on or after 1 January 2021, with early application permitted.

For the purposes of these financial statements, Entercard has adopted the IBOR reform Phase 2 amendments in its financial statements. Additional information is disclosed in note 2.

Critical Judgements and Estimates

The presentation of financial reports in conformity with IFRS demands that the company makes judgements and estimates that affect recognized amounts for assets and liabilities as of the closing day and for recognized income and expenses during the report period.

The executive management continuously evaluates these judgements and estimates including: assessments of impairment credit losses (note 2 and 13) and variable pay (note 6). The judgements and estimates affecting the financial report are further described in respective sections in note 1.

During 2021 Entercard changed the amortization period for Agent fees on loans. Amortization period was changed from 4 to 5 years after new data indicated that the lifetime of the loan is longer than 5 years. Other than this, no significant changes have been made to the critical judgements and estimates compared with December 31, 2020.

Significant Accounting Policies

Presentation of Financial Statements (IAS 1)

Financial statements are a structured presentation of a company's financial position, financial results and cash flows, useful for financial decisions. The financial statements also convey the results of the executive management's administration of the resources entrusted to them. Complete financial statements consist of a balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement and notes. Entercard presents the statement of comprehensive income in the form of two statements. A separate income statement is presented, containing all revenue and expense items, provided a special IFRS does not require or allow otherwise. If an IFRS standard requires or allows something else this is reported in Other Comprehensive Income. The statement of comprehensive income contains the profit or loss recognized in the income statement as well as components included in other comprehensive income.

Statement of Cash Flows (IAS 7)

The statement of cash flow prescribes an entities change in cash and cash equivalents during a period. Entercard discloses information about changes in their financing liabilities arising from financing activities, including changes from cash flows and non-cash.

Assets and Liabilities in Foreign Currency (IAS 21)

The financial statement is presented in Swedish kronor (SEK) which is also functional currency and presentation currency. Functional currency refers to the currency primarily used in the primary economic environments in which the company carries out its operations.

Transactions in other currencies than the functional currency, foreign currency, are initially recognized at the exchange rate prevailing at the day of transaction. The financial information for each entity in the group are presented according to the currency that is reflective of that local environment. Assets and liabilities in branches with other functional currency than SEK are translated to reporting currency at the rates prevailing on closing day. The income statement is translated at each individual transaction's exchange rate. For practical reasons, an average exchange rate is used for the period. Occurred exchange rate differences are recognized in other comprehensive income.

Financial Instruments, (IFRS 9)

Recognition

Entercard recognizes a financial asset or a financial liability in the statement of financial position when Entercard becomes a contractual party of the provision of the instrument according to IFRS 9.

Classification and Measurement

Financial Assets

The company's principles for classification and measurement of financial assets is based on an assessment of both (i) the company's business model for the management of financial assets, and (ii) characteristics of the contractual cash flows from the financial asset.

The following financial assets are measured at amortized cost as the assets are held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows, and to the agreed terms of the assets at specified dates give rise to cash flows that are only payments of principal and interest on the outstanding principal amount;

-Deposits
-Loans to the public
-Other financial assets

Loans to the public consist of both consumer loan balances and credit card balances. Spending on credit cards that is not repaid completely, results in a receivable, which is identified as a loan to the public.

Interest income on deposits and loans to the public are recognized in the income statement as interest income when they are earned, meaning that interest income is accrued to the attributable period according to the effective interest rate method. Interest on balances sent to debt collecting agency are recognised when income are earned.

Other financial assets are measured at amortized acquisition cost. Since the remaining lifetime period is short and the discount effect is assessed not to materially influence the financial reporting, the assets is valued ti nominal value without discounting. Impairment is performed per balance item.

The following financial assets are measured at fair value through other comprehensive income as the financial assets are held within a business model whose objective can be achieved both by collecting the contractual cash flows, and sell the assets, and to the contractual terms of the assets at specified dates give rise to cash flows that are only payments of principal and interest on the outstanding principal amount.

-Bonds and other interest bearing securities

Valuation is carried out at fair value with unrealized changes in value reported in Other comprehensive income. The unrealized changes are accumulated in the Fair value reserve. Upon disposal, realized change in value is recognized in the income statement on the line Net gain/loss transactions from financial instruments and is thus removed from Other comprehensive income and the fair value reserve.

Interest income on bonds and other interest bearing securities are calculated according to the effective interest method and are recognised in the income statement as revenue. Impairment losses and any exchange rate fluctuations are recognized in the income statement on the line Net gain/loss transactions from financial instruments. Fair values are categorized at different levels in the fair value hierarchy based on the type of input used in the valuation technique. Because Entercard´s instruments in this category are valued at fair value on the basis of the prices on an active market for identical instruments, they are included in level 1.Entercard has no instruments that are categorized in level 2 or level 3.

Financial Liabilities

The following financial liabilities are classified and subsequently measured at amortized cost.

-Liabilities to credit institutions
-Liabilities to suppliers

Liabilities to credit institutions are measured at amortized acquisition cost. Borrowing is typically carrying a varied interest rate. Given the presented background, all recognized values are deemed to equivalent fair value.

Liabilities to suppliers are measured at amortized acquisition cost. The expected maturity of liabilities to suppliers is short, why the value is recognized as a nominal value without discounting or deduction for impairment.

Derecognition

Removal of financial assets occurs when the right to receive cash flows from a financial instrument has expired or when the right to receive cash flows has in all material respects been transferred to another party. Financial liabilities are removed from the balance sheet when the debt is extinguished by the agreement being completed, cancelled or terminated.

Reclassification

If the company changes its business model, a reclassification will be carried out and reported. However, such changes are expected to occur very rarely. Such changes are determined by the company´s executive management as a result of external or internal changes and must be significant to the company´s business and shown to external parties.

Provision for Credit Loss (IFRS 9)

Deposits and loans to the public, classified at amortized cost are recognized on the balance sheet on the settlement day. Loans are initially recognized at acquisition cost, which consists of the loan amount paid out less fees received and costs constituting an integral part of the return. The interest rate that produces the loan cost as a result of the calculation of present value of future payments is considered the effective acquisition rate. Recognized interest rate includes interest payments receive and the change in the loan's amortized cost during the period, which produces a consistent return.

Credit impairment provisions are recognized on the following financial instruments: financial assets that are measured at amortized cost and irrevocable loan commitments. Credit impairments provisions are measured according to an expected credit loss model and reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcome and considering all reasonable and supportable information available at the reporting date. Such provisions are measured according to whether there has been a significant increase in credit risk since initial recognition. All Entercard credit exposures are allocated into one of three "stages", according to the IFRS 9 standard:

Stage 1

As soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognized and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses.

For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without adjustment for expected credit losses).

Stage 2
If the credit risk increases significantly and the resulting credit quality is not considered to be low credit risk, full lifetime expected credit losses are recognized. Lifetime expected credit losses are only recognized if the credit risk increases significantly from when the entity originates or purchases the financial instrument. Days past due is used as a backstop which means that all accounts that are more days past due than the respective threshold are defined as being in stage 2, regardless of change in probability of default. The calculation of interest revenue on financial assets remains the same as for Stage 1.

Stage 3
If the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortized cost (i.e. the gross carrying amount adjusted for the loss allowance). Lifetime expected credit losses are still recognized on these financial assets.

Reporting of Expected Credit Losses – Loans to the Public

The standard states that provisions for expected credit losses are recognized for all items in the balance sheet measured at amortized cost. Expected credit losses for loan commitments given, undrawn committed credit line, are recognized under provisions.

Calculation of expected credit loss provisions is based on data generated in existing internal risk classification models. The assets' contracted cash flows are used when calculating credit loss allowances. The present value of the expected credit loss ("Expected Credit Loss" - ECL) is calculated by summing up the present value of the expected exposure at default ("Exposure at Default-EAD) at each time in the respective cash flow multiplied by the probability of default ("Probability of Default" - PD), and loss given default (the "Loss Given Default" - LGD). Even though the parameters are defined the same as in the application of internal rating models for solvency purposes, the parameters have been determined differently for accounting purposes to reflect the neutral and objective assumptions on cash flows and expected losses. The effective interest rate of the exposure is applied as discount rate. The parameters are forward-looking and based on aggregated various macroeconomic scenarios.

At the time of the initial recognition, the company reports the present value of the statistically expected credit losses for the next 12 months (stage 1). If there is a significant increase in credit risk since the initial recognition, the expected credit loss provision for the exposure is calculated and accounted for by the expected time to maturity or for the estimated time horizon to default if the exposure has no definite time to maturity (stage 2). A significant increase in credit risk is considered to have occurred after the initial recognition of the credit when the customer is 30 days late on payments or when the current internal credit rating is significantly worse than the original according to internally agreed criteria. If the internal rating at a later stage has improved enough to allow a significant increase in credit risk no longer exists when compared with ratings in the initial report, the credit will be returned to stage 1.

A loan loss provision is accounted for the remaining life of impaired credit exposures (previously known as impaired loans) when one or more events that have a negative impact on the estimated future cash flows of the financial asset has occurred (stage 3). A loan is considered impaired based on the conditions as per previous principles definition of impaired loans, which is, when it is 90 days late in payments or where there is other evidence in the form of observable data about the following events:

a) Significant financial difficulty of the issuer or borrower.
b) The lender or the borrower has, financial or contractual reasons relating to the borrower's financial difficulty, granting a significant concession to the borrower that the lender would not otherwise consider.
c) It is highly likely that the borrower will go into bankruptcy or other financial reconstruction

Impairment of Bonds and Other Interest-bearing Securities

Securities measured at fair value through other comprehensive income shall account for expected credit loss provision. The securities are measured at fair value in the balance sheet, this implies that a change in fair value due to changes in credit risk is recognized as profit or loss. The company's investment guidelines states that investments in securities is conducted with external investment classifications that meets the requirements for low credit risk portfolio. Based on the investment guidelines, these securities are within stage 1 and probability of default is estimated for the coming 12 Months. The Treasury Department continuously assess the impairment need.

Impairment is not reported on these instruments as the portfolio has low credit risk and the value is not significant.

Reporting of Expected Loan Losses – Lending to Credit Institutions

Entercard´s deposits are within the scope of accounting of expected credit losses. Since all deposits are repayable on demand and deposits are only made to Swedish credit institutions with a good rating, the expected loan losses amount to only insignificant amounts.

Reporting in the Income Statement and Balance Sheet

Assets and liabilities are reported gross with the exception of when there is a legal right and an intention to settle these net.

The loss reserves are reported as follows in the balance sheet;

-For assets reported at amortized cost; as impairment of the assets reported value
-Loan commitments are reported on the balance sheet, other provisions.
Changes in the credit loss provision are recognized in the income statement on the line loan losses net.

Intangible Assets (IAS 38)

Intangible assets consist of internally developed and acquired IT-systems and license costs deemed of significant value for the operations the coming years. Other expenses for development and maintenance are expensed when they arise.

The recognized value represent acquisition cost less accumulated depreciation and impairment. A linear depreciation over four years for IT development and three years for licenses exceeding the expected useful life time of the asset is applied. The useful life is reassessed annually.

Entercard recognizes internally developed and acquired IT-systems and licences only if they meet the qualifying criteria about identifiability, future economic benefit and readily measurement of the costs. Internally developed IT-systems are only recognised if the asset arise from the development phase and the asset will be available for use or sale.

Internally developed IT-systems for a year are added to Fund for development expenditures, classified as restricted equity. The Fund is reduced with the yearly depreciation and impairment related to the internally developed IT-systems within the Fund.

Tangible Assets (IAS 16)

Tangible Assets, such as inventories for own use, are recognized at acquisition cost less accumulated depreciation and impairment. Depreciation is assumed when the asset is ready to be used and is systematically realized over the useful life.

The expected useful life of inventories is five years and their residual value is zero. IT and office equipment inventory is depreciated over five years and their residual value is zero.

Impairment (IAS 36)

The company periodically assesses whether there are indications of diminished value for assets. If such indications exist, an impairment test is conducted by estimating the recoverable amount of the asset. The recoverable amount is the higher of the asset's net selling price or value in use.

Impairment is recognized on the financial statement if the recoverable amount is less than the book value of the asset. Impairments are only reversed if there were changes in the estimates used when the impairment was recognized. Impairments of tangible and intangible assets are recognized separately in the balance sheet.

Leases (IFRS 16)

Entercard does not apply IFRS 16 as legal entity according to the exemption in RFR 2. Instead, leases are recognized as an expense on a straight-line basis over the lease period in accordance to RFR 2. Entercard operates solely as a lessee. See note 16 for specification of leases.

Revenues (IFRS 15)

Revenues are recognized at fair value of what has been acquired. Revenue is recognized at the time when the control of the service is transferred to the customer.

Commission Income

Commission Income, primarily including annual fees and transactional fees are recognized as revenue in direct connection to the time of the transaction.

Employee Benefits (IAS 19)

The company's post-employment benefits, which consists of pension obligations, are classified as either defined contribution plans or defined benefit plans. In defined contribution plans the company pays contributions to a separate legal entity, and the risk of change in value until the funds are paid out rests with the employee. Thus, the company has no further obligations after the fees have been paid. Other pension obligations are classified as defined benefit plans. Premiums for contribution benefit plans are recognized as an expense after an employee has rendered his or her services.

Norwegian defined benefit plans are accounted according to IAS 19 as defined benefit plans. The present value of the pension obligations is calculated and recognized as provisions. The calculation is made according to the so called Projected Unit Credit Method. The method entails that future benefits are attributed to periods of service. The income statement, staff costs, is charged with the net of service costs, interest on obligations and the anticipated return on plan assets. The calculations are based on the company's actuarial assumptions, which are the company's best estimate of future developments. In cases where the actual outcome deviates or assumptions have changed, so-called actuarial gains and losses arise. The net of actuarial gains and losses are recognized as revaluations of defined benefit pension plans in other comprehensive Income. There, the difference between the actual return and estimated interest income on plan assets is recognized as well.

Entercard recognizes pension costs for the Swedish employees as benefit pension plan. According to the Act of Safeguarding Pension Benefits, which means that they are recognized as defined contribution plans. Premiums paid to defined contribution plans are expensed when an employee has rendered his/her services.

Salary and other short-term remuneration are expensed in the period earned by the employees. Variable pay is earned and calculated based on the employees individual targets and the Company's overall performance, and is paid in subsequent years.

Tax (IAS 12)

The income tax consists of current tax and deferred tax. Deferred tax refers to tax on the difference between carrying amount and tax base, which in the future serves as basis for future tax. On closing day, legally determined tax rates are used for calculations. The company's deferred tax assets and tax liabilities are calculated nominally with each respective country's tax rate for the consequent year. Deferred tax assets are netted against deferred tax liabilities for the branches that have offsetting rights. Income taxes are recognized in the profit and loss statement with the exception of tax attributable to items that are recognized directly as other comprehensive income or equity.

The parliament have lowered the income tax rate for corporates in Sweden from 22% to 21,4% as of January 1,2019. The corporate tax will be reduced gradually from 2019 to 2021 when the corporate tax estimate to be 20,6%. When deferred tax is calculated, Entercard uses 20.6%.

Note 2 Risks and Risk Control

General

Entercard defines risk as a potentially negative impact on Entercard´s value that can arise due to current internal processes or future internal and external events. The concept of risk comprises both the likelihood that an event will occur and the impact it would have on Entercard. To achieve Entercard´s business goals regarding growth, profitability and economic stability, it is necessary to continuously balance the goals against the risks in the business.

The comprehensive set of rules regarding internal governance and control is one of the fundamental instruments for the Board of Directors and Senior Management. The Board of Directors sets the maximum risk level by setting the risk appetite and by assigning the responsibilities and authorities regarding risk management. The assignment defines the structure for decision making in risk areas. The decision makers are the Board of Directors, the CEO and the person who is responsible for each business unit. Entercard follows the three lines of defence model.

Risk management is executed within each business unit, under the supervision of, and communication with, the Risk Control function and other staff functions.

The Risk Control function continuously monitors and reports to the CEO and Board of Directors on risk topics. Entercard has outsourced its internal audit function, which on behalf of the Board of Directors evaluates Entercard's internal control framework to ensure that it is effective and efficient.

The Board of Directors is accountable for ensuring that Entercard's operations are pursued in compliance with regulatory requirements. The CEO is responsible for ensuring that there is a Compliance Function in place to support the business to stay compliant with regulatory requirements applicable to the licenced business.

Credit Risk and Counterparty Credit Risk

Credit risk and counterparty credit risk captures the exposure that counterparties cannot fulfil their payment obligations, resulting in that Entercard receives payment too late or not at all. Entercard's lending is striving towards ambitious objectives in terms of ethics, responsible lending, credit quality and control. Even though credit risk, through retail lending, is the Group's largest risk exposure, credit losses in relation to the outstanding balances are relatively small.

Credit risk also includes concentration risk, i.e. large exposures or concentrations in the credit portfolio to specific counterparties, sectors or geographic areas. Entercard's concentration risk is primarily in the form of geographic concentration, as Entercard offers retail lending in Scandinavia. The lending portfolio consists of unsecured lending and is spread out on a large number of borrowers. The continuous follow-up is still showing a relatively low risk.

Entercard conducts active monitoring and optimisation of the portfolios' credit risk. The risk is managed so that the decision to grant credit is based on good grounds to expect that the borrower can fulfil his or her commitment. The assessment is done through general credit rules as well as credit scoring models to measure each counterparty's ability to fulfil payment obligations.

The credit risk is constantly monitored to ensure that counterparties are fulfilling their commitments towards Entercard. In case of a late payment or an assessment that the counterparty is not able to fulfil the commitment, the credit card will be blocked. Follow-ups are additionally made from a credit portfolio point of view in each country with focus within and between different risk groups.

Entercard has also, to a limited extent, an investment risk through a buffer in liquid assets, held to mitigate Entercard's liquidity risk. The credit quality of these assets is very high and mainly consists of exposures to municipalities, governments and credit institutions. Entercard is not using derivatives and is therefore not exposed to counterparty credit risk in that area.

Financial assets, book value	2021	2020
Deposits	4 446 056	4 570 206
Loans to the public, net	30 474 272	31 178 979
Bonds and other interest-bearing securities	2 875 442	1 878 204
Current assets	3 104	3 869
Total	37 798 874	37 631 258

Expected Credit Loss

Impairment levels are assessed based on the Expected Credit Loss (ECL) methodology. The measurement of ECL uses three main components: Probability of Default (PD), Exposure at Default (EAD), Loss Given Default (LGD). ECL is the product of these three components.

At the reporting date provisions are calculated on the following basis and segments: 12 month ECL where there has been no significant increase in risk since initial recognition (Stage 1); lifetime ECL where there has been a significant increase in risk since initial recognition (Stage2); Credit Impaired (Stage 3). For off-balance sheet exposures, EAD is calculated by using a credit conversion factor (CCF) estimating the future utilisation level of unutilised amounts.

Definition of Default, Credit Impaired and Write-off

All accounts 90 days past due (DPD), as per IFRS9 requirements, or indicating an unlikeness to pay are considered defaulted. Credit Impaired is when the account / exposure has defaulted based on the above definition. Defaulted accounts / exposures are written-off after
a) completion of Entercard's recoveries processes, defined as the point when all attempts at recovery have been exhausted and there is no reasonable expectation of further recovery,
b) a specific event (deceased, insolvency) or
c) following the sale of a defaulted exposure to a third party. Recovery can continue post write-off providing the debt has not been subject to a court decision or is not time barred based on local law. Subsequent recoveries on previously written off exposure are credited to impairment.

Definition of Lifetime

Lifetime is used in the measurement of ECL of Stage 2 accounts. This is restricted to the contractual life (taking into account historic overpayment) for Loans. For Credit Cards, where there is no contractual life, the lifetime is defined as the behavioural life of the asset, which is estimated to be 24 months.

Modelling and Estimation Techniques

Inputs used in the measurement of ECL vary by market and product, and are either a bespoke quantitative model built for the purpose of ECL, a recalibration of an existing quantitative model to the required default and outcome definitions, a quantitative estimate based on observed outcomes or market based benchmarks.

Probability of Default – In all market and product segments characteristics relating to observed customer behaviour (payment rates, outstanding balance, usage) are used as primary inputs into the predictive models used for PD estimates.

Exposure at Default – A differentiated approach is adopted by product.
1) Cards - Credit Conversion Factors (CCF) are calculated to estimate the proportion of the current unutilised limit which will be utilised (and therefore the total limit utilised) at the outcome point.

2) Loans – Amortisation schedules, based on contractual monthly payment amount and residual balance (thus taking into account historic overpayments), are calculated at an account level to provide an estimate of the outstanding exposure at every future outcome period.

Loss Given Default - Loss Given Default rates are reviewed/updated each quarter based on the prices from existing Forward flow debt sale contracts, third party expert inputs, expert judgement taking into consideration extraneous factors that may impact debt sale prices, and internal alignments. LGDs go through a governance process of review and approval in an Impairment committee on a quarterly basis. For portfolios where debt sales contracts are not in place for the FY2022, Entercard has used the most recent debt sale prices as a benchmark and placed appropriate haircuts on these, based on expert judgement, to determine the LGDs.

Measuring a Significant Change in Risk

For Credit Cards, at the reporting date, a comparison of the latest PD with the origination PD at the point of recognition is made. Thresholds based on the absolute and relative change in this PD determine whether that asset is placed in Stage 2. As a backstop, accounts more than 30 DPD are placed in Stage 2.

For Loans, due to relative immaturity of the portfolio, any account with a current or recent missed payment (regardless of whether the missed payment has been collected) is placed in Stage 2. Any account more than 30 DPD will therefore already have satisfied the significant change definition, and will continue to fulfil this until 6 months have passed since the last time in 30 DPD status. A non-defaulted account no longer satisfying the significant change in risk criteria (including the backstop) transitions back to Stage 1.

There is no specific low risk exemption used in the significant change in risk definition. However, the absolute change in PD tolerance separates those customers with a strong capacity to meet their contractual repayments.

Forward Looking Information

Entercard utilises a consensus view of the macro outlook, specifically in relation to unemployment rates, in each of its three core markets. Entercard reviews the macroeconomic environment in each market it operates within each quarter and uses consensus forecasts of relevant economic variables, such as unemployment or GDP, to estimate the proportion of assets in default. Those estimates are compared with the expected loss calculations, and if the two diverge outside of pre-defined thresholds, then an overlay to our ECL estimates will be proposed to ensure adequate provision is held. The size of the overlay is based on the judgement of experienced credit managers and endorsed by the Impairment Committee.

In general, a worsening of macroeconomic environment will increase the number of loans migrating from Stage 1 to Stage 2 and increase the estimated credit impairment provisions. In contrast, an improvement in the outlook on forecasted macroeconomic variables or an increase in the probability of the upside scenario occurring will have a positive impact.

In case of LGDs, forward looking information is incorporated by placing appropriate haircuts on the most recent debt price offers available. The haircuts are arrived at by taking a forward looking view using expert judgment of experienced credit managers relying on analysis and market inputs and are approved in the Impairment Committee. One macro event that was assessed in FY2021 is the covid-19 pandemic. The effect on Probability of Default rates was modelled by using macroeconomic forecasts of unemployment rates from various sources viewed as unbiased. Consequentially, an extra overlay was placed to ensure adequate provisions are held. However, the extra overlay has been reduced during the year as a result of lower risks related to covid-19.

The following table presents three cases of expected credit loss as of 31 December 2021. The cases are derived from macroeconomic forecasts carried out in early Q4. Given the worsening covid-19 situation during late Q4 2021 in all three countries it has been decided to take a prudent approach and use the pessimistic scenario for estimation of the expected credit losses.

				Expected credit loss
Country		Base scenario	Optimistic scenario	Pessimistic scenario
Norway	Credit Card	230 217	229 015	231 679
	Instalment loan	620 838	615 323	627 545
Sweden	Credit Card	404 994	402 943	407 489
	Instalment loan	1 448 520	1 438 374	1 460 860
Denmark	Credit Card	135 118	133 003	137 689
	Instalment loan	104 151	102 845	105 738
Total		2 943 838	2 921 503	2 971 000

Loan Modifications

A modification of an account due to the financial stress of the account holder is classed as forbearance. In the event of forbearance, the asset is not considered to have had a material modification and therefore is not derecognised. Any asset subject to forbearance will be held in Stage 2 (unless the asset is Credit Impaired i.e. Stage 3) for the duration of the measure or for a 6 month period after which it will be assessed against the standard Stage criteria.

Concentration Risk

Credit risk also includes concentration risk, i.e. large exposures or concentrations in the credit portfolio to specific counterparties, sectors or geographic areas. Entercard's concentration risk is primarily in the form of geographic concentration, as Entercard offers retail lending in Scandinavia. The lending portfolio consists of unsecured lending and is spread out on a large number of borrowers. The continuous follow-up is still showing a relatively low risk.

Investment Risk

Entercard has also, to a limited extent, an investment risk through a buffer in liquid assets, held to mitigate Entercard's liquidity risk. The credit quality of these assets is very high and mainly consists of exposures to municipalities and governments. Entercard is not using derivatives and is therefore not exposed to counterparty credit risk in that area.

Market Risk

Market risk refers to the risk that the market value of a financial instrument or future cash flows from a financial instrument is affected by market price changes.

Entercard is exposed to market risk in the form of interest rate risk and currency risk.

The below sensitivity analysis shows the impact on the value of assets and liabilities when market interest rates increase/decrease by one percentage point. The total shows the effect of a parallel shift of the same size.

Interest rate risk is the exposure if fixing periods for assets and liabilities differ. Entercard minimises this risk by matching the interest fixing periods on liabilities to the interest fixing periods on assets.

Since Entercard's interest rate risk is deemed low and is continuously monitored by both the Treasury and the Risk Control function. Entercard does not use derivatives and does not take active positions in the fixed income market.

Impact on the net value of assets and liabilities if the market interest rate increases/decreases by one percentage point

TSEK	Market interest rate -1 percentage point		Market interest rate+1 percentage point	
	2021	2020	2021	2020
< 3 Months	301	-1 724	-297	1 705
3-6 Months	-13	11	13	-11
6-12 Months	-314	791	325	-778
Total	-27	-922	41	916

The table below shows the effect on the net interest income over a 12-month period in the case of an increase/decrease in the interest rate curve by one percentage point. The calculation is based on average earned interest balances and funding balances.

TSEK	Interest rate -1 percentage point	Interest rate +1 percentage point
Interest income	-262 172	262 172
Interest expenses	310 722	-310 722
Net interest income	48 549	-48 549

Entercard is exposed to currency risk as a part of the own funds are held in Norwegian Kroner, and to a limited extent in Danish Kroner. The risk materializes during the translation of the branches' equity to Swedish Kronor.

Basis for the below calculation is equity and result at year end 2021. For the sensitivity analysis of a change in exchange rates of +/- 10 percent, the average exchange rate 2021 has been used.

TSEK	Foreign exchange rate change +/- 10 percent
Equity	138 520
Profit after tax	26 101

Liquidity Risk

Liquidity risk refers to the risk of not being able to meet payment obligations at maturity without a significant increase in cost for obtaining means of payment. Entercard manages its liquidity risk partly through having funding with a relatively long duration, and partly by holding a considerable buffer of liquid assets. The liquid assets consist of interest-bearing securities with high credit quality and high market liquidity, in order to make sure that they can be sold to relatively predictable price in a scenario with limited access to funding. In addition, Entercard has a liquidity buffer account at Swedbank and an overdraft facility at Swedbank.

The Board of Directors decides upon the overall framework for liquidity risk, and reporting to the Board and Senior Management is done continuously from both the Treasury department and the Risk Control function.

Entercard is continuously measuring its survival horizon, i.e. how long Entercard would survive in a scenario with 50% access to funding and a 25% decrease in payment inflow from customers. In addition, the Liquidity Coverage Ratio and the Net Stable Funding Ratio is calculated in accordance to the EU Commission´s delegated act. Per December 31, 2021, the survival horizon, in a scenario with a very limited access to funding and significantly decreased inflows from customers, was 131 days for SEK, 150 days for NOK and 183 days for DKK, to be compared with the risk appetite, decided by the Board, of 60 days. At the same time, the Liquidity Coverage Ratio was 290 % in SEK, 415 % in NOK and 357 % in DKK, to be compared with the regulatory requirement of 100%. Entercard´s NSFR as per December 31, 2021 was 124 % in SEK, 144 % in NOK and 136 % in DKK, to be compared with the regulatory requirement of 100%.

In the below summary of maturities, the non-discounted contractual cash flows are distributed from remaining time to maturity. The difference between undiscounted contractual cash flows and booked values are immaterial, therefore the values presented below equals booked values.

Remaining maturity 2021	<3 Months	3-12 Months	1-5 Years	5-10 Years	10-15 Years	No maturity	Total
Deposits	4 446 056						4 446 056
Loans to the public, net	15 974 695	3 556	504 782	3 152 861	10 838 379		30 474 272
Bonds and other interest-bearing securities		130 364	2 013 982	731 096			2 875 442
Prepaid expenses and accrued income	14 275	58 028					72 302
Other assets	286 494	13 548	55 694			23 688	379 425
Total assets	20 721 520	205 495	2 574 459	3 883 957	10 838 379	23 688	38 247 497
Amounts owed to credit institutions	4 038 204	5 512 672	21 652 722				31 203 598
Other liabilities	221 802		27 953				249 755
Accrued expenses and prepaid income	84 527	172 204	12 761				269 492
Equity						6 524 651	6 524 651
Total liabilities and equity	4 344 533	5 684 876	21 693 437			6 524 651	38 247 497
Remaining maturity 2020							
Deposits	4 570 206						4 570 206
Loans to the public, net	16 044 791	5 081	617 546	3 400 307	11 111 255		31 178 980
Bonds and other interest-bearing securities		104 536	1 773 668				1 878 204
Prepaid expenses and accrued income	12 728	61 779					74 507
Other assets	134 904	15 563	63 116			46 160	259 743
Total assets	20 762 629	186 958	2 454 330	3 400 307	11 111 255	46 160	37 961 639
Amounts owed to credit institutions	2 068 861	11 677 941	17 193 934				30 940 736
Other liabilities	-37 719	209 178	41 579				213 038
Accrued expenses and prepaid income	54 298	184 065	15 066				253 430
Equity						6 554 435	6 554 435
Total liabilities and equity	2 085 440	12 071 184	17 250 580			6 554 435	37 961 639

Future expected cash flows are used to assess the appropriate level of liquidity. This ensures that Entercard has adequate means of liquidity to meet its payment and regulatory obligations. Off-balance sheet exposures are incorporated in the expected future cash flows and consequently accounted for in the liquidity levels. See also note 13 for the off-balance sheet exposures.

Liquidity Reserve and Liquidity Risk

		Distribution by currency in SEK		
2021 All country values presented in SEK	Total	SEK	NOK	DKK
Securities issued or guaranteed by government or central bank	130 364			130 364
Securities issued or guaranteed by municipalities or non-governmental public entities	1 915 820	1 423 088	492 732	
Covered bonds issued by others	720 189	327 518	392 670	
Securities issued or guaranteed by multilateral development banks	109 070		109 070	
Total	2 875 442	1 750 606	994 472	130 364
Distribution by currency, %		60,9%	34,6%	4,5%

		Distribution by currency in SEK		
2020	Total	SEK	NOK	DKK
Securities issued or guaranteed by government or central bank	104 536			104 536
Securities issued or guaranteed by municipalities or non-governmental public entities	1 052 598	861 600	190 998	
Covered bonds issued by others	644 581	207 654	436 927	
Securities issued or guaranteed by multilateral development banks	76 490		76 490	
Total	1 878 204	1 069 254	704 415	104 536
Distribution by currency, %		56,9%	37,5%	5,6%

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

Operational Risk

Operational risk is defined as the risk of loss resulting from; inadequate or failing internal processes, people, systems, or from external events. The definition includes products and services, IT risks, legal risks, internal and external fraud, damage to physical assets and card scheme, compliance and reputational risks, where all operational risk categories can include the compliance risk aspect.

Entercard continually performs self-evaluation of operational risk and control for all processes. There is a comprehensive framework in place to mitigate operational risk, including incident management, business continuity and approval of change process.

Business Risk / Strategic Risk

Business and strategic risk refer to the current and future risk of losses caused by changes in market conditions, the strategic roadmap of Entercard and inaccurate or misguided business decisions. Entercard regularly evaluates business and strategic risks.

Internal Capital and Liquidity Adequacy Assessment and Capital Management

Entercard's internal capital adequacy assessment process (ICAAP) and internal liquidity adequacy assessment process (ILAAP) aims to ensure that the need of capital and liquidity is assessed. The assessment is to secure that Entercard is adequately capitalized in relation to the solvency related risks that the company is or might be exposed to, and to ensure the company has a satisfactory liquidity buffer to mitigate a scenario with stressed liquidity.

The assessment of the capital and liquidity need is done regularly based on financial goals, risk profile and business strategy, in addition to stressed scenarios defining the need over a forward looking horizon. The assessment is an integrated part of the business development. Besides the continuous monitoring and reporting to meet the regulatory minimum requirements regarding capital adequacy and liquidity coverage, a more detailed assessment is performed and documented at least annually. See note 25 for more information about capital adequacy.

IBOR-Reform

Following the decision by global regulators to phase out IBORs and replace them with alternative reference rates, the Group has performed an assessment on the nature and extent of risks to which it is exposed due to financial instruments that are subject to the interest rate benchmark reform.

IBOR reform exposes the Group to various risks which are managed and monitored closely. These risks include but are not limited to the following:

- Conduct risk arising from discussions with clients and market counterparties due to the amendments required to existing contracts necessary to effect IBOR reform
- Pricing risk from the potential lack of market information if liquidity in IBORs reduces and RFRs are illiquid and unobservable
- Financial risk to the Group and its clients that markets are disrupted due to IBOR reform giving rise to financial losses
- Operational risk arising from changes to the Group's IT systems and processes, also the risk of payments being disrupted if an IBOR ceases to be available

As of 31 December 2021, Entercard's exposure to IBORs is limited to the Nordic IBORs, i.e. STIBOR, NIBOR and CIBOR, which all are or have been reformed, rather than replaced, by the various administrative bodies. In addition, RFRs are or have been implemented as fallback solutions in case a Nordic IBOR ceases to exist.

Following the conclusion of its impact assessment of the IBOR reform, the Group has put in place detailed plans, processes and procedures to ensure a successful completion of transition activities for 2021. As the Nordic IBORs are expected to continue to exist for the foreseeable future, financial instruments which reference those rates will not need to be transitioned to RFRs, unless the market situation changes. Entercard is in the process of updating its existing contracts for appropriate fallback language and will continue to monitor the situation to determine whether a material change in situation has occurred that would require more extensive quantitative disclosures.

Note 3 Net Interest Income

TSEK	2021	2020
Interest income		
Deposits	-	1 986
Negative interest on financial liabilities	328	1 209
Loans to the public	3 161 888	3 351 050
Interest-bearing securities	27 556	30 288
Other		
Total	3 189 771	3 384 533
Interest expenses		
Credit institutions	-172 512	-243 999
Negative interest on financial assets	-4 425	-3 354
Other	-42 744	-13 782
Total	-219 681	-261 135
Total net interest income	2 970 090	3 123 397
Interest margin on loans to the public	*11,0%*	*11,8%*

Where of interest income calculated according to the effective interest rate method to a value of 3 189,8m SEK, and interest expenses to a value of 176,9m SEK.

Note 4 Net Financial Income

Realised gains/losses recognized in profit or loss	2021	2020
Reclassification through Other comprehensive income to this year's profit for realised gains and/or losses	11 980	9 450
Realised gain/loss bonds and other interest-bearing securities	-18 849	-19 166
Exchange rate profit / loss	114	-114
Total realised gains/losses in profit or loss	-6 755	-9 830

Unrealised gains/losses recognized in Other comprehensive income		
Reclassification through Other comprehensive income to this year's profit for realised gains and/or losses	-11 980	-9 450
Unrealised changes in value bonds and other interest-bearing securities	14 087	4 725
Total realised gain/loss in Other comprehensive income	2 107	-4 725
Total	-4 648	-14 555

According to FI's accounting regulations, exchange rate effects should be reported as net profit from financial transactions and not as other income.

Note 5 Geographic Distribution of Income

Geographic distribution of income 2021	Sweden	Norway	Denmark	Total
Interest income	1 982 580	874 158	333 033	3 189 771
Interest expenses	-134 152	-72 329	-13 200	-219 681
Commission income	594 286	130 199	26 317	750 803
Commission expenses	-298 051	-105 811	-21 347	-425 209
Other operating income	35 399	34 700	606	70 706
Total	2 180 062	860 918	325 409	3 366 390

Geographic distribution of income 2020	Sweden	Norway	Denmark	Total
Interest income	1 984 551	1 016 350	383 632	3 384 533
Interest expenses	-138 658	-115 829	-6 648	-261 136
Commission income	591 733	148 372	30 462	770 567
Commission expenses	-308 153	-123 246	-23 833	-455 231
Other operating income	5 287	9 714	-1 448	13 553
Total	2 134 760	935 361	382 165	3 452 286

Note 6 Staff Costs

TSEK	2021	2020
Salaries and other remuneration	-274 792	-263 087
Variable pay	-48 777	-46 669
Pension costs	-70 215	-71 263
Social insurance charges	-91 670	-86 264
Education costs	-2 162	-2 866
Other staff costs	-56 924	-69 806
Total	-544 539	-539 955

Salaries, other remunerations and variable pay	2021	2020
Board of Directors, CEO, other senior management	-33 209	-30 588
Other employees in Sweden	-158 690	-143 799
Other employees in Norway	-109 149	-115 099
Other employees in Denmark	-22 521	-20 271
Total	-323 569	-309 757

No compensation were paid to the Board in 2021.

Remuneration to the Board of Directors, CEO and other Senior Executives 2021	Fixed income, wages	Variable pay	Other remunerations and benefits	Pension expenses
CEO, Freddy Syversen (01.01.2021 - 31.8.2021)	-3 100	-2 104	-251	-632
CEO, Jan Haglund (01-09-2021 -- 31-12-2021)	-3 348	-650	-11	-111
Group Management	-18 056	-5 951	-665	-5 456
Total	-24 504	-8 705	-927	-6 199

Remuneration to the Board of Directors, CEO and other Senior Executives 2020	Fixed income, wages	Variable pay	Other remunerations and benefits	Pension expenses
CEO, Freddy Syversen	-3 317	-2 231	-392	-3 100
Group Management, 10 persons	-19 962	-4 100	-586	-5 910
Total	-23 279	-6 331	-978	-9 010

Information Regarding Senior Executive's

Senior executives are the CEO, as well as members of the Management (Executive Committee). Outstanding loans and credit facilities to senior executives has not been disclosed, since they do not amount to any material amounts.

The company has not pledged any assets or other collateral or committed to contingent liabilities on behalf of any senior executives.

Terms of Employment for the Former Chief Executive Officer

The employment contract of the former CEO has been automatically terminated upon reaching the age of 62 years, i.e. on June 19, 2021. However, he accepted to continue in the CEO role until the new CEO joined on Sept. 1, 2021. From Sept. 1, 2021 until December 31, 2021, the former CEO acted as a Senior Advisor to the newly appointed CEO.

The former CEO is part of the collective defined contribution pension scheme, and has a supplementary defined contribution agreement.

Terms of Employment for the New Chief Executive Officer

The CEO is covered by occupational pension, BTP1 and is eligible for an additional individual pension scheme of 35% of the part of the base salary exceeding the compensation cap of the BTP1 cap. The employment agreement can be terminated by Entercard and the CEO subject to 6 months notice. The CEO is entitled to a severance pay corresponding to 12 months salary, payable in 12 monthly installments over 12 months, after the expiry date of the notice period. The severance pay is not pensionable and gives no entitlement for additional holiday pay. Should the CEO start a new employment during the 12 month period where the severance pay is paid, the severance pay will be reduced with 50% from the start date of a new activity.

Average number of employees based on 1920 hours per employee	2021	2020
Entercard Group AB, Sweden	274	280
Entercard Norway, branch of Entercard Group AB	154	162
Entercard Denmark, branch of Entercard Group AB	24	24
Total	452	466
Number of hours worked (thousands)	893	895

Employee turnover was 13,8 %

	2021		2020	
Distribution by gender, percent	Female	Male	Female	Male
All employees	54%	46%	57%	43%
Board of Directors	25%	75%	38%	62%

Statement of Entercard's Compensation 2021

The Company's overall approach to compensation is that that the total compensation must be competitive and conform to market conditions as well as aligned with the requirements in the collective agreements. It also reflects the fundamental values of the Company: passionate, innovative, genuine, and supports the Company's business strategy, targets, long-term interests and vision.

As far as possible, the total compensation should be individually determined based on the employee's role, corporate grade, competence and experience as well as the contribution to the business, both when it comes to the performance (the "WHAT") and behavior (the "HOW"). The compensation process secures a healthy balance between fixed and variable pay, with a maximum percentage of 0% to 50% of the base salary, based on respective corporate grades. The Company believes it is important that compensation works as an incentive for value-creation for the benefit of the long-term sustainable growth of the Company, with a balanced approach to risk-taking, employee satisfaction and well-being, and long-term customer and shareholder value.

The variable pay is linked to individual employee targets and the Company's overall performance. The Board of Directors has the right to take a discretionary decision on whether a part of the variable pay that has been promised, should be held back. Whilst the guiding principle is to reward performance, it is possible that the total variable pay could be set to zero under specific circumstances.

The Company diverges on the variable pay for Identified staff, i.e. staff whose professional activities have a material impact on the business' risk profile. The variable pay program is cash based and the employees do not receive shares in the Company.

Remuneration Committee

The Remuneration Committee is established by the Board of Directors of the Company, and is responsible for preparing, assessing and proposing principles for compensation. The Board of Directors of the Company appoints members of Remuneration Committee, two board members amongst whom the chair alternates; and two representatives of the shareholders, one of whom is a representative of Barclays Principal Investment Limited and one of whom is a representative of Swedbank AB. The representatives shall possess proven experience of remuneration and risk analysis in order to assess if the remuneration scheme is appropriate, and in line with targets, risk tolerance and long-term sustainability.

The Committee convenes three times/year, or with the frequency decided by the chair. During 2021 the Remuneration Committee has had 3 meetings.

Decision-making Process

The principles of variable pay are governed in the Remuneration Policy. This policy is approved by the Board of Directors and includes all employees of the Company. The Chief of Staff is responsible for a recommendation to the Remuneration Committee of any applicable and necessary amendments and additions to the Remuneration Policy, based on a risk-analysis, and on input from the CEO, the Executive Committee, Risk Control, Compliance and Internal Audit. Based on the recommendation of the Remuneration Committee, the Board of Directors will endorse the Remuneration Policy.

Principles of Deferred Payment

For employees identified as Identified staff, 50% of the variable pay will be deferred over a period of two years. The deferred component is not awarded to the employee, until defined conditions have been satisfied by the Remuneration Committee, and confirmed by the Board. The deferred portion is paid out in cash.

Pension Commitment

The number of employees covered by the Entercard benefit scheme as of 31 December 2021 is 84, as well as 3 pensioners and disabled employees.

	2021	2020
TSEK	Norway	Norway
Net pension cost/revenue	-20 105	-19 503
Net pension cost/revenue (over OCI)	13 430	6 708

Economic assumptions	2021	2020
Discount rate	1,9%	1,5%
Expected annual salary increase	2,8%	2,0%
Expected annual G-adjustment	2,5%	1,8%
Social security tax	14,1%	14,1%

Actuary assumptions	2021	2020
Applied mortality table	K2013BE	K2013BE
Applied disability tariff	IR02	IR02

Net pension cost defined benefit pension	2021	2020
Net pension liabilities/assets 2021.01.01	-41 579	-49 571
Net pension cost	-20 105	-19 503
Payment	23 425	15 937
Estimation difference loss/gain	13 430	6 708
Exchange rate differences	-3 124	4 850
Total	-27 953	-41 579

Composition of pension assets in percent	2021	2020
Stocks	9,2%	6,8%
Short term bonds	19,7%	20,0%
Money market	8,7%	11,0%
Long term bonds	27,6%	30,9%
Deposits and receivables	20,1%	16,8%
Real estate	14,2%	13,0%
Other	0,5%	1,5%

When the Company calculates the cost and provision of defined benefit pension plan, future assumptions and the pension plan are considered. If the outcome diverges from the calculation, or if assumptions changes, actuarial gains or losses arise. In Norway employees employed before November 1, 2016 have a defined benefit plan, and all new employees joining after November 1, 2016, are offered a defined contribution plan. Some employees who have joined the Company in Norway earlier than November 1, 2016 have voluntarily moved to the defined contribution plan. In Sweden all new employees have a defined contribution plan, with the exception of employees who joined the company before February 1, 2013, who had a defined benefit plan. In Denmark, all employees have a defined contribution plan.

The defined contribution plan means that the employee is entitled to a lifelong pension that corresponds to a certain percent of the annual salary and mainly consists of retirement pension, early retirement and survivor's pension. The defined contribution plan contains a completion to the age retirement pension that is settled in favor for the fees and not preferential. The Company’s defined benefit plans are settled through purchases of occupational pension insurances by the external pension scheme provider, and based on agreed rules. The total cost for paid pension for defined contribution plans in 2021 is TSEK 42 038 (for Norway TSEK 8 422, Denmark TSEK 2 356 and for Sweden TSEK 31 260).

Note 7 Other General Administrative Expenses

TSEK	2021	2020
IT expenses	-287 583	-301 299
Telecommunication, postage	-5 641	-6 218
Travel, representation	-2 673	-4 910
Advertising, public relations, marketing	-178 297	-165 145
Expenses for premises	-53 230	-51 299
Card expenses	-33 058	-35 697
Other operating expenses	-158 991	-164 769
Other expenses	-43 942	-56 073
Total	-763 414	-785 411

According to agreement Entercard pays Swedbank AB for IT-services as well as other administrative services to the amount of TSEK 9 368,6 (7 975,0).

Remuneration to the auditors	2021	2020
PwC		
- Audit engagement	-3 441	-2 644
- Tax consultancy		
-Other	-1 341	-3 283
Total	-4 782	-5 927

Remuneration to the auditors	2021	2020
KPMG AB		
- Audit engagement	-	-684
- Tax consultancy	-	-44
-Other	-	-249
Total	-	-977

Note 8 Depreciation and Impairments of Tangible and Intangible Assets

TSEK	2021	2020
Depreciation of tangible assets	-2 580	-2 862
Depreciation of intangible assets	-21 269	-35 078
Impairment tangible and intangible assets	-	-
Total	-23 849	-37 940

Tangible assets useful life are 5 years for furnitures and 3 years for IT-related inventory. The useful life of intangible assets are evaluated to 4 years for projects and 3 years for licenses.

Note 9 Loan Losses, Net

TSEK	2021	2020
Loans at amortized cost		
Change in provisions - stage 1	171 398	-265 171
Change in provisions - stage 2	74 886	8 739
Change in provisions - stage 3	-618 940	-391 348
Total	-372 657	-647 780
The year's write-off for established loan losses	-634 532	-769 620
Recoveries from previously established loan losses	7 065	14 248
Total	-627 468	-755 372
Loan losses net, loans at amortized cost	-1 000 124	-1 403 151
Provisions for commitments, credit limits granted but not utilized		
Change in provisions - stage 1	1 895	3 946
Change in provisions - stage 2	-4 041	405
Change in provisions - stage 3	-	-
Loan losses net, loan commitments	-2 146	4 351
Total loan losses, net	-1 002 271	-1 398 800

Note 10 Tax

Current tax	2021	2020
Tax current year	-226 619	-162 354
Tax adjustment previous years	39 300	-859
Deferred tax	751	5 537
Total	-186 568	-157 676

	2021		2020	
Reconciliation of tax	TSEK	percent	TSEK	percent
Profit before tax	1 032 317		690 181	
Tax expense booked	-186 568	-18,07	-157 676	-22,85
Tax according to current tax-rate, 20,6%	-212 657	-20,60	-147 699	-21,40
Clarification of difference	26 089	2,53	-9 977	-1,45
Non-deductible expenses	-1 062	-0,10	-1 029	-0,15
Non-taxable income	-	-	1 992	0,29
Tax- attributable to previous years	39 300	3,81	-859	-0,12
Divergent tax rate	-12 149	-1,18	-13 199	-1,91
Other	-	-	-2 419	-0,35
Temporary variance	-	-	5 537	0,80
Accounted tax	-186 568	-18,07	-157 676	-22,85

Tax recorded in Other comprehensive income	2021	2020
Tax pensions	-2 767	-1 382
Unrealised change in fair value	-3 631	-506
Current tax attributable to translation differences from foreign operation	-23 146	45 900
Total	-29 544	44 013

Foreign tax not deducted from which deferred tax is not reported	2021	2020
Foreign tax not deducted	12 878	12 693
Total	12 878	12 693

Deferred tax assets	Opening balance	Income statement	Other comprehensive income	Exchange rate differences	Closing balance
Provisions for pensions	8 565	-40	-2 767	-	5 758
Tangible/intangible assets	6 998	792		-	7 789
Total deferred tax assets	15 563	751	-2 767	-	13 548

Note 11 Deposits

TSEK	2021	2020
Swedish banks	4 446 056	4 570 206
Foreign banks	-	-
Total	4 446 056	4 570 206

Deposits measured at amortized cost.

Note 12 Loans to the Public, Net

TSEK	2021	2020
Swedish public	22 304 079	21 634 894
Foreign public	8 170 193	9 544 085
Total	30 474 272	31 178 979

Loans to the public measured at amortized cost.

Note 13 Loans to the Public and Deposits, Provisions for Expected Credit Losses

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

TSEK	2021	2020
Credit facilities, granted but not paid	104 109	75 135
Credits granted but not utilized	42 953 656	42 284 523
Provisions for off-balance commitments		
Stage 1	23 936	25 240
Stage 2	7 528	3 393
Stage 3	-	-
Total	31 465	28 632

Allocation of loans between stages and provisions

	2021	2020
Deposits		
Stage 1		
Book value, gross	4 446 056	4 570 206
Provisions	-	-
Total book value	4 446 056	4 570 206
Loans to the public, private customers		
Stage 1		
Book value, gross	26 973 345	28 058 604
Provisions	-485 448	-650 954
Book value	26 487 897	27 407 650
Stage 2		
Book value, gross	2 432 613	2 533 874
Provisions	-415 083	-481 200
Book value	2 017 531	2 052 674
Stage 3		
Book value, gross	3 636 955	2 801 974
Provisions	-2 062 891	-1 383 569
Book value	1 574 064	1 418 405
Total book value	30 079 492	30 878 728
Loans to the public, corporate customers		
Stage 1		
Book value, gross	395 544	297 075
Provisions	-4 039	-260
Book value	391 505	296 815
Stage 3		
Book value, gross	6 814	8 107
Provisions	-3 539	-4 671
Book value	3 275	3 436
Total book value	394 780	300 251
Total	34 920 328	35 749 185
Book value gross, stage 1	27 368 889	28 355 679
Book value gross, stage 2	2 432 613	2 533 874
Book value gross, stage 3	3 643 769	2 810 081
Total book value gross	33 445 271	33 699 634
Provisions stage 1	-489 487	-651 214
Provisions stage 2	-415 083	-481 200
Provisions stage 3	-2 066 430	-1 388 240
Total provisions	-2 971 000	-2 520 655
Total book value	30 474 272	31 178 979
Share of loans in stage 3, gross, %	10,89%	8,34%
Share of loans in stage 3, net, %	5,17%	4,55%
Provision ratio of loans stage 1	1,79%	2,30%
Provision ratio of loans stage 2	17,06%	18,99%
Provision ratio of loans stage 3	56,71%	49,40%
Total provision ratio of loans	8,88%	7,48%

Change in book value, gross, and provisions 2021

	Performing loans		Non-performing loans	
Book value, gross	Stage 1	Stage 2	Stage 3	Total
Book value, gross, January 1, 2021	28 355 679	2 533 874	2 810 081	33 445 271
Book value, gross, December 31, 2021	27 368 889	2 432 613	3 643 769	33 445 271
Provisions for loans to the public and deposits				
Provisions January 1, 2021	-651 214	-481 200	-1 388 240	-2 520 655
New and derecognised financial assets, net	-34 296	66 983	310 409	343 096
Change in credit risk	61 612	8 015	-197 830	-128 202
Transfer between stages during the period				
from stage 1 to stage 2	59 554	-252 376	-	-192 822
from stage 1 to stage 3	44 787	-	-492 908	-448 121
from stage 2 to stage 1	-18 283	101 455	-	83 171
from stage 2 to stage 3		143 365	-293 724	-150 359
from stage 3 to stage 1	-182		3 177	2 995
from stage 3 to stage 2	-	-1 324	3 154	1 830
*Other	48 536	-	-10 469	38 067
Provisions December 31, 2021	-489 487	-415 083	-2 066 430	-2 971 000
Book value				
Opening balance January 1, 2021	27 704 465	2 052 674	1 421 840	31 178 979
Closing balance December 31, 2021	26 879 402	2 017 531	1 577 339	30 474 272

*Overlay forward flows related to in-month debt sales, overlay to reflect in-month new bookings of customers and FX rates fluctuations.

Change in book value, gross, and provisions 2020

	Performing loans		Non-performing loans	
Book value, gross	Stage 1	Stage 2	Stage 3	Total
Book value, gross, January 1, 2020	28 711 600	2 908 225	2 345 283	33 965 108
Book value, gross, December 31, 2020	28 355 679	2 533 874	2 810 081	33 699 634
Provisions for loans to the public and deposits				
Provisions January 1, 2020	-412 464	-511 350	-1 043 719	-1 967 533
New and derecognised financial assets, net	-168 981	106 659	84 075	21 753
Change in credit risk	-31 678	-612	47 843	15 554
Transfer between stages during the period				
from stage 1 to stage 2	38 553	-261 783	-	-223 230
from stage 1 to stage 3	20 278	-	-317 967	-297 689
from stage 2 to stage 1	-23 343	102 733	-	79 390
from stage 2 to stage 3		83 929	-145 908	-61 979
from stage 3 to stage 1	-169		4 658	4 489
from stage 3 to stage 2	-	-1 082	2 694	1 612
*Other	-73 410	305	-19 916	-93 022
Provisions December 31, 2020	-651 214	-481 200	-1 388 240	-2 520 655
Book value				
Opening balance January 1, 2020	28 299 136	2 396 875	1 301 564	31 997 575
Closing balance December 31, 2020	27 704 465	2 052 674	1 421 840	31 178 979

Change in book value, gross, 2021

Book value, gross	Performing loans Stage 1	Performing loans Stage 2	Non-performing loans Stage 3	Total
Book value, gross, January 1, 2021	28 355 679	2 533 874	2 810 081	33 699 634
New and derecognised financial assets, net	827 963	-322 195	-585 839	-80 072
Change in credit risk	-280 958	-40 588	-44 483	-366 029
Transfer between stages during the period				
from stage 1 to stage 2	-1 487 716	1 533 122	-	45 406
from stage 1 to stage 3	-915 666	-	922 954	7 288
from stage 2 to stage 1	622 561	-722 928	-	-100 367
from stage 2 to stage 3		-555 765	554 877	-887
from stage 3 to stage 1	6 812		-7 009	-196
from stage 3 to stage 2	-	7 093	-7 469	-376
*Other	240 213	-	657	240 870
Book value				
Closing balance December 31, 2021	27 368 889	2 432 613	3 643 769	33 445 271

*Overlay forward flows related to in-month debt sales, overlay to reflect in-month new bookings of customers and FX rates fluctuations.

Change in book value, gross, 2020

Book value, gross	Performing loans Stage 1	Performing loans Stage 2	Non-performing loans Stage 3	Total
Book value, gross, January 1, 2020	28 711 600	2 908 225	2 345 283	33 965 108
New and derecognised financial assets, net	3 398 574	-564 234	-195 193	2 639 147
Change in credit risk	-2 402 652	-76 422	-231 394	-2 710 468
Transfer between stages during the period				
from stage 1 to stage 2	-1 486 614	1 463 844	-	-22 770
from stage 1 to stage 3	-665 243	-	647 395	-17 849
from stage 2 to stage 1	604 687	-751 984	-	-147 297
from stage 2 to stage 3		-225 333	206 189	-19 144
from stage 3 to stage 1	4 712		-5 206	-495
from stage 3 to stage 2	-	6 774	-7 292	-518
*Other	190 615	-226 997	50 299	13 917
Book value				
Closing balance December 31, 2020	28 355 679	2 533 874	2 810 081	33 699 634

Note 14 Bonds and Other Interest-bearing Securities

Financial assets measured at fair value through other comprehensive income

Issuers	2021	2020
Swedish municipalities	1 915 820	893 182
Swedish covered bonds	206 500	207 654
Foreign credit institutions	109 070	76 490
Foreign mortgage institutions	513 689	436 927
Other foreign issuers	130 364	263 951
Total	2 875 442	1 878 204

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

Remaining maturity	2021	2020
Maximum 1 year	130 364	104 536
Longer than 1 year but maximum 5 years	2 013 982	1 773 668
Longer than 5 years	731 096	
Total	2 875 442	1 878 204

Total holdings of financial assets, broken down by issuer	2021	2020
Issued by public entities	2 046 184	1 157 133
Issued by other borrowers	829 258	721 071
Total	2 875 442	1 878 204
Average remaining maturity, years	3,09	2,71
Average remaining fixed interest term, years	0,46	0,46
of which listed securities	*2 875 442*	*1 878 204*
of which unlisted securities	-	-

Note 15 Intangible Assets

TSEK	2021	2020
Opening balance	359 931	369 090
Additions through internal development	428	4 997
Exchange differences	9 732	-14 156
Closing balance	370 089	359 931
Opening balance accumulated depreciation	-318 636	-295 199
Depreciations for the year	-21 269	-35 078
Exchange differences	-8 989	11 642
Closing balance	-348 894	-318 636
Carrying amount	21 197	41 296
Where of capitalised development projects	*21 197*	*41 296*

Note 16 Operational Leasing

Operational leasing contracts allocated on the due dates.

TSEK	< 1 Year	1-5 Years	> 5 Years	2021 Total	2020 Total
Total combined amount of future minimum lease payments that relate to non-cancellable agreements	44 401	96 116		140 517	115 364
Total	44 401	96 116	-	140 517	115 364

Leasing contracts include rent of premises, company cabins, car leasing and IT-equipment.

Operational leasing cost for the financial year allocated on categories

	2021	2020
Premises	40 779	39 896
Company Cabins in Trysil	1 182	1 088
Car leasing	1 173	1 154
IT equipment	2 089	2 685
Total	45 224	44 822

Note 17 Tangible Assets

TSEK	2021	2020
Opening balance	42 405	42 883
Additions	91	140
Exchange differences	566	-617
Closing balance	43 062	42 405
Opening balance depreciations	-37 541	-35 017
Sales and disposal	-2 580	-2 862
Exchange differences	-450	338
Closing balance	-40 571	-37 541
Carrying amount	2 491	4 864

Tangible assets consists of machinery and equipment.

Note 18 Other Assets

TSEK	2021	2020
Account receivables*	37 766	65 077
Tax receivables	173 897	36 046
Card network receivable	73 487	30 513
Other receivables	57 039	66 383
Total	342 189	198 020

*Financial assets measured at amortized cost

Note 19 Prepaid Expenses and Accrued Income

TSEK	2021	2020
Accrued interest income	2 721	2 037
Prepaid expenses (IT, licenses etc.)	58 028	61 779
Other prepaid expenses and accrued income	11 554	10 691
Total	72 302	74 507

Note 20 Amounts Owed to Credit Institutions

TSEK	2021	2020
Swedish banks	15 601 799	15 470 368
Foreign banks	15 601 799	15 470 368
Total	31 203 598	30 940 736

Liabilities to credit institutions measured at amortized cost

Note 21 Other Liabilities

TSEK	2021	2020
Accounts payable*	65 083	46 598
Income tax liabilities	78 388	23 227
Other liabilities*	46 867	73 002
Total	190 337	142 827

*Financial liabilities measured at amortized cost

Note 22 Accrued Expenses and Prepaid Income

TSEK	2021	2020
Accrued interest expenses	748	736
Accrued staff expenses	108 542	106 506
Other accrued expenses and prepaid income	160 202	146 188
Total	269 492	253 430

Note 23 Assets Pledged and Contingent Liabilities

TSEK	2021	2020
Assets pledged		
Assets pledged	None	None
Contingent liabilities		
Nominal amounts		
Contingent liabilities	None	None
Commitments		
Nominal amounts		
Credit card limits granted but not utilised	42 953 656	42 284 523

Note 24 Assets and Liabilities in Foreign Currency

	2021 All country values presented in SEK			
Assets	SEK	NOK	DKK	Total
Deposits	3 137 203	725 949	582 904	4 446 056
Loans to the public, net	22 304 079	5 945 453	2 224 740	30 474 272
Bonds and other interest-bearing securities	1 750 606	994 472	130 364	2 875 442
Other assets	280 627	157 431	13 669	451 727
Total assets	27 472 515	7 823 305	2 951 677	38 247 497
Liabilities				
Amounts owed to credit institutions	22 200 000	6 472 003	2 531 595	31 203 598
Other liabilities, including equity/branch capital	5 272 515	1 351 302	420 082	7 043 899
Total liabilities	27 472 515	7 823 305	2 951 677	38 247 497

	2020			
Assets	SEK	NOK	DKK	Total
Deposits	3 333 959	968 081	268 166	4 570 206
Loans to the public, net	21 634 894	7 132 133	2 411 952	31 178 979
Bonds and other interest-bearing securities	1 069 254	704 415	104 536	1 878 204
Other assets	181 130	138 115	15 005	334 249
Total assets	26 219 237	8 942 744	2 799 659	37 961 639
Liabilities				
Amounts owed to credit institutions	21 700 000	6 956 156	2 284 579	30 940 736
Other liabilities including equity	4 519 237	1 986 587	515 079	7 020 903
Total liabilities	26 219 237	8 942 744	2 799 659	37 961 639

Note 25 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 standardized 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. During 2021, Entercard was granted a permanent approval to exempt certain structural currency positions from the calculation of the capital requirement, namely such positions that has been taken deliberately in order to hedge the capital ratio against adverse changes in the currency rates. Before, Entercard had a temporary approval until December 31st 2021.

Entercard uses the alternative standardized approach for calculating the capital requirements for operational risk. The approval for calculating the own funds requirement for operational risk using the alternative standardized approach was granted by the SFSA in December of 2021.

The combined buffer requirement is a requirement to hold a capital conservation buffer of 2,5 percent of the risk-weighted exposure amount. The buffer requirement also includes a countercyclical buffer, which currently amounts to 0,2 percent of the risk-weighted exposure amount. Supervisory authorities in Sweden, Norway and Denmark have communicated that they will increase the countercyclical buffer rate to 1%, 2% and 2%, respectively in 2022.

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, 2021, the internal capital requirement amounted to 13,3 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) 2021 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

Common Equity Tier 1 Capital: Instruments and reserves	2021	2020
Capital instrument and associated share premium	5 000	5 000
Retained earnings	6 061 858	6 529 354
Accumulated other comprehensive income	-387 956	-512 423
Profit net, after deduction of foreseeable cost's and dividend's, verified by auditors	-954 251	-467 496
Common Equity Tier 1 Capital before adjustments	4 724 651	5 554 435
Value adjustments due to the requirements for prudent valuation	-3 022	-1 268
Intangible assets	-21 197	-41 296
Deferred tax assets that rely on future profitability and arise from temporary differences	-13 548	-15 563
Negative values associated to expected losses		
Losses current year		
Total adjustments of Common Equity Tier 1 Capital	-37 767	-58 126
Common Equity Tier 1 Capital	4 686 884	5 496 309
Additional Tier 1 Capital: instruments	-	-
Tier 1 Capital	4 686 884	5 496 309

Tier 2 Capital: Instruments and provisions	2021	2020
Capital instrument and associated share premium	5000	5000
Credit value adjustments	-	-
Tier 2 Capital before adjustments	-	-
Total adjustments of Common Equity Tier 2 Capital	-	-
Tier 2 Capital	-	-
Total Capital	4 686 884	5 496 309
Total risk exposure amount	26 703 616	30 222 740

Common Equity Tier 1 capital ratio	17,6%	18,2%
Tier 1 capital ratio	17,6%	18,2%
Total capital ratio	17,6%	18,2%

Requirements buffers, %	2021	2020
Total Tier 1 capital requirement including buffer requirement	7,2	7,2
whereof minimum CET1 requirement	*4,5*	*4,5*
whereof capital conservation buffer requirement	*2,5*	*2,5*
whereof countercyclical capital buffer requirement	*0,2*	*0,2*
Common Equity Tier 1 capital available to be used as buffer	10,4	11,0
Leverage ratio	11,0	13,1

Risk exposure amount and own funds requirements

Exposure classes	2021 Risk exposure amount	2021 Own funds requirement	2020 Risk exposure amount	2020 Own funds requirement
Institutional exposures	889 271	71 142	914 051	73 124
Covered bonds	72 019	5 762	64 458	5 157
Retail exposures	21 631 795	1 730 544	22 285 364	1 782 829
Regional governments or local authorities exposures	1 913	153	1 438	115
Corporate exposures	2 756	220	2 345	188
Exposures in default	1 577 339	126 187	1 427 787	114 223
Other exposures	416 982	33 359	276 378	22 110
Total	24 592 075	1 967 366	24 971 821	1 997 746

	2021	2020
Total capital requirement for credit risk according to the standardised approach	1 967 366	1 997 746

Capital requirements for operational risk	2021	2020
Risk exposure amount	1 882 696	5 068 212
Capital requirements according to the standardised approach	150 616	405 457
Total Capital requirement for operational risk	150 616	405 457

Capital requirements for market risk (foreign exchange risk)	2021	2020
Risk exposure amount foreign currency risk	228 845	182 707
Capital requirements according to the alternative standardised approach	18 308	14 617
Total Capital requirement for market risk	18 308	14 617

Capital requirements for settlement risk	-	-
Capital requirements for credit value adjustment (CVA) risk	-	-
Total Capital requirements	2 136 289	2 417 819

Internal capital requirement

	2021		2020	
Capital requirement according to Pillar 1	TSEK	% of *REA	TSEK	% of *REA
Credit risk	1 967 366	7,4	1 997 746	6,6
Market risk	18 308	0,1	14 617	-
Operational risk	150 616	0,6	405 457	1,3
Settlement risk	-	-	-	-
Credit value adjustment (CVA) risk	-	-	-	-
Total capital requirement according to Pillar 1	2 136 289	8,0	2 417 819	8,0
Capital requirement according to Pillar 2				
Other capital requirement	433 096	1,6	268 300	0,9
Total capital requirement according to Pillar 2	433 096	1,6	268 300	0,9
Combined buffer requirement				
Countercyclical buffer	52 857	0,2	71 152	0,2
Capital conservation buffer	667 590	2,5	755 569	2,5
Total combined buffer requirement	720 448	2,7	826 720	2,7
Management buffer				
Additional management buffer	267 036	1,0	302 227	1,0
Total management buffer	267 036	1,0	302 227	1,0
Internal capital requirement				
Total capital requirement	3 556 869	13,3	3 815 067	12,6
Capital base				
Total capital base	4 686 884	17,6	5 496 309	18,2

*REA - Risk exposure amount

Note 26 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	
Assets	2021	2020	2021	2020
Deposits	4 446 056	4 570 206	-	-
Other assets	1 294	997	-	-
Total	4 447 350	4 571 202	-	-
Liabilities				
Amounts owed to credit institutions	15 601 799	15 470 368	15 601 799	15 470 368
Other liabilities	17 740	11 527	13 007	9 699
Total	15 619 539	15 481 895	15 614 806	15 480 067
Income and expenses				
Interest income	-4 425	-326	-	-
Interest expenses	-85 749	-121 097	-85 756	-121 013
Commission income	93 490	92 490	-	-
Commission expenses	-4 461	-4 810	-	-
Other expenses	-9 369	-7 975	-	-
Total	-10 514	-41 718	-85 756	-121 013

Note 27 Classification and Valuation of Financial Assets and Liabilities

2021

Assets	Amortized cost	Measured at fair value through other comprehensive income	Other financial liabilities	Non-financial assets and liabilities	Book value	Fair value
Deposits	4 446 056	-	-	-	4 446 056	4 446 056
Loans to the public, net	30 474 272	-	-	-	30 474 272	30 474 272
Bonds and other interest-bearing securities	-	2 875 442	-	-	2 875 442	2 875 442
Other assets	323 730	-	-	55 694	379 425	379 425
Prepaid expenses and accrued income	72 302	-	-	-	72 302	72 302
Total assets	35 316 360	2 875 442	-	55 694	38 247 497	38 247 497
Liabilities						
Amounts owed to credit institutions	31 203 598	-	-	-	31 203 598	31 203 598
Other liabilities	-	-	216 431	1 860	218 291	218 291
Accrued expenses and prepaid income	-	-	269 492	-	269 492	269 492
Other provisions	31 465	-	-	-	31 465	31 465
Total liabilities	31 235 062	-	485 923	1 860	31 722 846	31 722 846

2020

Assets	Amortized cost	Measured at fair value through other comprehensive income	Other financial liabilities	Non-financial assets and liabilities	Book value	Fair value
Deposits	4 570 206	-	-	-	4 570 206	4 570 206
Loans to the public, net	31 178 979	-	-	-	31 178 979	31 178 979
Bonds and other interest-bearing securities	-	1 878 204	-	-	1 878 204	1 878 204
Other assets	134 904	-	-	63 116	198 020	198 020
Prepaid expenses and accrued income	74 507	-	-	-	74 507	74 507
Total assets	35 958 596	1 878 204	-	63 116	37 899 916	37 899 916
Liabilities						
Amounts owed to credit institutions	30 940 736	-	-	-	30 940 736	30 940 736
Other liabilities	-	-	140 971	1 855	142 827	142 827
Accrued expenses and prepaid income	-	-	253 430	-	253 430	253 430
Other provisions	28 632	-	-	-	28 632	28 632
Total liabilities	30 969 368	-	394 401	1 855	31 365 624	31 365 624

Note 28 Specifications of Adjustments for Non-cash Items

TSEK	2021	2020
Depreciation/amortization of tangible and intangible assets	23 849	37 940
Unrealised value change of financial assets	4 591	-7 403
Change of expected credit losses	381 476	654 120
Change in prepaid expenses and accrued income	4 366	-552
Change in accrued expenses and prepaid income	5 360	-36 928
Other	-2 832	-
Total	416 809	647 177

Note 29 Proposal for the Treatment of Current Year's Earnings (SEK)

The following profits are available for appropriation at the annual general meeting

SEK	2021	2020
Retained earnings	5 652 705 719	5 975 635 025
Current year's net profit/loss	845 748 691	532 504 482
Total	6 498 454 410	6 508 139 507

The Board of Directors propose:		
dividends	1 800 000 000	1 000 000 000
to be carried forward	4 698 454 410	5 508 139 507
Total	6 498 454 410	6 508 139 507

Note 30 Significant Events after the Year End

As was mentioned previously, the fluctuating condition of the Covid-19 pandemic was a dominant factor for Entercard and its customers during 2021. As the year ended, there were ominous clouds over the world due to the emergence of the Omicron virus variant. However, as the first quarter of 2022 comes to a close, a significant reversal of circumstances is prevailing in many countries. Several nations have eliminated nearly all Covid restrictions. The countries that have yet to completely do away with restrictions have indicated that in the near-period ahead further relaxations to the restrictions are forecasted.

This current set of events provides strong indication that the pandemic is nearly over, which makes it possible more mobility and economic activity. This is a positive development for Entercard and its customers. However the circumstance progress, Entercard will continue to provide financial products and services to help customers successfully manage their everyday lives.

Since the war in Ukraine arose in late February, several nations across the world have condemned Russia with severe sanctions. The progression of the ongoing conflict and the impact on markets is currently uncertain. The impact on Entercard is still unclear, however Entercard will continue to monitor the situation closely.

Note 31 Legal Ownership

Entercard is owned by Swedbank (60%) and Barclays Principal Investments Limited (40%) and is operated as a joint venture. The annual accounts of Swedbank AB and Barclays Principal Investments Limited are available on respective company's homepage, www.swedbank.com and www.barclays.co.uk.

Stockholm / 2022

Jan-Olof Brunila *Chairman*	Olof Erlandsson	Christian Kühn
Lena Smeby Udesen	Joseph Daniel Jessup	Tobias Griess *Vice Chairman*
Eva-Li Prades Eriksson *Employee representative*		John Einar Kjevik *Employee representative*
	Jan Haglund *Chief Executive Officer*	

Our auditors' report was submitted on / 2022

Öhrlings PricewaterhouseCoopers AB
(signature on original document)

Peter Nilsson

Authorized Public Accountant