

Interim Report

January - June 2025

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INTERIM REPORT FOR ENTERCARD GROUP AB

The Chief Executive Officer for Entercard Group AB hereby submits the Interim report for January 1 - June 30, 2025.

SUMMARY

Scope, Type of Operation and Ownership

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

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

Ownership

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

Significant Events during the Period

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

Quarterly performance

Operating income for the second quarter amounted to 743,7m SEK (compared to 727,1m SEK same period previous year). The quarter's operating profit amounted to 142,5m SEK (14,7m SEK).

Year to Date Earnings, Profitability and Position

Operating income as per June 30, 2025, amounted to 1 477,3m SEK (1 459,4m SEK). Total loans to the public without considering provisions of anticipated loan losses as per June 30, 2025, were 33 427,0m SEK (35 323,7m SEK).

Non-performing loans, after loan loss provisions, as per June 30, 2025, amounted to a book value of 2 060,5m SEK (1 598,7m SEK) which constitutes 6,8 (5,0) percent of the total credit portfolio.

Operating profit before tax amounted to 223,4m SEK (-84,2m SEK).

Investments

Investments in tangible assets amounted to 0,2m SEK during the period. Intangible assets increased with 19,2m SEK during the period. Entercard continuously assesses whether there are indications of diminished value for assets. The evaluation has shown that there is no need for impairment.

Significant Risks and Factors of Uncertainty

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

In addition to the above-mentioned uncertainties geo-political risks exists related to the war in Ukraine and the conflicts in Middle East.

Liquidity and Funding

Entercard's liquidity need is satisfied through credits and loans provided by the owners. Entercard's cash balance as per June 30, 2025 amounted to 2 942,6m SEK (2 779,7m SEK).

The liquidity reserve amounted to 2 533,5m SEK (1 571,9m SEK). Entercard Group AB's Liquidity Coverage Ratio (LCR) was 442 % (340 %). According to Entercard's interpretation of the Basel Committee's most recent proposal on Net Stable Funding Ratio (NSFR), Entercard's NSFR was 141 % (128 %).

As per June 30, 2025, the survival horizon, in a scenario with a very limited access to funding and significantly decreased inflows from customers, was 180 days for Entercard Group, to be compared with the risk appetite, decided by the Board of 60 days.

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

Capital Adequacy

Total capital ratio for Entercard as per June 30, 2025, was 18,8%. The total adjusted Tier 1 Capital base amounted to 5 127,3 SEK and the total risk exposure amount for credit risk was 23 607,5 SEK. Entercard applies the standardized approach to calculate the capital requirement for credit risk.

Audit Review

This report has not been reviewed by Entercard's auditors. Although, the company's result per June 30, 2025, have been subject for a general review.

Quarterly Performance

	2025	2024
TSEK	Q2	Q2
Interest income	896 498	995 522
Interest expenses	-280 430	-403 181
Net interest income	616 068	592 341
Commission income	227 520	225 177
Commission expenses	-112 344	-104 264
Net commissions	115 176	120 913
Net gain/loss transactions from financial instruments	312	-627
Other income	12 131	14 442
TOTAL OPERATING INCOME	743 687	727 069
Staff costs	-138 759	-138 908
Other general administrative expenses	-240 680	-223 575
Total general administrative expenses	-379 439	-362 483
Depreciation/amortization and impairment of tangible and intangible assets	-2 213	-2 678
TOTAL OPERATING EXPENSES	-381 652	-365 161
Profit before loan losses	362 036	361 908
Loan losses, net	-216 307	-344 622
Swedish bank tax and resolution fees	-3 258	-2 547
OPERATING PROFIT	142 471	14 739
Tax expense	-31 437	-4 951
PROFIT/LOSS FOR THE YEAR	111 035	9 788

Statement of comprehensive income

	2025	2024
TSEK	Q2	Q2
Profit for the year recognized within the income statement	111 035	9 788
Components which will not be reclassified to the income statement		
Revaluation of defined-benefit pensions	-	-
Tax	-	-
Total	-	-
Components which have or will be reclassified to the income statement		
Unrealised changes in fair value	1 601	2 276
Exchange rate differences	-4 961	5 401
Tax	-	-
Total	-3 360	7 677
Total profit	107 675	17 465

Income Statement

TSEK	Note	2025	2024	2024
		Jan-June	Full Year	Jan-June
Interest income		1 813 646	3 965 822	2 001 703
Interest expenses		-572 665	-1 527 676	-804 621
Net interest income		1 240 981	2 438 146	1 197 082
Commission income		441 094	892 669	439 127
Commission expenses		-225 020	-421 183	-197 760
Net commissions		216 074	471 486	241 367
Net gain/loss transactions from financial instruments	2	294	-3 953	-2 747
Other income		19 974	59 355	23 669
TOTAL OPERATING INCOME		1 477 323	2 965 034	1 459 371
Staff costs		-289 643	-586 265	-290 751
Other general administrative expenses		-454 880	-901 830	-432 650
Total general administrative expenses		-744 523	-1 488 095	-723 401
Depreciation/amortization and impairment of tangible and intangible assets		-4 427	-10 027	-5 617
TOTAL OPERATING EXPENSES		-748 950	-1 498 122	-729 018
Profit before loan losses		728 374	1 466 912	730 353
Loan losses, net	3	-500 122	-1 163 950	-808 277
Swedish bank tax and resolution fees	9	-4 858	-12 594	-6 297
OPERATING PROFIT		223 394	290 368	-84 221
Tax expense		-49 591	-60 329	14 514
PROFIT/LOSS FOR THE YEAR		173 804	230 039	-69 707

Statement of Comprehensive Income

TSEK		2025	2024	2024
		Jan-June	Full Year	Jan-June
Profit for the year recognized within the income statement		173 804	230 039	-69 707
Components which will not be reclassified to the income statement				
Revaluation of defined-benefit pensions		-	-3 793	-
Tax		-	781	-
Total		-	-3 012	-
Components which have or will be reclassified to the income statement				
Unrealised changes in fair value	2	3 181	4 694	4 062
Exchange rate differences		-42 373	301	19 657
Tax		-	-71	-
Total		-39 192	4 924	23 719
Other comprehensive income		-39 192	1 912	23 719
Total profit		134 613	231 951	-45 988

Balance Sheet

Assets

TSEK	Note	2025	2024	2024
		30 June	31 Dec	30 June
Assets				
Deposits	4	2 942 605	2 799 482	2 779 704
Loans to the public	4	30 169 991	30 898 064	31 953 371
Bonds and other interest-bearing securities	5,6	2 533 546	1 740 924	1 571 931
Intangible assets		49 801	32 487	23 553
Tangible assets		16 107	18 825	20 162
Deferred tax assets		3 402	3 402	55 890
Other assets		228 263	395 179	152 521
Prepaid expenses and accrued income		139 120	64 242	109 810
TOTAL ASSETS		36 082 835	35 952 605	36 666 943

Liabilities and Equity

Liabilities

Amounts owed to credit institutions		30 460 413	30 457 789	31 447 575
Other liabilities		115 143	103 264	120 068
Accrued expenses and prepaid income		162 455	182 363	164 456
Pension provisions		4 867	4 449	5 698
Provisions		13 521	12 916	15 261
TOTAL LIABILITIES		30 756 400	30 760 781	31 753 058

Equity

Share capital		5 000	5 000	5 000
Fund for development expenditures		32 487	32 487	19 422
Reserves		-325 308	-286 117	-267 321
Retained earnings		5 614 257	5 440 454	5 156 784
TOTAL EQUITY		5 326 436	5 191 824	4 913 885
TOTAL LIABILITIES AND EQUITY		36 082 835	35 952 605	36 666 943

Statement of Changes in Equity

TSEK	Restricted equity		Non-restricted equity			Total Equity
	Share capital	Fund for development expenditures	*Foreign currency reserve	**Fair value reserve	Retained earnings	
Opening balance January 1, 2024	5 000	19 422	-286 924	-4 117	5 226 491	4 959 873
Profit/loss for the period			19 657	4 062	-69 707	-45 988
<i>of which recognized in income statement</i>					-69 707	-69 707
<i>of which recognized in other comprehensive income</i>			19 657	4 062	-	23 719
Closing balance June 30, 2024	5 000	19 422	-267 267	-55	5 156 784	4 913 885
<hr/>						
TSEK						
Opening balance January 1, 2024	5 000	19 422	-286 924	-4 117	5 226 491	4 959 873
Transfer to/from restricted equity		13 065			-13 065	-
Profit/loss for the year			1 372	3 552	227 027	231 951
<i>of which recognized in income statement</i>					230 039	230 039
<i>of which recognized in other comprehensive income</i>			301	4 694	-3 793	1 202
<i>of which tax recognized in other comprehensive income</i>			1 071	-1 142	781	710
Closing balance December 31, 2024	5 000	32 487	-285 552	-565	5 440 453	5 191 824
<hr/>						
TSEK						
Opening balance January 1, 2025	5 000	32 487	-285 552	-565	5 440 453	5 191 824
Profit/loss for the period			-42 373	3 181	173 804	134 613
<i>of which recognized in income statement</i>			-	-	173 804	173 804
<i>of which recognized in other comprehensive income</i>			-42 373	3 181	-	-39 192
Closing balance June 30, 2025	5 000	32 487	-327 925	2 616	5 614 257	5 326 436

*Currency translation reserve from revaluation of the branches

**Fair value changes of the bond portfolio

Statement of Cash Flow

TSEK	2025	2024	2024
	Jan-June	Full Year	Jan-June
Operating activities			
Operating profit/loss	223 394	290 368	-84 221
Adjustments for non-cash items	-193 721	197 565	117 111
Taxes paid	-87 605	-11 860	38 015
Cash flow from operating activities before working capital changes	-57 932	476 073	70 905
Changes in working capital			
Increase/decrease in loans to the public	629 632	1 122 756	155 814
Increase/decrease of bonds and other interest-bearing securities	-806 861	-205 458	-22 606
Increase/decrease in other assets	211 390	-131 030	102 027
Increase/decrease in other liabilities	7 115	-39 202	-38 894
Cash flow from changes in working capital	41 276	747 065	196 341
Investing activities			
Purchase of intangible assets	-19 197	-17 974	-7 336
Purchase of tangible assets	-199	-3 514	-2 945
Cash flow from investing activities	-19 396	-21 488	-10 281
Financing activities			
Increase/decrease of deposits and borrowing	195 020	-1 632 623	-726 335
Cash flow from financing activities	195 020	-1 632 623	-726 335
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	2 799 482	3 234 669	3 234 669
CASH FLOW FOR THE PERIOD	158 968	-430 973	-469 369
Exchange rate differences on cash and cash equivalents	-15 845	-4 213	14 404
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2 942 605	2 799 482	2 779 704

Notes

The interim report for EnterCard Group AB (org nr 556673-0585) refers to the period January 1 - June 30, 2025. The company is based in Stockholm, Sweden.

Note 1 Accounting Principles

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

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

The accounting principles applied in the interim report are consistent with the accounting policies applied in the preparation of the annual report for 2024.

Note 2 Net Financial Income

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

	2025	2024	2024
	Jan-June	Full Year	Jan-June
Realised gains/losses recognized in profit and loss			
Reclassification through Other comprehensive income to this periods profit for realised gains/losses	-	-	-
Realised gain/loss bonds and other interest-bearing securities	-50	-414	-553
Exchange rate profit / loss	344	-3 539	-2 195
Total realised gain/loss in profit or loss	294	-3 953	-2 747
Unrealised gains/losses recognized in Other comprehensive income			
Reclassification through Other comprehensive income to this periods profit for realised gains/losses	-	-	-
Unrealised changes in value bonds and other interest-bearing securities	3 181	4 694	4 062
Total unrealised gain/loss in Other comprehensive income	3 181	4 694	4 062

Note 3 Loan Losses, Net

	2025	2024	2024
	Jan-June	Full Year	Jan-June
Loans at amortized cost			
Change in provisions - stage 1	35 534	86 295	51 748
Change in provisions - stage 2	96 004	19 597	11 310
Change in provisions - stage 3	-38 242	-255 328	-188 122
Total	93 296	-149 436	-125 064
The periods write-off for established loan losses	-614 876	-1 244 653	-679 507
Recoveries from previously established loan losses	22 187	227 844	-3 662
Total	-592 689	-1 016 809	-683 169
Loan losses net, loans at amortized cost	-499 393	-1 166 245	-808 233
Loan losses credits granted but not utilized			
Change in provisions - stage 1	-1 137	1	-123
Change in provisions - stage 2	408	2 294	79
Loan losses net, loan commitments	-729	2 296	-44
Total loan losses	-500 122	-1 163 950	-808 277

Note 4 Change in Provisions for Loans

Change in book value (gross) and provisions June 30, 2025.

	Performing loans		Non-performing loans	
	Stage 1	Stage 2	Stage 3	Total
Book value, gross				
Opening balance January 1, 2025	26 875 055	3 088 902	4 309 264	34 273 221
Closing balance June 30, 2025	26 244 412	2 739 333	4 443 225	33 426 970
Provisions for loans to the public and loans to credit institutions				
Opening balance January 1, 2025	-450 765	-561 519	-2 362 873	-3 375 157
New and derecognised financial assets, net	-9 451	27 333	303 701	321 582
Changes in credit risk	15 354	26 909	43 518	85 781
Transfer between stages during the period				
from stage 1 to stage 2	42 864	-203 761	-	-160 897
from stage 1 to stage 3	10 735	-	-133 421	-122 686
from stage 2 to stage 1	-22 439	99 431	-	76 992
from stage 2 to stage 3	-	157 347	-285 252	-127 906
from stage 3 to stage 1	-124	-	2 164	2 040
from stage 3 to stage 2	-	-8 550	21 470	12 920
Other	2 420	-	27 932	30 352
Closing balance June 30, 2025	-411 406	-462 811	-2 382 762	-3 256 979
Book value, net				
Opening balance January 1, 2025	26 424 290	2 527 382	1 946 391	30 898 064
Closing balance June 30, 2025	25 833 006	2 276 522	2 060 463	30 169 991

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

	Performing loans		Non-performing loans	
	Stage 1	Stage 2	Stage 3	Total
Book value, gross				
Opening balance January 1, 2024	28 763 834	2 993 694	3 636 409	35 393 937
Closing balance June 30, 2024	28 157 345	3 252 830	3 913 498	35 323 673
Provisions for loans to the public and loans to credit institutions				
Opening balance January 1, 2024	-535 572	-580 399	-2 107 428	-3 223 399
New and derecognised financial assets, net	-9 026	38 809	421 781	451 565
Changes in credit risk	12 893	29 426	16 211	58 530
Transfer between stages during the period				
from stage 1 to stage 2	67 331	-306 676	-	-239 344
from stage 1 to stage 3	20 867	-	-259 364	-238 497
from stage 2 to stage 1	-17 048	73 129	-	56 081
from stage 2 to stage 3	-	181 141	-367 203	-186 062
from stage 3 to stage 1	-36	-	883	847
from stage 3 to stage 2	-	-5 624	13 248	7 624
Other	-24 723	-	-32 922	-57 645
Closing balance June 30, 2024	-485 313	-570 194	-2 314 795	-3 370 301
Book value, net				
Opening balance January 1, 2024	28 228 262	2 413 295	1 528 981	32 170 538
Closing balance June 30, 2024	27 672 032	2 682 636	1 598 703	31 953 371

Change in book value (gross) June 30, 2025.

Book value, gross	Performing loans		Non-performing loans		Total
	Stage 1	Stage 2	Stage 3		
Opening balance January 1, 2025	26 875 055	3 088 902	4 309 264	34 273 221	
New and derecognised financial assets, net	892 233	-135 695	-511 935	244 603	
Changes in credit risk	-819 924	-63 560	-110 941	-994 425	
Transfer between stages during the period					
from stage 1 to stage 2	-1 226 569	1 236 145	-	9 575	
from stage 1 to stage 3	-257 693	-	255 536	-2 158	
from stage 2 to stage 1	739 858	-869 809	-	-129 951	
from stage 2 to stage 3	-	-560 241	551 195	-9 046	
from stage 3 to stage 1	4 219	-	-5 068	-849	
from stage 3 to stage 2	-	43 489	-44 832	-1 343	
Other	37 234	103	6	37 342	
Book value					
Closing balance June 30, 2025	26 244 412	2 739 333	4 443 225	33 426 970	

Change in book value (gross) June 30, 2024.

Book value, gross	Performing loans		Non-performing loans		Total
	Stage 1	Stage 2	Stage 3		
Opening balance January 1, 2024	28 763 834	2 993 694	3 636 409	35 393 937	
New and derecognised financial assets, net	433 180	-203 931	-697 848	-468 599	
Changes in credit risk	15 891	-40 518	-64 728	-89 354	
Transfer between stages during the period					
from stage 1 to stage 2	-1 657 586	1 706 929	-	49 343	
from stage 1 to stage 3	-437 863	-	447 078	9 215	
from stage 2 to stage 1	538 259	-621 927	-	-83 669	
from stage 2 to stage 3	-	-604 733	617 948	13 215	
from stage 3 to stage 1	1 686	-	-1 785	-99	
from stage 3 to stage 2	-	23 316	-23 583	-268	
Other	499 944	-	6	499 950	
Book value					
Closing balance June 30, 2024	28 157 345	3 252 830	3 913 498	35 323 673	

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

	2025	2024	2024
	30 June	31 Dec	30 June
Credit facilities, granted but not paid	9 069	9 766	11 865
Credits granted but not utilized	39 176 377	38 314 218	38 200 347
Provisions for off-balance commitments			
Stage 1	11 048	10 014	10 146
Stage 2	2 473	2 902	5 115
Total	13 521	12 916	15 261

Allocation of loans between stages and provisions (IFRS 9)

	2025	2024	2024
	30 June	31 Dec	30 June
Deposits			
Stage 1			
Book value, gross	2 942 605	2 799 482	2 779 704
Total book value	2 942 605	2 799 482	2 779 704
Loans to the public, private customers			
Stage 1			
Book value, gross	25 751 771	26 469 280	27 769 653
Provisions	-411 015	-450 357	-484 933
Book value	25 340 756	26 018 923	27 284 720
Stage 2			
Book value, gross	2 739 333	3 088 902	3 252 830
Provisions	-462 811	-561 519	-570 194
Book value	2 276 522	2 527 382	2 682 636
Stage 3			
Book value, gross	4 428 476	4 288 791	3 893 141
Provisions	-2 375 428	-2 352 082	-2 304 755
Book value	2 053 048	1 936 709	1 588 386
Total book value	29 670 326	30 483 015	31 555 742
Loans to the public, corporate customers			
Stage 1			
Book value, gross	492 641	405 775	387 692
Provisions	-391	-408	-380
Book value	492 250	405 367	387 312
Stage 3			
Book value, gross	14 749	20 473	20 357
Provisions	-7 334	-10 791	-10 040
Book value	7 415	9 682	10 317
Total book value	499 665	415 049	397 629
Total	33 112 596	33 697 546	34 733 075
Book value gross, stage 1	26 244 412	26 875 055	28 157 345
Book value gross, stage 2	2 739 333	3 088 902	3 252 830
Book value gross, stage 3	4 443 225	4 309 264	3 913 498
Total book value gross	33 426 970	34 273 221	35 323 673
Provisions stage 1	-411 406	-450 765	-485 313
Provisions stage 2	-462 811	-561 519	-570 194
Provisions stage 3	-2 382 762	-2 362 873	-2 314 795
Total provisions	-3 256 979	-3 375 157	-3 370 302
Total book value	30 169 991	30 898 064	31 953 371
Share of loans in stage 3, gross, %	13,29%	12,57%	11,08%
Share of loans in stage 3, net, %	6,83%	6,30%	5,00%
Provision ratio of loans stage 1	1,57%	1,68%	1,72%
Provision ratio of loans stage 2	16,90%	18,18%	17,53%
Provision ratio of loans stage 3	53,63%	54,83%	59,15%
Total provision ratio of loans	9,74%	9,85%	9,54%

Note 5 Bonds and Other Interest-bearing Securities

Financial assets measured at fair value through Other comprehensive income.

	2025	2024	2024
Issuers	30 June	31 Dec	30 June
Municipalities	646 913	648 766	807 877
Swedish mortgage institutions	915 397	399 236	402 628
Swedish government	400 017	-	-
Foreign credit institutions	233 056	240 643	102 461
Foreign mortgage institutions	55 326	175 143	118 989
Other foreign issuers	282 837	277 137	139 977
Total	2 533 546	1 740 924	1 571 931

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

	2025	2024	2024
Remaining maturity	30 June	31 Dec	30 June
Maximum 1 year	708 694	244 639	341 333
Longer than 1 year but maximum 5 years	1 824 852	1 333 130	1 066 493
Longer than 5 years	-	163 155	164 106
Total	2 533 546	1 740 924	1 571 931

	2025	2024	2024
Total holdings of financial assets, broken down by issuer	30 June	31 Dec	30 June
Issued by public entities	1 329 442	925 902	947 854
Issued by other borrowers	1 204 103	815 022	624 078
Total	2 533 546	1 740 924	1 571 931
Average remaining maturity, years	1,90	2,33	2,03
Average remaining fixed interest term, years	0,67	0,48	0,29
<i>of which listed securities, TSEK</i>	<i>2 533 546</i>	<i>1 740 924</i>	<i>1 571 931</i>
<i>of which unlisted securities, TSEK</i>	<i>-</i>	<i>-</i>	<i>-</i>

Note 6 Liquidity Reserve and Liquidity Risk

2025	30 June	Distribution by currency in SEK				
		Total	SEK	NOK	DKK	EUR
Securities issued or guaranteed by government or central bank	537 541	400 017	-	137 525	-	-
Securities issued or guaranteed by municipalities or non-governmental public entities	792 226	646 913	145 312	-	-	-
Covered bonds issued by others	970 723	915 397	-	-	55 326	-
Securities issued or guaranteed by multilateral development banks	233 056	-	233 056	-	-	-
Total	2 533 546	1 962 327	378 368	137 525	55 326	
<i>Distribution by currency, %</i>		77,5%	14,9%	5,4%	2,2%	

2024	30 June	Distribution by currency in SEK				
		Total	SEK	NOK	DKK	EUR
Securities issued or guaranteed by government or central bank	139 976	-	-	139 976	-	-
Securities issued or guaranteed by municipalities or non-governmental public entities	807 877	652 005	155 872	-	-	-
Covered bonds issued by others	521 617	521 617	-	-	-	-
Securities issued or guaranteed by multilateral development banks	102 461	-	102 461	-	-	-
Total	1 571 931	1 173 622	258 333	139 976	-	
<i>Distribution by currency, %</i>		74,7%	16,4%	8,9%	0,0%	

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

Note 7 Capital adequacy

The calculation of capital requirements is conducted in accordance with Regulation (EU) 2024/162 of the European Parliament and of the Council on 1 January 2024 amending Regulation (EU) 873/2020 on prudential requirements for credit institutions and investment firms (prudential regulation), act (2014: 966) on capital buffers, and the Swedish Financial Supervisory Authority (SFSA) (Sw. Finansinspektionen) FFFS 2014:12 on regulatory requirements and capital buffers. Outcome refers to the calculation in accordance with the statutory minimum capital requirement, called Pillar I, as well as capital under the combined buffer requirement.

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

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

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

Entercard does not have a trading book.

Entercard Group AB is a Swedish credit market company with license to conduct financing business in the Scandinavian market. The operations in Norway and Denmark are conducted through the branches "Entercard Norge, filial av Entercard Group AB" and "Entercard Danmark, filial af Entercard Group AB". Entercard's lending in Finland is conducted through cross-border operations. Information in this note is submitted in accordance with prudential regulation, Commission Implementing Regulation (EU) no 637/2021 on implementing technical standards with regard to the disclosure requirements of capital for institutions under prudential regulation, the SFSA's regulations and general guidelines (FFFS 2008:25) on Annual Reports in credit institutions and investment firms, and the SFSA's guidelines on regulatory requirements and capital buffers.

In addition to the capital requirements mentioned above, Entercard holds additional capital according to the internal capital requirements, which is the sum of the regulatory capital requirement and an internal buffer. Entercard also calculates the capital need under Pillar 2 on a regular basis as a part of the Internal Capital Adequacy Assessment Process (ICAAP) and holds capital according to the highest of the internal assessment and the fixed capital requirement for Pillar 2, currently at 1.9 percent. As of June 30, 2025, the internal capital requirement amounted to 16.5 percent.

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

Risk and Capital adequacy report (Pillar 3) 2024 is available on Entercard website <http://www.entercard.com>.

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

Capital Adequacy

	2025	2024
	30 June	31 Dec
Common Equity Tier 1 Capital: Instruments and reserves		
Capital instrument and associated share premium	5 000	5 000
Reserves	5 579 657	5 349 618
Accumulated other comprehensive income	-432 024	-392 833
Profit net, after deduction of foreseeable cost's and dividend's, verified by auditors	173 804	230 039
Common Equity Tier 1 Capital before adjustments	5 326 436	5 191 824
Value adjustments due to the requirements for prudent valuation	-1 482	-1 118
Intangible assets	-49 801	-32 487
Deferred tax assets that rely on future profitability and arise from temporary differences	-3 402	-3 402
Negative values associated to expected losses	-144 488	-104 361
Losses current year	-	-
Total adjustments of Common Equity Tier 1 Capital	-199 172	-141 368
Common Equity Tier 1 Capital	5 127 264	5 050 456
Additional Tier 1 Capital: instruments	-	-
Tier 1 Capital	5 127 264	5 050 456
 Tier 2 Capital: Instruments and provisions	 2025	 2024
	30 June	31 Dec
Capital instrument and associated share premium	-	-
Credit value adjustments	-	-
Tier 2 Capital before adjustments	-	-
Total adjustments of Common Equity Tier 2 Capital	-	-
Tier 2 Capital	-	-
Total Capital	5 127 264	5 050 456
Total risk weighted exposure amount	27 220 005	27 031 776
 Common Equity Tier 1 capital ratio	 18,8%	 18,7%
Tier 1 capital ratio	18,8%	18,7%
Total capital ratio	18,8%	18,7%
 Requirements buffers, %	 2025	 2024
	30 June	31 Dec
Total Tier 1 capital requirement including buffer requirement	9,1	9,1
whereof minimum CET1 requirement	4,5	4,5
whereof capital conservation buffer requirement	2,5	2,5
whereof countercyclical capital buffer requirement	2,1	2,1
Common Equity Tier 1 capital available to be used as buffer	9,7	9,6
Leverage ratio	12,8%	12,7%

Risk exposure amount and own funds requirement for credit risk

Exposure classes	2025		2024	
	30 June	31 Dec	30 June	31 Dec
Institutional exposures	588 575	47 086	559 978	44 798
Covered bonds	97 072	7 766	57 438	4 595
Retail exposures	20 459 059	1 636 725	21 631 658	1 730 533
Regional governments or local authorities exposures	2 995	240	2 885	231
Corporate exposures	13 713	1 097	2 845	228
Exposures in default	2 062 610	165 009	1 946 391	155 711
Other exposures	383 491	30 679	478 246	38 260
Total	23 607 515	1 888 601	24 679 441	1 974 355
2025				
30 June				
Total capital requirement for credit risk according to the standardized approach		1 888 601		1 974 355
2025				
31 Dec				
Capital requirement for operational risk			30 June	31 Dec
Risk exposure amount			3 202 774	1 974 974
Capital requirement according to the alternative standardized approach			256 222	157 998
Total capital requirement for operational risk			256 222	157 998
2025				
30 June				
Capital requirement for market risk (foreign exchange risk)			30 June	31 Dec
Risk exposure amount			409 716	377 361
Capital requirement			32 777	30 189
Total capital requirement for market risk			32 777	30 189
Capital requirements for settlement risk			-	-
Capital requirements for credit value adjustment (CVA) risk			-	-
Total capital requirements			2 177 600	2 162 542

Internal capital requirement

	2025	2024	
	30 June	31 Dec	
Capital requirement according to Pillar 1		% av REA*	% av REA*
Credit risk	1 888 601	6,9	1 974 355
Market risk	32 777	0,1	30 189
Operational risk	256 222	0,9	157 998
Settlement risk	-	-	-
Credit value adjustment (CVA) risk	-	-	-
Total capital requirement according to Pillar 1	2 177 600	8,0	2 162 542
Capital requirement according to Pillar 2			
Other capital requirement	517 180	1,9	513 604
Total capital requirement according to Pillar 2	517 180	1,9	513 604
Combined buffer requirement			
Countercyclical buffer	571 610	2,1	568 834
Capital conservation buffer	680 500	2,5	675 794
Total combined buffer requirement	1 252 110	4,6	1 244 628
Pillar 2 guidance and internal buffer			
Additional management buffer	272 200	1,0	270 318
Pillar 2 guidance	272 200	1,0	270 318
Total Pillar 2 guidance and internal buffer	544 400	2,0	540 636
Internal capital requirement			
Total capital requirement	4 491 291	16,5	4 461 410
Capital base			
Total capital base	5 127 264	18,8	5 050 456

	2025	2024	
	30 June	31 Dec	
Leverage ratio requirements*, TSEK/%		TSEK	%
Leverage ratio requirement Pillar 1	1 198 108	3,0	1 192 148
Leverage ratio Pillar 2 guidance	599 054	1,5	596 074
Total capital requirement including pillar 2 guidance	1 797 162	4,5	1 788 221
Tier 1 capital	5 127 264		5 050 456

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

Note 8 Related Parties

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

	Swedbank Group			Barclays Group		
	2025	2024	2024	2025	2024	2024
Balance Sheet	30 June	31 Dec	30 June	30 June	31 Dec	30 June
Assets						
Deposits	2 229 211	2 317 798	2 149 812	-	-	-
Total	2 229 211	2 317 798	2 149 812	-	-	-
Liabilities						
Amounts owed to credit institutions	15 230 206	15 228 894	15 723 787	15 230 206	15 228 894	15 723 787
Other liabilities	8 594	18 684	8 705	-	-	-
Total	15 238 801	15 247 579	15 732 492	15 230 206	15 228 894	15 723 787
Income Statement						
Interest income	14 632	65 837	25 608	-	-	-
Interest expenses	-286 478	-763 013	-402 467	-286 136	-763 024	-402 139
Commission income	29 843	61 713	30 521	-	-	-
Commission expenses	-58 257	-102 117	-45 488	-	-	-
Other expenses	-2 910	-6 907	-4 018	-	-	-
Total	-303 170	-744 486	-395 844	-286 136	-763 024	-402 139

Note 9 Specification of bank tax and resolution fees

	2025	2024	2024
	30 June	31 Dec	30 June
Bank tax	-	-	-
Resolution fees	-4 858	-12 594	-6 297
Total	-4 858	-12 594	-6 297