

INTERIM REPORT

JANUARY-JUNE

2023

AVIDA FINANS AB (PUBL)
556230-9004

AVIDA

CEO COMMENTS

Continued focus on profitability before growth.



During the second quarter, we continued to focus on increasing revenues, reducing risk, and improving the operational excellence in the business.

Within the corporate segment, both volumes and margins have increased while credit losses have been kept at low levels. Especially the factoring segment has contributed with a strong positive improvement in volume and margins. During the quarter, we have made strategic adjustments within our corporate business to focus on the factoring services with corporate loans as a support product.

In our consumer segment margins have improved while volumes have been slightly contracting during the quarter as we continued to focus on existing customers and to be deliberately cautious in recruiting new

customers given the current environment. In addition to being more restrictive in our recruitment, we have implemented increased controls in connection with payout using PSD2 data, which has resulted in a positive effect on fraud cases. We continue to develop and upgrade our risk model framework and will see positive effects in new recruitment going forward.

During the quarter we have a positive underlying trend with reduced costs for consultants and IT operations in addition to some one-off savings.

Results for the second quarter reflects that we still have challenges left to overcome to reach the desired profitability. The macro situation continues to be challenging, but with the investments being made in data, analytics,

and technical platforms and a strong focus on delivering products and services with great customer value, we will strengthen Avida over time. We continue to have high ambitions going forward and I am convinced that we will deliver on those ambitions.

Stockholm 24 August 2023

Tine Wollebekk
CEO

Quarterly review

CONDENSED INCOME STATEMENT

SEK million	Quarter 2, 2023	Quarter 1, 2023	Quarter 4, 2022	Quarter 3, 2022	Quarter 2, 2022
Net interest income	224.1	227.3	222.8	202.7	205.2
Total operating income	234.0	234.2	241.2	204.2	211.2
Total operating expenses	-81.1	-92.8	-96.0	-90.5	-78.1
Credit losses net	-140.3	-137.7	-131.9	-97.4	-104.3
Profit/loss before tax	12.6	3.7	13.2	16.3	28.8
Net profit for the period	9.6	2.8	9.1	12.2	21.6

KEY RATIOS*

SEK million	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022
Loans to the public	12,058.7	12,082.9	12,374.8	12,330.1	11,998.3
Deposits from the public	12,348.0	12,880.0	13,928.0	12,746.9	12,645.4
Equity	1,608.5	1,405.1	1,409.2	1,405.6	1,398.4

SEK million	Quarter 2, 2023	Quarter 1, 2023	Quarter 4, 2022	Quarter 3, 2022	Quarter 2, 2022
Net interest margin (%)	7.43%	7.44%	7.22%	6.67%	6.99%
C/I ratio	0.35	0.40	0.40	0.44	0.37
Return on equity (%)	2.54%	0.81%	2.57%	3.48%	6.22%
CET1 ratio (%)	12.43%	10.61%	10.76%	10.98%	10.68%
Loss ratio, (%)	4.65%	4.51%	4.27%	3.20%	3.56%

*For more information on key ratios, see Definitions.

Second quarter 2023 in the Group

Comparative figures for the income statement pertain to the first quarter of 2023. Comparative figures for balance sheet items pertain to 31 December 2022.

Operating income

Interest income increased by 6 per cent during the quarter and amounted to SEK 326.7 (308.3) million, related to both the consumer and business segments. Margins increased within all segments. High financed volumes led to increased revenues within factoring. The consumer segment was positively affected by several interest rate increases, while debt collection revenues rose as a result of tax refunds to customers during the second quarter.

Interest expenses amounted to -102.6 (-80.9) MSEK and were affected by increased deposit expenses in all currencies. During the quarter, deposit rates were adjusted in line with changing market rates.

Interest income for the quarter amounted to SEK 224.1 (227.3) million.

Operating expenses

General administration expenses decreased to SEK 76.9 million compared to SEK 88.6 million during the first quarter. Expenses for consultants and IT decreased. During the quarter, and adjustment of prior accruals within personnel expenses resulted in a positive one-off effect.

Credit losses

Credit losses, net increased slightly from Q1 and amounted to SEK -140.3 (-137.7) million. The increase is related to increased provisions for expected credit losses in the consumer segment. Provisions for credit losses in the corporate segment were at an expected, low level.

Lending

Lending to the public amounted to SEK 12,058.7 million as of June 30, 2023, compared to SEK 12,734.8 million on December 31, 2022. Total lending volume within the consumer segment decreased as a result of amortizations and continued cautious new lending during the year, while lending within the corporate segment increased slightly.

Deposits

Deposits from the public decreased by SEK -1,580.0 million and amounted to SEK 12,348.0 (13,928.0) million as of June 30. The reduction mainly refers to outflows of EUR term deposits that matured during the second quarter.

Capital position

During the quarter, the previously announced share issue of SEK 201 million was executed. At the time of the issue, Avida's CET1 ratio was strengthened by approximately 180 bps.

Risks and uncertainties

Through its operations as a credit institution with a presence in several countries, Avida is exposed to both financial and non-financial risks. Financial risks consist of credit, liquidity and market risks and non-financial risks refer to strategic and operational risks. During the quarter all risk exposures have been managed within the company's risk appetite and risk limits.

The macroeconomic situation remains challenging. The central banks'

interest rate paths indicate that future interest rate increases are still to be expected, and inflation remains at a high level. However, the turmoil in the financial sector that resulted from the problems of individual banks in Q1 has stabilized in Q2. Avida has a strong capital and liquidity position and all deposits are also covered by the government's deposit guarantee, which creates a stable funding base. Avida's funding costs are affected by the increased market interest rates, but can largely be taken out in price adjustments towards the customer.

Avida continuously monitors the development in the group's loan portfolio and analyzes how the uncertain global situation can affect the risk in the portfolios. During the year, Avida has strengthened its focus on factoring, which in the long term will reduce counterparty risk against larger individual credit commitments within corporate lending. Within the consumer segment, PSD2 data has been incorporated into the credit checks to reduce the risk in new lending.

The credit risk in the liquidity portfolio is assessed as low and investments of surplus liquidity are made in high-quality government and municipal bonds. Market risks remain at a stable level as Avida continuously manages its currency risk through foreign exchange rate derivatives.

Related-party transactions

During the period, normal business transactions with related parties have occurred. The nature and scope of transactions with related parties has not changed since 31 December 2022 and is presented in the annual report.

Subsequent events

No material events have occurred after the end of the quarter.

Expected future development

According to The National Institute of Economic Research, Sweden enters into a recession in 2023 as a result of increased interest rates and high inflation. The Swedish krona is weak and households will have less room for consumption. Avida will continue to focus on good increased revenues, decrease in risk and high credit quality before growth. During the year, investments linked to the system environment, data analysis and the lending process are also prioritized areas..

Review

This interim report has not been reviewed by the company's auditors.

Consolidated financial statements

Consolidated income statement

SEK million	Note	Quarter 2 2023	Quarter 1 2023	Quarter 2 2022	Jan - Jun 2023	Jan - Jun 2022	Full year 2022
Interest income	4	326.7	308.3	244.3	635.0	482.6	1,028.1
Interest expenses	4	-102.6	-80.9	-39.1	-183.5	-74.1	-194.1
NET INTEREST INCOME		224.1	227.3	205.2	451.5	408.4	834.0
Commission income		6.2	5.8	4.9	12.0	9.3	22.9
NET COMMISSION INCOME		6.2	5.8	4.9	12.0	9.3	22.9
Net result from financial transactions		2.2	0.6	0.8	2.8	0.2	4.8
Other operating income		1.5	0.4	0.3	1.9	0.3	1.9
TOTAL OPERATING INCOME		234.0	234.2	211.2	468.2	418.2	863.6
General administrative expenses		-76.9	-88.6	-74.5	-165.5	-153.3	-332.7
Depreciation and amortisation of tangible and intangible fixed assets		-4.2	-4.2	-3.6	-8.4	-7.0	-14.1
TOTAL EXPENSES BEFORE CREDIT LOSSES		-81.1	-92.8	-78.1	-173.8	-160.3	-346.8
PROFIT/LOSS BEFORE CREDIT LOSSES		152.9	141.4	133.1	294.3	257.9	516.7
Credit losses, net	5	-140.3	-137.7	-104.3	-278.1	-202.9	-432.2
OPERATING PROFIT/LOSS		12.6	3.7	28.8	16.3	55.0	84.5
PROFIT/LOSS BEFORE TAX		12.6	3.7	28.8	16.3	55.0	84.5
Tax on profit or loss for the year		-3.1	-0.8	-7.2	-3.9	-13.9	-22.1
NET PROFIT/LOSS		9.6	2.8	21.6	12.4	41.1	62.4

Consolidated statement of comprehensive income

SEK million	Quarter 2 2023	Quarter 1 2023	Quarter 2 2022	Jan - Jun 2023	Jan - Jun 2022	Full year 2022
NET PROFIT FOR THE PERIOD	9.6	2.8	21.6	12.4	41.1	62.4
Currency rate differences when translating foreign operations	0.6	-0.5	-0.3	0.1	0.1	0.0
Sum of items that may be subsequently reclassified in the income statement	0.6	-0.5	-0.3	0.1	0.1	0.0
TOTAL PROFIT/LOSS FOR THE PERIOD	10.2	2.3	21.3	12.5	41.3	62.4

Consolidated statement of financial position

SEK million	Note	30 June 2023	31 Dec 2022	30 June 2022
ASSETS				
Cash and balances with central banks	7	259.2	521.7	503.2
Treasury bills eligible for repayment	7	848.6	671.4	616.3
Loans to credit institutions	7	1,066.0	2,007.8	1,211.9
Loans to the public	6, 7	12,058.7	12,374.8	11,998.3
Intangible fixed assets		43.6	43.3	38.3
Tangible assets		27.7	20.5	23.6
Current tax asset		51.4	35.1	51.2
Other assets		16.9	39.4	18.7
Prepaid expenses and accrued income		24.3	19.5	9.6
TOTAL ASSETS		14,396.5	15,733.4	14,471.0
LIABILITIES AND PROVISIONS				
Deposits from the public	7	12,348.0	13,928.0	12,645.4
Derivatives	7	3.8	1.0	1.1
Other liabilities	7	105.9	90.6	128.0
Accrued expenses and prepaid income		79.5	55.1	50.0
Other provisions		1.0	0.7	0.1
Subordinated debt	7	249.7	248.9	247.9
TOTAL LIABILITIES		12,788.0	14,324.3	13,072.6
EQUITY				
Share capital		14.6	12.8	12.8
Other contributed capital		1,121.4	923.5	923.5
Additional Tier 1 capital		198.7	198.0	197.2
Other reserves		1.8	1.8	1.8
Retained earnings including profit for the year		272.0	273.0	263.1
TOTAL EQUITY		1,608.5	1,409.2	1,398.4
TOTAL LIABILITIES AND EQUITY		14,396.5	15,733.4	14,471.0

Consolidated statement of changes in equity

SEK MILLION	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	ADDITIONAL TIER 1 CAPITAL	OTHER RESERVES	RETAINED EARNINGS INCL. PROFIT FOR THE YEAR	TOTAL
Opening balance at 1 January 2023	12.8	923.5	198.0	1.8	273.0	1,409.2
Profit/loss for the period					12.4	12.4
Other comprehensive income					0.1	0.1
Total comprehensive income for the period					12.5	12.5
Effect from changes in IAS 12 related to deferred tax on lease agreements					-0.3	-0.3
Share issue, net of transaction costs	1.8	197.9				199.7
Transaction costs on Additional Tier 1 capital			0.7			0.7
Interest paid on Additional Tier 1 capital					-13.2	-13.2
Closing balance at 30 June 2023	14.6	1,121.4	198.7	1.8	272.0	1,608.5

SEK MILLION	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	ADDITIONAL TIER 1 CAPITAL	OTHER RESERVES	RETAINED EARNINGS INCL. PROFIT FOR THE YEAR	TOTAL
Opening balance at 1 January 2022	12.8	923.4	196.7	1.8	232.1	1,366.7
Profit/loss for the period					62.4	62.4
Other comprehensive income					0.7	0.7
Total comprehensive income for the period					63.1	63.1
Transaction costs on Additional Tier 1 capital			1.3			1.3
Interest paid on Additional Tier 1 capital					-21.9	-21.9
Closing balance at 31 December 2022	12.8	923.5	198.0	1.8	273.0	1,409.2

SEK MILLION	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	ADDITIONAL TIER 1 CAPITAL	OTHER RESERVES	RETAINED EARNINGS INCL. PROFIT FOR THE YEAR	TOTAL
Opening balance at 1 January 2022	12.8	923.3	196.7	1.8	232.1	1,366.7
Profit/loss for the period					41.1	41.1
Other comprehensive income					0.2	0.2
Total comprehensive income for the period					41.3	41.3
Transaction costs on Additional Tier 1 capital			0.6			0.6
Interest paid on Additional Tier 1 capital					-10.1	-10.1
Closing balance at 30 June 2022	12.8	923.5	197.2	1.8	263.2	1,398.4

Consolidated cash flow statement

SEK million	30 Jun 2023	31 Dec 2022	30 Jun 2022
Cash at beginning of the period	2,529.5	1,945.9	1,945.9
Operating activities			
Operating profit	16.3	84.5	55.0-
<i>Adjustment for items not included in cash flow</i>			
Depreciation and amortisation of tangible and intangible assets	8.4	-21.9	4.9
Provisions for credit losses	278.1	438.2	208.3
Unrealised changes in assets and liabilities	-6.2	-6.0	0.0
Other non-cash items	-3.7	0.0	0.0
Income tax paid	-20.5	-14.8	-21.9
Cash flow from operating activities before changes in operating assets and liabilities	272.3	480.1	246.4
Increase (-)/decrease (+) in loans to the public	38.0	-1,736.9	-1,130.6
Increase (-)/Decrease (+) in other assets	17.4	-27.3	3.3
Increase (-)/decrease (+) in deposits from the public	-1 580.0	2,035.5	752.9
Increase (-)/ Decrease (+) in other liabilities	35.3	-3.4	4.0
Cash flow from operating activities	-1,216.9	747.9	-124.0
Investing activities			
Investments in bonds and other securities	-222.4	-128.4	-79.4
Divestments of bonds and other securities	51.2	0.0	0.0
Acquisition of tangible assets	-0.3	-5.9	-5.6
Acquisition of intangible assets	-	-	-11.2
Cash flow from investing activities	-171.5	-134.3	-96.2
Financing activities			
Share issue	201.6	-	--
Interest paid on Additional Tier 1 capital	-13.2	-21.9	-10.1
Amortisation of lease liabilities	-4.3	-8.0	0.0
Cash flow from financing activities	184.2	-30.0	-10.1
Cash flow for the period	-1,204.2	583.6	-230.3
Cash at end of the period	1,325.3	2,529.5	1,715.6

Liquid funds are defined as the total of loans to credit institutions and cash with central banks.

Parent company financial statements

Parent company income statement

SEK million	Quarter 2 2023	Quarter 1 2023	Quarter 2 2022	Jan - Jun 2023	Jan - Jun 2022	Full year 2022
Interest income	325.8	308.3	244.4	634.0	480.2	1,025.8
Interest expenses	-101.6	-80.9	-39.0	-182.4	-74.0	-194.1
NET INTEREST INCOME	224.2	227.4	205.4	451.6	406.2	831.7
Commission income	6.2	5.8	4.9	12.0	9.3	22.9
NET COMMISSION INCOME	6.2	5.8	4.9	12.0	9.3	22.9
Net result from financial transactions	2.1	0.6	0.8	2.7	0.1	4.7
Other operating income	1.5	0.4	0.3	1.9	0.2	2.1
TOTAL OPERATING INCOME	234.0	234.2	211.4	468.2	415.8	861.4
General administrative expenses	-78.5	-90.1	-75.5	-168.6	-153.7	-335.1
Depreciation and amortisation of tangible and intangible fixed assets	-2.2	-2.3	-2.4	-4.4	-4.7	-9.4
TOTAL EXPENSES BEFORE CREDIT LOSSES	-80.7	-92.3	-77.9	-173.1	-158.4	-344.5
PROFIT/LOSS BEFORE CREDIT LOSSES	153.3	141.8	133.5	295.1	257.4	516.9
Credit losses, net	-140.3	-137.7	-104.3	-278.1	-202.8	-431.7
OPERATING PROFIT/LOSS	13.0	4.1	29.1	17.1	54.6	85.2
PROFIT/LOSS BEFORE TAX	13.0	4.1	29.1	17.1	54.6	85.2
Tax on profit or loss for the year	-3.1	-0.9	-7.2	-4.0	-13.9	-22.0
NET PROFIT/LOSS	9.9	3.2	21.9	13.1	40.6	63.3

Parent company statement of comprehensive income

SEK million	Quarter 2 2023	Quarter 1 2023	Quarter 2 2022	Jan - Jun 2023	Jan - Jun 2023	Full year 2022
NET PROFIT FOR THE PERIOD	9.9	3.2	21.9	13.1	40.6	63.3
Currency rate differences when translating foreign operations	0.5	0.1	0.0	0.5	0.0	0.0
Sum of items that may be subsequently reclassified in the income statement	0.5	0.1	0.0	0.5	0.0	0.0
TOTAL PROFIT/LOSS FOR THE PERIOD	10.3	3.3	21.9	13.7	40.6	63.3

Parent company statement of financial position

SEK million	30 Jun 2023	31 Dec 2022	30 Jun 2022
ASSETS			
Cash and balances with central banks	259.2	521.7	503.2
Treasury bills eligible for repayment	848.6	671.4	616.3
Loans to credit institutions	1,060.9	2,001.4	1,203.3
Loans to the public	12,057.4	12,373.4	11,995.8
Shares and participations in Group companies	2.0	2.0	2.0
Intangible fixed assets	43.6	43.3	38.2
Tangible assets	4.7	5.3	6.0
Current tax asset	51.4	35.3	50.3
Other assets	14.8	37.6	18.4
Prepaid expenses and accrued income	24.3	19.4	9.5
TOTAL ASSETS	14,366.9	15,710.8	14,443.0
LIABILITIES AND PROVISIONS			
Deposits from the public	12,348.0	13,928.0	12,645.4
Derivatives	3.8	1.0	1.1
Other liabilities	84.2	77.3	110.6
Accrued expenses and prepaid income	79.4	55.1	50.0
Other provisions	1.0	0.7	0.0
Subordinated debt	249.7	248.9	247.9
TOTAL LIABILITIES	12,766.2	14,311.0	13,055.0
EQUITY			
Share capital	14.6	12.8	12.8
Other contributed capital	1,119.5	921.6	921.6
Additional Tier 1 capital	198.7	198.0	197.2
Other reserves	30.2	33.4	29.2
Retained earnings	224.6	170.8	186.5
Profit for the year	13.1	63.3	40.6
TOTAL EQUITY	1,600.7	1,399.9	1,388.0
TOTAL LIABILITIES AND EQUITY	14,366.9	15,710.8	14,443.0

Notes

Amounts stated in notes are in SEK million unless otherwise stated.
All notes refer to the Group unless otherwise stated.

1 GENERAL INFORMATION

Avida Finans AB (publ) with Corporate ID no. 556230-9004, is the parent company of the Avida Group and is authorized by the Swedish Financial Supervisory Authority to operate as a credit market company since 2000. Avida conducts business within deposits and lending to private individuals and corporates in Sweden and through its branches in Norway and Finland: Avida Finans AB NUF, corporate no. 990 728 488 and Avida Finans AB, branch in Finland, corporate no. 2541768-9.

The group also includes the subsidiary Avida Norge AS, registered office no. 913 778 367, which previously operated debt collection and credit reporting operations in Norway.

2 ACCOUNTING PRINCIPLES

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations thereof as adopted by the European Union. Furthermore, the consolidated accounts follows the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulatory code issued by the Swedish Financial Supervisory Authority's on Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25), including applicable amendments. The Swedish Financial Reporting Board's recommendation RFR1, Supplementary accounting rules for groups, has also been applied.

The parent company Avida Finans AB (publ) has prepared its accounts in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the regulatory code issued by the Swedish Financial Supervisory Authority's on Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25), and The Swedish Financial Reporting Board's recommendation RFR2, Accounting for Legal Entities.

The Group's and Parent company's accounting principles, bases for calculation and presentation remain essentially unchanged from those applied in the 2022 Annual Report.

CHANGE IN ACCOUNTING PRINCIPLES

On January 1, 2023, an amendment to IAS 12 Income taxes entered into force, clarifying that the exception that existed in the standard from reporting deferred tax on right-of-use assets and lease liabilities is no longer applicable. The change should be applied retroactively to the earliest comparative period presented. The cumulative effect from applying the amendments should be recorded as an adjustment to the opening balance of retained earnings in the comparative period.

The change in IAS 12 has no significant impact on Avida's financial reports or on capital adequacy. The effect on the comparative period is not significant. The effect of the transition is therefore reported as an explanatory item in equity during the first quarter of 2023.

There are no other changes to IFRS or IFRIC that have entered into force in 2023 that have had any significant impact on the Group's financial statements or capital adequacy.

CRITICAL ESTIMATES AND JUDGMENTS

Avida continuously monitors the development in the Group's loan portfolio and markets and the ways in which these are affected by external factors.

During the beginning of the year, the macroeconomic situation has caused uncertainty in the financial markets. Increased inflation and higher interest rates affect Avida's funding costs and credit losses and may lead to a reduced repayment capacity in end-customers. Avida closely monitors all developments in order to quickly analyze and manage future changes.

Other estimates, assumptions and assessments do not differ from before and can be read in the 2022 Annual Report.

3 OPERATING SEGMENTS

Reporting of operating segments is prepared based on the manner in which executive management monitors operations in Avida. The segments are aggregated based on a customer perspective, where Consumer Finance refers to lending to private individuals. Factoring refers to invoice purchases from companies and corporate loans refers to company loans. The category "Other" includes an old run-off portfolio of consumer loans as well as Group items.

The performance measure that is followed up at the segment level is profit before tax. For the balance sheet, only lending volume is monitored. The income statements for the segments follows the Group's statutory income statement form for Total operating income, except for the item Total risk-adjusted operating income, which is the total income of each segment adjusted for credit losses. Each

segment bears a portion of the Group's interest expenses based on lending volume and estimated funding cost. Within net interest income, some items are classified as interest income in the statutory reports, while in the management reporting they are reported as interest expenses. Net interest is, however, unchanged.

Management also follows up on income and lending volumes at a geographical level. This is presented annually in accordance with the requirements of IFRS 8.

From 1 January 2023, Avida has changed the format of the internal performance follow-up and the item "Other" has been added. This has been reflected in the tables below and comparative figures have been adjusted.

QUARTER 2, 2023	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	228.7	58.5	29.5	0.1	316.9
Interest expenses	-69.3	-17.7	-9.6	3.9	-92.7
Net interest income	159.4	40.8	19.9	4.0	224.1
Fee and commission income	5.8	0.0	0.0	0.5	6.2
Net result from financial transactions and other operating income	0.0	0.0	0.0	3.7	3.7
Total operating income	165.2	40.8	19.9	8.1	234.0
Credit losses, net	-138.2	-0.2	-2.0	0.0	-140.3
Total risk-adjusted operating income	27.1	40.6	17.8	8.2	93.7
Operating expenses	-52.4	-22.8	-5.8	-0.1	-81.1
Profit before tax	-25.3	17.8	12.1	8.1	12.6
Lending to the public	8,489.5	2,310.5	1,191.9	66.8	12,058.7

QUARTER 1, 2023	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	215.4	48.7	30.1	2.5	296.7
Interest expenses	-51.1	-13.2	-7.6	2.5	-69.4
Net interest income	164.3	35.5	22.5	5.0	227.3
Fee and commission income	6.3	0.0	0.0	-0.5	5.8
Net result from financial transactions and other operating income	0.0	0.0	0.0	1.1	1.1
Total operating income	170.6	35.5	22.5	5.6	234.2
Credit losses, net	-130.6	-2.9	-4.4	0.1	-137.7
Total risk-adjusted operating income	40.0	32.6	18.1	5.7	96.5
Operating expenses	-59.9	-26.0	-6.5	-0.3	-92.8
Profit before tax	-19.9	6.6	11.6	5.4	3.7
Lending to the public	8,602.3	2,157.0	1,248.4	75.3	12,082.9

3 OPERATING SEGMENTS, CONT.

QUARTER 2, 2022	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	178.2	41.1	19.8	3.4	242.5
Interest expenses	-26.6	-6.0	-3.2	-1.3	-37.2
Net interest income	151.6	35.0	16.6	2.1	205.2
Fee and commission income	5.1	0.0	0.0	-0.2	4.9
Net result from financial transactions and other operating income	0.0	0.0	0.0	1.1	1.1
Total operating income	156.6	35.0	16.6	2.9	211.2
Credit losses, net	-92.7	-6.6	-6.0	0.9	-104.3
Total risk-adjusted operating income	64.0	28.5	10.6	3.8	106.9
Operating expenses	-50.6	-23.2	-5.2	0.9	-78.1
Profit before tax	13.4	5.2	5.4	4.8	28.8
Lending to the public	8,566.9	2,245.0	1,069.8	116.5	11,998.3
JAN - JUN, 2023	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	444.1	107.2	59.6	2.7	613.6
Interest expenses	-120.4	-30.9	-17.2	6.3	-162.1
Net interest income	323.8	76.3	42.4	9.0	451.5
Fee and commission income	12.0	0.0	0.0	0.0	12.0
Net result from financial transactions and other operating income	0.0	0.0	0.0	4.7	4.7
Total operating income	335.8	76.3	42.4	13.7	468.2
Credit losses, net	-268.7	-3.1	-6.4	0.2	-278.1
Total risk-adjusted operating income	67.1	73.2	35.9	13.9	190.2
Operating expenses	-112.3	-48.9	-12.2	-0.4	-173.9
Profit before tax	-45.2	24.4	23.7	13.5	16.3
Lending to the public	8,489.5	2,310.5	1,191.9	66.8	12,058.7
JAN - JUN, 2022	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	353.2	78.8	37.2	10.4	479.6
Interest expenses	-51.5	-11.1	-6.3	-2.2	-71.1
Net interest income	301.6	67.7	30.9	8.2	408.5
Fee and commission income	9.5	0.0	0.0	-0.2	9.3
Net result from financial transactions and other operating income	0.0	0.0	0.0	0.5	0.5
Total operating income	311.2	67.7	30.9	8.4	418.2
Credit losses, net	-182.2	-14.9	-5.9	0.1	-202.8
Total risk-adjusted operating income	129.0	52.8	25.0	8.5	215.4
Operating expenses	-100.7	-47.6	-10.3	-1.6	-160.3
Profit before tax	28.2	5.2	14.7	6.9	55.0
Lending to the public	8,566.9	2,245.0	1,069.8	116.5	11,998.3

3 OPERATING SEGMENTS, CONT.

FULL YEAR 2022	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	747.1	170.5	82.5	14.8	1,014.9
Interest expenses	-124.1	-32.0	-16.6	-8.2	-180.9
Net interest income	623.0	138.5	65.9	6.6	834.0
Fee and commission income	23.8	0.0	0.0	-0.9	22.9
Net result from financial transactions and other operating income	0.0	0.0	0.0	6.7	6.7
Total operating income	646.8	138.5	65.9	12.4	863.6
Credit losses, net	-388.6	-30.4	-11.4	-1.9	-432.2
Total risk-adjusted operating income	258.2	108.1	54.5	10.5	431.4
Operating expenses	-222.1	-99.2	-21.9	-3.7	-346.9
Profit before tax	36.2	9.0	32.6	6.8	84.5
Lending to the public	8,998.4	2,222.7	1,066.4	87.3	12,374.8

4 NET INTEREST INCOME

SEK MILLION	Quarter 2 2023	Quarter 1 2023	Quarter 2 2022	Jan - Jun 2023	Jan - Jun 2023	Full year 2022
Lending to credit institutions	5.0	8.3	1.8	13.3	3.4	10.2
Bonds and other interest-bearing securities	4.6	3.1	0.0	7.7	0.0	2.5
Lending to the public	317.0	296.6	242.5	613.6	479.0	1,014.9
Other interest income	0.2	0.3	0.0	0.4	0.1	0.6
Total interest income	326.7	308.3	244.3	635.0	482.6	1,028.1
Lending to credit institutions	-1.7	-4.8	-2.9	-6.5	-3.8	-15.7
Deposits from the public	-93.9	-69.5	-31.1	-163.4	-60.7	-156.5
Subordinated debt	-6.2	-5.7	-4.3	-11.9	-8.3	-18.4
Other interest expenses	-0.8	-0.9	-0.8	-1.8	-1.4	-3.5
Total interest expenses	-102.6	-80.9	-39.1	-183.5	-74.1	-194.1
Net interest income	224.1	227.3	205.2	451.5	408.4	834.0

5 CREDIT LOSSES, NET

SEK MILLION	Quarter 2 2023	Quarter 1 2023	Quarter 2 2022	Jan - Jun 2023	Jan - Jun 2023	Full year 2022
Lending to the public						
Provisions - Stage 1	5.5	-2.8	-4.9	2.8	-0.7	-1.4
Provisions - Stage 2	4.7	6.6	1.1	11.3	-6.6	-45.9
Provisions - Stage 3	-143.7	148.4	-93.0	4.6	-193.1	-357.5
Total provisions	-133.5	152.2	-96.8	18.7	-200.3	-404.8
Write-offs	-7.0	-290.3	-9.2	-297.3	-8.1	-32.0
Recoveries	0.1	0.1	2.0	0.2	5.5	6.0
Total credit losses from lending to the public	-140.4	-138.0	-104.0	-278.4	-202.9	-430.8
Lending to credit institutions						
Provisions - Stage 1	0.1	0.2	-0.3	0.3	0.0	-1.4
Total credit losses from lending to credit institutions	0.1	0.2	-0.3	0.3	0.0	-1.4
Total credit losses, net	-140.3	-137.7	-104.3	-278.1	-202.9	-432.2

6 LENDING TO THE PUBLIC

SEK MILLION	30 Jun 2023	31 Dec 2022	30 Jun 2022
Loans to the public, gross	13,324.1	13,650.1	13,052.1
of which: Stage 1	10,255.7	10,579.0	10,515.6
of which: Stage 2	697.1	844.4	711.5
of which: Stage 3	2,371.2	2,226.7	1,825.0
Total provisions	-1,265.4	-1,275.3	-1,053.8
of which: Stage 1	-98.2	-100.9	-97.6
of which: Stage 2	-93.5	-103.6	-57.6
of which: Stage 3	-1,073.7	-1,070.8	-898.6
Loans to the public, net	12,058.7	12,374.8	11,998.3

Change in gross carrying amount and provisions

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
Gross carrying amount, 1 January 2023	10,579.0	844.4	2,226.6	13,650.1
New financial assets	3,608.7	58.7	68.2	3,735.6
Derecognised financial assets	-3,082.7	-152.5	-85.9	-3,321.1
From stage 1 to stage 2	-409.2	395.5		-13.7
From stage 1 to stage 3	-295.8		298.4	2.6
From stage 2 to stage 1	123.9	-132.5		-8.7
From stage 2 to stage 3		-309.3	314.0	4.7
From stage 3 to stage 1	0.7		-0.9	-0.2
From stage 3 to stage 2		0.3	-0.4	-0.1
Changes that are not derecognised financial assets	-395.9	-13.8	-454.2	-863.9
Exchange-rate differences	127.0	6.2	5.5	138.7
Gross carrying amount, 30 Jun 2023	10,255.7	697.1	2,371.2	13,324.1

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
Provision for credit losses, 1 January 2023	100.9	103.6	1,070.8	1,275.3
New financial assets	25.7	6.3	48.5	80.5
Derecognised financial assets	-14.6	-6.5	-65.8	-86.9
From stage 1 to stage 2	-11.7	61.1		49.4
From stage 1 to stage 3	-12.6		122.4	109.8
From stage 2 to stage 1	4.6	-16.9		-12.3
From stage 2 to stage 3		-56.0	136.9	80.9
From stage 3 to stage 1	0.0		-0.2	-0.2
From stage 3 to stage 2		0.0	-0.2	-0.1
Changes in risk factors (PD, EAD, LGD)	-6.2	-0.2	-210.7	-217.1
Changes due to expert assessments (individual assessments, manual adjustments)	10.6		-31.4	-20.8
Exchange-rate differences	1.5	2.0	3.5	7.0
Provision for credit losses, 30 Jun 2023	98.2	93.5	1,073.7	1,265.4

6 LENDING TO THE PUBLIC, CONT.

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
Gross carrying amount, 1 January 2022	9,945.4	466.4	1,515.2	11,927.0
New financial assets	5,076.3	222.4	161.0	5,459.7
Derecognised financial assets	-3,153.3	-99.2	-146.1	-3,398.6
From stage 1 to stage 2	-558.0	538.2	-	-19.8
From stage 1 to stage 3	-474.4	-	511.2	36.9
From stage 2 to stage 1	73.9	-83.8	-	-9.9
From stage 2 to stage 3	-	-214.8	231.1	16.3
From stage 3 to stage 1	9.4	-	-10.2	-0.8
From stage 3 to stage 2	-	6.3	-6.6	-0.3
Changes that are not derecognised financial assets	-590.4	-6.0	-50.6	-647.0
Exchange-rate differences	250.0	15.0	21.7	286.7
Gross carrying amount, 31 December 2022	10,579.0	844.4	2,226.7	13,650.1

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
Provision for credit losses, 1 January 2023	95.5	55.2	700.2	850.9
New financial assets	54.3	26.4	94.3	175.0
Derecognised financial assets	-17.7	-5.5	-49.2	-72.3
From stage 1 to stage 2	-7.9	63.7	-	55.8
From stage 1 to stage 3	-12.5	-	220.3	207.8
From stage 2 to stage 1	2.8	-9.3	-	-6.5
From stage 2 to stage 3	-	-32.4	103.2	70.8
From stage 3 to stage 1	0.3	-	-4.2	-3.9
From stage 3 to stage 2	-	1.1	-2.7	-1.6
Changes in risk factors (PD, EAD, LGD)	18.1	2.6	-5.1	15.5
Changes due to expert assessments (individual assessments, manual adjustments)	-35.0	-	4.7	-30.3
Exchange-rate differences	3.0	1.7	9.5	14.1
Provision for credit losses, 31 March 2023	100.9	103.6	1,070.8	1,275.3

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
Provision for credit losses, 1 January 2023	9,945.4	466.4	1,515.2	11,927.0
New, acquired and derecognised financial assets, net	1,115.9	-55.6	-82.4	977.9
Transfer to stage 1	109.6	-101.5	-8.2	-
Transfer to stage 2	-570.6	579.5	-8.9	-
Transfer to stage 3	-213.6	-188.3	401.9	-
Exchange-rate differences	129.5	11.0	7.4	147.9
Gross carrying amount, 30 Jun 2022	10,515.6	711.5	1,825.0	13,052.1

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
Provision for credit losses, 1 January 2023	95.5	55.2	700.2	850.9
New, acquired and derecognised financial assets, net	12.4	3.7	-18.6	-2.5
Transfer to stage 1	3.1	-10.3	-3.5	-10.7
Transfer to stage 2	-7.0	36.5	-3.6	25.9
Transfer to stage 3	-6.8	-28.6	137.3	101.9
Changes due to change in credit risk	-1.2	0.2	83.2	82.2
Exchange-rate differences	1.6	0.9	3.6	6.1
Provision for credit losses, 30 Jun 2022	97.6	57.6	898.6	1,053.8

7 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

30 Jun 2023 - SEK million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	TOTAL REPORTED VALUE	TOTAL FAIR VALUE
Cash and balances with central banks	-	-	259.2	259.2	259.2
Treasury bills eligible for repayment	154.5	-	694.0	848.6	842.8
Loans to credit institutions	-	-	1,066.0	1,066.0	1,066.0
Loans to the public	-	-	12,058.7	12,058.7	12,058.7
Other assets	1.0	-	162.9	163.9	163.9
Total assets	155.6	-	14,240.9	14,396.5	14,390.6

Deposits from the public	-	-	12,348.0	12,348.0	12,348.0
Derivatives	3.8	-	-	3.8	3.8
Subordinated debt	-	-	249.7	249.7	249.7
Other liabilities	1.0	-	185.3	186.3	186.3
Total liabilities	4.9	-	12,783.1	12,788.0	12,788.0

31 Dec 2022 - SEK million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	TOTAL REPORTED VALUE	TOTAL FAIR VALUE
Cash and balances with central banks	-	-	521.7	521.7	521.7
Treasury bills eligible for repayment	162.2	-	509.1	671.4	670.1
Loans to credit institutions	-	-	2,007.8	2,007.8	2,007.8
Loans to the public	-	-	12,374.8	12,374.8	12,039.9
Other assets	0.7	-	157.1	157.8	157.8
Total assets	162.9	-	15,570.5	15,733.4	15,397.3

Deposits from the public	-	-	13,928.0	13,928.0	13,928.0
Subordinated debt	-	-	248.9	248.9	248.9
Derivatives	1.0	-	-	1.0	1.0
Other liabilities	0.7	-	145.7	146.4	146.4
Total liabilities	1.7	-	14,322.6	14,324.3	14,324.3

30 Jun 2022 - SEK million	Fair value through profit and loss	Fair value through other comprehensive income	Amortised cost	TOTAL REPORTED VALUE	TOTAL FAIR VALUE
Cash and balances with central banks	-	-	503.2	503.2	503.2
Treasury bills eligible for repayment	157.7	-	458.6	616.3	616.3
Loans to credit institutions	-	-	1,211.9	1,211.9	1,211.9
Loans to the public	-	-	11,998.3	11,998.3	11,998.3
Other assets	-	-	69.8	69.8	69.8
Total assets	157.7	-	14,241.8	14,399.5	14,399.5

Deposits from the public	-	-	12,645.4	12,645.4	12,645.4
Subordinated debt	-	-	247.9	247.9	247.9
Derivatives	1.1	-	-	1.1	1.1
Other liabilities	-	-	128.0	128.0	128.0
Total liabilities	1.1	-	13,021.4	13,022.5	13,022.5

7 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES, CONT.

Avida measures some financial instruments at fair value. This requires information on valuation at fair value per each level in the valuation hierarchy, as stated in IFRS 13.

Level 1) Quoted prices (unadjusted) on active markets for identical assets or liabilities.

Level 2) Other observable data for the instrument than quoted prices in level 1, observed either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations).

Level 3) Data for the instrument that is not based on observable market data.

Avida currently holds foreign exchange rate derivatives, endowment insurance and a money market fund consisting of high-quality assets valued at fair value.

Valuation of the money market fund is obtained from quoted prices in active markets for identical assets, i.e. level 1. The valuation of derivatives and endowment insurance is based on observable data for the asset, i.e. level 2.

No transfers were made between the different levels during the period.

30 Jun 2023	Level 1	Level 2	Level 3	Total
SEK MILLION				
Assets				
Treasury bills eligible for repayment	154.5			154.5
Other assets		1.0		1.0
Total assets	154.5	1.0	-	155.6
Liabilities				
Derivatives		3.8		3.8
Total liabilities	-	3.8	-	3.8

31 Dec 2022	Level 1	Level 2	Level 3	Total
SEK MILLION				
Assets				
Treasury bills eligible for repayment	162.2	-	-	162.2
Other assets	-	0.7	-	0.7
Total assets	162.2	0.7	-	162.9
Liabilities				
Derivatives	-	1.0	-	1.0
Total liabilities	-	1.0	-	1.0

30 Jun 2022	Level 1	Level 2	Level 3	Total
SEK MILLION				
Assets				
Treasury bills eligible for repayment	157.7	-	-	157.7
Total assets	157.7	-	-	157.7
Liabilities				
Derivatives	-	1.1	-	1.1
Total liabilities	-	1.1	-	1.1

8 CAPITAL ADEQUACY

The information in this note refers to information that must be provided according to FFFS 2008:25, including applicable amendments, on annual reports in credit institutions and securities companies, and FFFS 2014:12 on supervisory requirements capital buffers. The Company's statutory capital requirements are determined primarily by Regulation (EU) No 575/2013 of the European Parliament and of the Council and the Capital Buffers Act (SFS 2014:966).

The information in this note is presented for the regulated institution Avida Finans AB (publ), and for the consolidated situation which consists of Avida Finans AB (publ) and the wholly owned subsidiary Avida Norge AS.

Template EU KM1 is disclosed semi-annually and refers to the consolidated situation.

AVIDA FINANS AB						
Own funds requirements	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Own funds requirements (Pillar 1)	903.9	8.00%	940.1	8.00%	887.0	8.00%
Special Own funds requirement (Pillar 2)	154.0	1.36%	180.3	1.53%	150.0	1.35%
Combined buffer requirement	452.9	4.01%	397.8	3.39%	299.0	2.70%
Pillar 2 guidance	-	-	-	-	-	-
Total own funds requirements	1,510.8	13.37%	1,518.2	12.92%	1,336.0	12.05%

Capital context	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Common Equity Tier 1 capital after any deductions	1,405.8	12.44%	1,259.7	10.72%	1,178.8	10.63%
Additional Tier 1 capital after any deductions	198.7	1.76%	198.0	1.68%	197.2	1.78%
Tier 2 capital after any deductions	249.7	2.21%	248.9	2.12%	247.9	2.24%
Own funds	1,854.2	16.41%	1,706.6	14.52%	1,623.9	14.64%

	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Risk exposure amount (REA) and capital base requirements	11,298.9	903.9	11,751.2	940.1	11,088.5	887.0
of which: own funds requirements for credit risk	9,749.1	779.9	10,224.1	817.9	9,792.8	783.4
of which: own funds requirements for market risk	78.8	6.3	56.1	4.5	16.5	1.3
of which: own funds requirements for operational risk	1,471.0	117.7	1,471.0	117.7	1,279.2	102.3
Common equity Tier 1 capital / Common equity Tier 1 capital ratio	1,405.8	12.44%	1,259.7	10.72%	1,178.8	10.63%
Tier 1 capital / Tier 1 capital ratio	1,604.5	14.20%	1,457.7	12.40%	1,376.0	12.41%
Total own funds / Total capital ratio	1,854.2	16.41%	1,706.6	14.52%	1,623.9	14.64%
Total equity Tier 1 capital requirements including buffer requirements	961.3	8.51%	926.6	7.89%	798.0	7.20%
of which: Capital conservation buffer	282.5	2.50%	293.8	2.50%	277.2	2.50%
of which: Counter-cyclical buffer	170.4	1.51%	104.0	0.89%	21.8	0.20%
Common equity Tier 1 capital available to use as a buffer	897.3	7.94%	730.9	6.22%	679.8	6.13%

8 CAPITAL ADEQUACY, CONT.

OWN FUNDS	30 Jun 2023	31 Dec 2022	30 Jun 2022
Common Equity Tier 1 capital			
Capital instruments and associated share premium reserve	1,134,1	934.4	934.4
Retained earnings and reserves	254,7	254.6	215.7
Regulatory adjustments:			
- Intangible assets	19,5	20.6	14.2
- Deferred tax assets	0,4	0.3	0.0
- Insufficient coverage for exposures in default	0,0	91.6	0.0
- Reversal transitional rules to IFRS 9	36,9	91.6	43.4
Total Common Equity Tier 1 capital	1,405,8	1,259.7	1,179.3
Additional Tier 1 capital			
Perpetual subordinated loans	198,7	198.0	197.2
Total other Tier 1 capital	198,7	196.7	197.2
Tier 2 capital			
Time-bound subordinated loans	249,7	248.9	247.9
Total supplementary capital	249,7	248.9	247.9
Total own funds	1,854,2	1,706.6	1,624.4

Specification of risk exposure amount (REA) and capital requirements	30 Jun 2023		31 Dec 2022		30 Jun 2022	
	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Credit risk according to the standardised approach						
Exposures to central banks and local authorities	5.5	0.4	5.5	0.4	4.1	0.3
Institution exposures	224.6	18.0	419.0	33.5	248.0	19.8
Corporate exposures	2,227.2	178.2	2,082.1	166.6	2,213.2	177.1
Retail exposures	6,034.6	482.8	6,590.2	527.2	6,379.6	510.4
Exposures in default	1,202.3	96.2	1,077.2	86.2	905.8	72.5
Equity exposures	2.0	0.2	2.0	0.2	2.0	0.2
Other items	52.9	4.2	48.0	3.8	40.0	3.2
Total risk exposure amount and capital requirements	9,749.1	779.9	10,224.0	817.9	9,792.7	783.4
Market risk						
Foreign exchange rate risk	78.8	6.3	56.1	4.5	16.5	1.3
Total risk exposure amount and capital requirements	78.8	6.3	56.1	4.5	16.5	1.3
Operational risk						
Basic indicator approach	1,471.0	117.7	1,471.0	117.7	1,279.2	102.3
Total risk exposure amount and capital requirements	1,471.0	117.7	1,471.0	117.7	1,279.2	102.3
Total risk exposure amount and capital requirements	11,298.9	903.9	11,751.1	940.1	11,088.4	887.1

ADDITIONAL CAPITAL REQUIREMENTS PILLAR 2	30 Jun 2023	31 Dec 2022	30 Jun 2022
Credit concentration risk	124.6	107.7	100.8
Interest rate risk in banking book	24.3	67.1	45.8
Other additional capital requirements	5.1	5.5	3.4
Total additional capital requirements Pillar 2	154.0	180.3	150.0

8 CAPITAL ADEQUACY, CONT.

LEVERAGE RATIO	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Own funds requirements (Pillar 1)	14,753.0		16,329.0		15,101.4	
Special Own funds requirement (Pillar 2)	0.0		0.0		0.0	
Pillar 2 guide	0.0		0.0		0.0	
Exposure measures for calculation of leverage ratio	14,753.0		16,329.0		15,101.4	
Tier 1 capital	1,604.4		1,457.7		1,376.0	
Leverage ratio. %	10.88%		8.93%		9.11%	
Leverage ratio requirements	442.6		489.9		453	
Leverage ratio requirements, percent	3%		3%		3%	

TOTAL OWN FUNDS REQUIREMENT (INCLUDING PILLAR 2)	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Common Equity Tier 1 capital requirements	1,048.0	9.27%	1,028.0	8.75%	882.3	7.96%
Tier 1 capital requirements	1,246.3	11.03%	1,238.1	10.54%	1,076.8	9.71%
Total Capital	1,510.8	13.37%	1,518.2	12.92%	1,336.0	12.05%

LIQUIDITY MEASURES	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Liquidity coverage ratio (LCR)	274.5%		298.8%		216.2%	
Net stable funding ratio (NSFR)	128.7%		126.9%		131.4%	

AVIDA FINANS CONSOLIDATED SITUATION						
OWN FUNDS REQUIREMENTS	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Own funds requirements (Pillar 1)	907.7	8.00%	943.1	8.00%	890.5	8.00%
Special Own funds requirement (Pillar 2)	154.6	1.36%	180.7	1.53%	150.4	1.35%
Combined buffer requirement	454.9	4.01%	399.1	3.39%	300.2	2.70%
Pillar 2 guide	-	-	-	-	-	-
Total own funds requirements	1,517.2	13.37%	1,522.9	12.92%	1,341.1	12.05%

CAPITAL CONTEXT	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Common Equity Tier 1 capital after any deductions	1,409.7	12.43%	1,268.9	10.76%	1,188.6	10.68%
Additional Tier 1 capital after any deductions	198.7	1.75%	198.0	1.68%	197.2	1.77%
Tier 2 capital after any deductions	249.7	2.20%	248.9	2.11%	247.9	2.23%
Own funds	1,858.1	16.38%	1,715.8	14.56%	1,633.7	14.68%

8 CAPITAL ADEQUACY, CONT.

	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Risk exposure amount (REA) and capital base requirements	11,345.5	907.7	11,788.1	943.1	11,131.4	890.5
of which: own funds requirements for credit risk	9,779.9	782.4	10,245.1	819.6	9,814.0	785.1
of which: own funds requirements for market risk	78.8	6.3	56.1	4.5	16.5	1.3
of which: own funds requirements for operational risk	1,486.9	119.0	1,486.9	119.0	1,300.9	104.1
Common equity Tier 1 capital / Common equity Tier 1 capital ratio	1,409.7	12.43%	1,268.9	10.76%	1,188.6	10.68%
Tier 1 capital / Tier 1 capital ratio	1,608.4	14.18%	1,466.9	12.44%	1,385.8	12.45%
Total own funds / Total capital ratio	1,858.1	16.38%	1,715.8	14.56%	1,633.7	14.68%
Total equity Tier 1 capital requirements including buffer requirements	965.5	8.51%	929.6	7.89%	801.1	7.20%
of which: Capital conservation buffer	283.6	2.50%	294.7	2.50%	278.3	2.50%
of which: Counter-cyclical buffer	171.3	1.51%	104.4	0.89%	21.9	0.20%
Common equity Tier 1 capital available to use as a buffer	899.2	7.93%	738.4	6.26%	687.7	6.18%

CAPITAL ADEQUACY	30 Jun 2023	31 Dec 2022	30 Jun 2022
Common Equity Tier 1 capital			
Capital instruments and associated share premium reserve	1,136.0	936.3	936.3
Retained earnings and reserves	261.2	261.9	223.6
Regulatory adjustments:			
- Intangible assets	19.5	20.6	14.2
- Deferred tax assets	4.9	0.3	0.5
- Insufficient coverage for exposures in default	0.0	0.3	0.0
- Reversal transitional rules to IFRS 9	36.9	91.6	43.4
Total Common Equity Tier 1 capital	1,409.7	1,268.9	1,188.6
Additional Tier 1 capital			
Perpetual subordinated loans	198.7	198.0	197.2
Total other Tier 1 capital	198.7	198.0	197.2
Tier 2 capital			
Time-bound subordinated loans	249.7	248.9	247.9
Total supplementary capital	249.7	248.9	247.9
Total own funds	1,858.1	1,715.8	1,633.7

	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Specification of risk exposure amount (REA) and capital base requirements	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Credit risk according to the standard method						
Exposures to central banks and local authorities	5.5	0.4	5.5	0.4	4.1	0.3
Institution exposures	225.7	18.1	420.3	33.6	249.7	20.0
Corporate exposures	2,227.2	178.2	2,082.1	166.6	2,213.2	177.1
Retail exposures	6,034.8	482.8	6,593.2	527.5	6,379.6	510.4
Defaulted exposures	1,202.3	96.2	1,077.2	86.2	905.8	72.5
Other items	84.4	6.8	66.8	5.3	61.6	4.9
Total risk exposure amount and capital requirements	9,779.9	782.4	10,245.1	819.6	9,814.0	785.1

8 CAPITAL ADEQUACY, CONT.

Market risk						
Foreign exchange rate risk	78.8	6.3	56.1	4.5	16.5	1.3
Total risk exposure amount and capital requirements	78.8	6.3	56.1	4.5	16.5	1.3
Operational risk						
Basic indicator approach	1,486.9	119.0	1,486.9	119.0	1,300.9	104.1
Total risk exposure amount and capital requirements	1,486.9	119.0	1,486.9	119.0	1,300.9	104.1
Total risk exposure amount and capital requirements	11,345.6	907.6	11,788.1	943.0	11,131.4	890.5
ADDITIONAL CAPITAL REQUIREMENTS PILLAR 2						
	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Credit concentration risk	125.2		108.1		101.2	
Interest rate risk in banking book	24.3		67.1		45.8	
Other additional capital requirements	5.1		5.5		3.4	
Total additional capital requirements Pillar 2	154.6		180.7		150.4	
LEVERAGE RATIO						
	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Own funds requirements (Pillar 1)	14,814.6		16,382.7		15,156.2	
Special Own funds requirement (Pillar 2)	-		-		-	
Pillar 2 guide	-		-		-	
Exposure measures for calculation of leverage ratio	14,814.6		16,382.7		15,156.2	
Tier 1 Leverage ratio	1,608.4		1,466.9		1,385.8	
Leverage ratio, %	10.86%		8.95%		9.14%	
Leverage ratio requirements	444.4		491.5		454.7	
Leverage ratio requirements, percent	3%		3%		3%	
TOTAL OWN FUNDS REQUIREMENT (INCLUDING PILLAR 2)						
	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Common Equity Tier 1 capital requirements	1,052.4	9.28%	1,031.2	8.75%	885.7	7.96%
Tier 1 capital requirements	1,251.6	11.03%	1,242.0	10.54%	1,080.9	9.71%
Total Capital	1,517.2	13.37%	1,522.9	12.92%	1,341.1	12.05%
LIQUIDITY MEASURES						
	30 Jun 2023		31 Dec 2022		30 Jun 2022	
Liquidity coverage ratio (LCR)	275.2%		299.0%		222.0%	
Net stable funding ratio (NSFR)	128.3%		126.7%		113.6%	

8 CAPITAL ADEQUACY, CONT.

		30 June 2023	31 Dec 2023	30 Jun 2022
Available own funds (amount)				
1	Common Equity Tier 1 (CET1) capital	1,409.7	1,268.9	1,188.5
2	Tier 1 capital	1,608.4	1,466.9	1,385.8
3	Total Capital	1,858.1	1,715.8	1,633.7
Risk-weighted exposure amounts				
4	Risk-weighted exposure amount	11,345.5	11,788.1	11,131.4
Capital ratios (as a percentage of the risk-weighted exposure amount)				
5	Common Equity Tier 1 capital ratio (%)	12.43%	10.76%	10.68%
6	Tier 1 capital ratio (in %)	14.18%	12.44%	12.45%
7	Total capital ratio (%)	16.38%	14.56%	14.68%
Additional own funds requirements to manage risks other than the risk of excessively low leverage ratio (as a percentage of the risk-weighted exposure amount)				
EU 7a	Additional own funds requirements to manage risks other than the risk of excessive leverage (%)	0.77%	0.86%	0.76%
EU 7b	of which: shall consist of Common Equity Tier 1 capital (in percentage points)	0.26%	0.29%	0.25%
EU 7c	of which: shall consist of Tier 1 capital (in percentage points)	0.34%	0.38%	0.34%
EU 7d	Total SREP own funds requirements (in %)	9.36%	9.53%	9.35%
Combined buffer and overall capital requirement (as a percentage of the risk-weighted exposure amount)				
8	Capital conservation buffer (in %)	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macroprudential or systemic risks identified at Member State level (in %)	-	-	-
9	Institution-specific countercyclical capital buffer (in %)	1.51%	0.89%	0.20%
EU 9a	Systemic risk buffer (in %)	-	-	-
10	Global systemically important institution buffer (in %)	-	-	-
EU 10a	Buffer for other systemically important institutions (in %)	-	-	-
11	Combined buffer requirement (in %)	4.01%	3.39%	2.70%
EU 11a	Overall capital requirements (in %)	13.37%	12.92%	12.05%
12	CET1 available after meeting the total SREP own funds requirements (in %)	7.93%	6.26%	6.18%
Leverage ratio, %				
13	Total exposure measure	14,814.6	16,382.7	15,156.2
14	Leverage ratio %	10.86%	8.95%	9.14%
Additional own funds requirements to manage the risk of excessively low leverage ratio (as a percentage of the total exposure measure)				
EU 14a	Additional own funds requirements to address the risk of excessive leverage (in %)	-	-	-
EU 14b	of which: shall consist of CET1 capital (in percentage points)	-	-	-
EU 14c	Total SREP leverage ratio requirements (in %)	-	-	-
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14d	Leverage ratio buffer requirement (in %)	3.00%	3.00%	3.00%
EU 14e	Overall leverage ratio requirement (in %)	-	-	-
Liquidity Coverage Ratio				
15	Total high-quality liquid assets (weighted value – average)	1,103.3	1,070.0	1,094.1
16	Total net liquidity outflows (adjusted value)	400.9	476.5	511.1
17	Liquidity Coverage Ratio (in %)	275.20%	298.81%	222.04%
Stable net funding ratio				
18	Total available stable funding	13,459.1	14,892.7	13,584.2
19	Total need for stable funding	10,486.7	11,750.9	9,737.0
20	NSFR ratio (%)	128.34%	126.70%	139.51%

9 LIQUIDITY RISK

This note provides information on Avida's liquidity reserve and funding sources, required to be disclosed in accordance with FFFS 2010:7, including applicable amendments, regarding the management of liquidity risks in credit institutions and investment firms.

LIQUIDITY RESERVE

Avida is required to maintain a liquidity reserve reserve of high-quality assets that can be used to secure short-term capacity to meet payment obligations in the event of lost or impaired access to regularly available funding sources. Avida's liquidity reserve is presented in the table below.

SEK million	30 Jun 2023	31 Dec 2022	30 Jun 2022
Cash and balances with central banks	259.2	521.7	503.2
Deposits in other banks available overnight	1,066.0	2,007.8	1,211.9
Bonds issued by government and municipalities	848.6	671.4	616.3
TOTAL	2,173.9	3,200.9	2,331.4

FUNDING

SEK million	30 Jun 2023	31 Dec 2022	30 Jun 2022
Deposits from the public	12,348.0	13,928.0	12,645.4
Subordinated debt	249.7	248.9	247.9
Additional Tier 1 capital	198.7	198.0	197.2
Other equity	1,409.8	1,211.2	1,201.2
Other liabilities	190.2	147.4	179.3
TOTAL	14,396.5	15,733.4	14,471.0

Definitions

Alternative Performance Measures (APM's) are financial measures of historical or future earnings development, financial position or cash flow that are not defined in the applicable accounting regulations (IFRS) or in the Capital Requirements Directive (CRD IV) or in the EU Capital Requirements Regulation No. 575/2013 (CRR).

Avida Finans uses alternative performance measures when relevant to follow up and describe the company's financial position and increase comparability between the periods. These do not have to be comparable with similar key figures presented by other companies.

ALTERNATIVE PERFORMANCE MEASURES'

Return on equity

Reported profit/loss divided by average adjusted equity.

Return on assets

Reported profit/loss divided by total assets at period end. Presented annually in accordance with FFFS 2008:25.

C/I ratio

Total operating expenses divided by total operating income, excluding credit losses.

Net interest margin

Net interest income divided by average lending to the public.

Loss ratio

Net credit losses for the period in relation to average lending to the public.

KEY FIGURES DEFINED IN CAPITAL ADEQUACY- AND LIQUIDITY REGULATIONS

Leverage ratio

Total exposure amount in relation to Tier 1 capital.

Own funds

Sum of Tier 1 and Tier 2 capital.

Common Equity Tier 1 capital ratio

Common Equity Tier 1 capital divided by the total risk-weighted exposure amount.

Liquidity Coverage Ratio, LCR

The size of the liquidity reserve in relation to an expected stressed net cash outflow during a 30-day period.

Tier 1 capital ratio

Tier 1 capital divided by the total risk-weighted exposure amount.

Risk exposure amount

The risk weight of each exposure multiplied by the exposure amount, for exposures on and off balance sheet.

Net Stable Funding Ratio, NSFR

Available stable funding in relation to required stable funding.

Total capital ratio

Own funds as a percentage of the total risk exposure amount.

The Board and CEO Declaration

The Board of Directors and the CEO assure that the interim report provides a fair picture Avida Finans AB's operations, financial standing and result and describes significant risks and uncertainties that the company faces.

Stockholm, 24 August 2023

Varun Khanna, Chairman of the Board

Tine Wollebekk, CEO

Daniel Knottenbelt, Member

Celina Midelfart, Member

Geir Olsen, Member

Vaibhav Piplapure, Member

Teresa Robson-Capps, Member

Publication of financial information

AVIDA FINANS AB (PUBL)'S FINANCIAL REPORTS ARE AVAILABLE AT WWW.AVIDA.SE

FINANCIAL CALENDAR 2023

23 FEBRUARY 2023
25 MAY 2023
24 AUGUST 2023
23 NOVEMBER 2023
22 FEBRUARY 2024

Q4 - YEAR END REPORT 2022
Q1 - INTERIM REPORT JANUARY-MARCH 2023
Q2 - INTERIM REPORT APRIL-JUNE 2023
Q3 - INTERIM REPORT JULY-SEPTEMBER 2023
Q4 - YEAR-END REPORT 2023

AVIDA FINANS AB (PUBL)
CORP. ID NO. : 556230-9004
AVIDA.SE

POSTAL ADDRESS
AVIDA FINANS AB
PO BOX 38101
100 64 STOCKHOLM, SWEDEN

CONTACT INFORMATION

TINE WOLLEBEKK, CEO
TINE.WOLLEBEKK@AVIDA.SE
+46 72 070 53 90

MICHAEL GROSCHE, HEAD OF PEOPLE AND COMMUNICATION
MICHAEL.GROSCHE@AVIDA.SE
+46 70 307 29 36



AVIDA

Magnus Ladulåsgatan 65
118 28 STOCKHOLM
avidafinance.com
info@avida.se