

INTERIM REPORT

JANUARY-SEPTEMBER

2023



AVIDA FINANS AB (PUBL)
556230-9004

AVIDA

Focus remains on delivering profit before growth.



During the third quarter, Avida maintained its top line interest income but experienced higher funding costs resulting in a slightly lower net interest margin compared to Q2 2023. Avida's operating expenses were in line with Q2 2023 and was adjusted for the benefits of one-off adjustments of personnel expense accruals made in Q2 2023.

Avida continues to take a cautious approach to providing consumer loans given the uncertain macroeconomic environment and as a result saw a slight contraction in consumer loans during the quarter. Avida has invested in enhancing its Consumer Finance risk scoring and pricing models during Q3 which will strengthen the front book performance going forward. Defaulting consumer loans from existing back book continue to have a negative impact on Avida's profitability.

Avida's factoring first strategy in Business Finance is delivering positive results. During September 2023, Avida's factoring business

achieved a record volume. Avida continues to adjust its margins in line with market terms. One of the payoffs being observed from Business finance's initiatives over the past year has been lower credit losses.

During the third quarter, Avida announced a new partnership with Norwegian Air Shuttle and Strawberry hotel chain's new loyalty company. Avida will be the exclusive partner for financial services for their over 5 million members. This partnership has kicked off in record speed and Avida now have full focus on delivering financial services to members of the loyalty program during Q2 2024.

After the third quarter, Avida issued a new Tier 2 bond for 250m SEK and repaid its existing Tier 2 bond of 250m SEK. The ability to issue this new bond in the current market conditions is a testament of the belief in Avida's business strategy. Furthermore, the Finnish operations has divested an NPL portfolio to a total sum of over 30 million € during the fourth quarter.

The results for the third quarter reflect that Avida still has challenges to address before it can return to its path to deliver profitable growth. Investments continue to be made across Avida's business in banking platforms and in our new Norwegian/Strawberry partnership to ensure Avida is positioned to deliver future business growth and an enhanced customer experience in an efficient and modern manner. I remain convinced that Avida is making the needed investments and undertaking the steps needed to achieve its goal of being the market leader.

Stockholm 23 November 2023

Tine Wollebekk
CEO

Quarterly review

CONDENSED INCOME STATEMENT

SEK million	Quarter 3 2023	Quarter 2 2023	Quarter 1 2023	Quarter 4 2022	Quarter 3 2022
Net interest income	219.7	224.1	227.3	222.8	202.7
Total operating income	226.2	234.0	234.2	241.2	204.2
Total operating expenses	-88.9	-81.1	-92.8	-96.0	-90.5
Credit losses, net	-136.5	-140.3	-137.7	-131.9	-97.4
Profit/loss before tax	0.8	12.6	3.7	13.2	16.3
Net profit or loss for the period	3.7	9.6	2.8	9.1	12.2

CONDENSED BALANCE SHEET

SEK million	30 Sep 2023	30 June 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
Loans to the public	11,942.7	12,058.7	12,082.9	12,374.8	12,330.1
Deposits from the public	12,172.5	12,348.0	12,880.0	13,928.0	12,746.9
Equity	1,604.9	1,608.5	1,405.1	1,409.2	1,405.6

KEY RATIOS*

SEK million	Quarter 3 2023	Quarter 2 2023	Quarter 1 2023	Quarter 4 2022	Quarter 3 2022
Net interest margin (%)	7.32%	7.43%	7.44%	7.22%	6.67%
C/I ratio	0.39	0.35	0.40	0.40	0.44
Return on equity (%)	0.92%	2.54%	0.81%	2.57%	3.48%
CET1 ratio (%)	12.44%	12.43%	10.61%	10.76%	10.98%
Loss ratio (%)	4.55%	4.65%	4.51%	4.27%	3.20%

*For more information on key ratios, see Definitions.

Third quarter 2023 in the Group

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

Significant events during the quarter

On August 24, it was announced that Avida has entered into an exclusive agreement on a long-term alliance with the loyalty company established by Norwegian and Strawberry. The alliance will in the future develop financial services for its more than 7 million loyalty program members, with Avida as an exclusive financial partner. Upon completion of the transaction, Avida will become an approximately 2% shareholder in the Loyalty Company and the Loyalty Company will become an approximately 11% shareholder in Avida. In the coming years, Avida will work intensively on developing the financial services to be offered within the loyalty company.

Operating income

Interest income increased by 2 percent during the quarter and amounted to SEK 334.0 (326.7) million. In the consumer segment, revenues were stable compared to the previous quarter despite a slight decrease in volume. This is explained by continued interest rate increases of the existing portfolio during the period. Strong financing volumes led to increased revenues within factoring. Income also increased on corporate loans as a result of repricing of existing loans. Interest expenses amounted to SEK -114.3 (-102.6) million and were affected by increased deposit expenses in all currencies. During the quarter, deposit rates continued to be adjusted in line with changing market interest rates.

Net interest for the quarter amounted to SEK 219.7 (224.1) million.

Operating expenses

General administration costs increased to SEK -84.6 million compared to SEK -76.9 million during the second quarter. The change is mainly related to the adjustment of prior accruals within personnel expenses that was made during the second quarter, and which then resulted in a positive one-off effect. Apart from this effect, general administrative expenses decreased in the third quarter.

Credit losses

Net credit losses improved compared to the second quarter and amounted to SEK -136.5 (-140.3) million. The decrease is related to the consumer segment. Provisions for credit losses in factoring and corporate loans continued at an expected, low level.

Loans to the public

Loans to the public amounted to SEK 11,942.7 million as of September 30, 2023, compared to SEK 12,374.8 million on December 31, 2022. Total lending volume decreased as a result of amortizations and continued cautious new lending during the year.

Deposits

Deposits from the public decreased by SEK -175.6 million and amounted to SEK 12,172.5 (12,348.0) million as of September 30, 2023. The reduction is related to net outflows in all currencies.

Capital and financing

During the second quarter a share issue of SEK 201 million was executed, that strengthened Avida's CET1 ratio.

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. The 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. During the quarter, the central banks have continued to raise interest rates, while inflation rates have decreased compared to the first part of the year. 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 deteriorating 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 controls to further 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

On October 25, Avida issued subordinated bonds of SEK 250 million with redemption in January 2034. On November 9, the repayment of previously outstanding subordinated bonds of SEK 250 million was carried out.

After the end of the quarter, a sale of non-performing loans with a gross value of over EUR 30 million was carried out in Finland.

Expected future development

Avida will continue to focus on increased profitability, decrease in risk and high credit quality before growth. 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 3 2023	Quarter 2 2023	Quarter 3 2022	Jan - Sep 2023	Jan - Sep 2022	Full year 2022
Interest income		334.0	326.7	250.7	969.0	733.3	1,028.1
Interest expenses		-114.3	-102.6	-48.0	-297.8	-122.1	-194.1
NET INTEREST INCOME	4	219.7	224.1	202.7	671.2	611.1	834.0
NET COMMISSION INCOME		5.6	6.2	5.4	17.7	14.7	22.9
Net result from financial transactions		0.7	2.2	-4.5	3.5	-4.3	4.8
Other operating income		0.2	1.5	0.6	2.0	0.8	1.9
TOTAL OPERATING INCOME		226.2	234.0	204.2	694.4	622.4	863.6
General administrative expenses		-84.6	-76.9	-86.9	-250.1	-240.2	-332.7
Depreciation and amortisation of tangible and intangible fixed assets		-4.3	-4.2	-3.6	-12.6	-10.6	-14.1
TOTAL EXPENSES BEFORE CREDIT LOSSES		-88.9	-81.1	-90.5	-262.7	-250.8	-346.8
PROFIT/LOSS BEFORE CREDIT LOSSES		137.3	152.9	113.7	431.7	371.6	516.7
Credit losses, net	5	-136.5	-140.3	-97.4	-414.6	-300.3	-432.2
OPERATING PROFIT/LOSS		0.8	12.6	16.3	17.1	71.3	84.5
PROFIT/LOSS BEFORE TAX		0.8	12.6	16.3	17.1	71.3	84.5
Tax on profit or loss for the period		2.9	-3.1	-4.1	-1.0	-18.0	-22.1
PROFIT OR LOSS FOR THE PERIOD		3.7	9.6	12.2	16.1	53.3	62.4

Consolidated statement of comprehensive income

SEK million	Quarter 3 2023	Quarter 2 2023	Quarter 3 2022	Jan - Sep 2023	Jan - Sep 2022	Full year 2022
PROFIT OR LOSS FOR THE PERIOD	3.7	9.6	12.2	16.1	53.3	62.4
Currency rate differences when translating foreign operations	-0.5	0.6	-0.1	-0.4	0.0	0.7
Sum of items that may be subsequently reclassified to the income statement	-0.5	0.6	-0.1	-0.4	0.0	0.7
TOTAL PROFIT OR LOSS FOR THE PERIOD	3.2	10.2	12.1	15.7	53.3	63.1

Consolidated statement of financial position

SEK million	Note	30 Sep 2023	31 Dec 2022	30 Sep 2022
ASSETS				
Cash and balances with central banks	7	80.7	521.7	511.0
Treasury bills eligible for repayment	7	848.7	671.4	613.5
Loans to credit institutions	7	1,218.1	2,007.8	939.9
Loans to the public	6, 7	11,942.7	12,374.8	12,330.1
Derivatives		4.3	-	36.1
Intangible fixed assets	7	45.6	43.3	38.2
Tangible assets		26.3	20.5	22.1
Current tax asset		41.2	35.1	49.3
Other assets		24.2	39.4	13.4
Prepaid expenses and accrued income		28.1	19.5	18.0
TOTAL ASSETS		14,259.9	15,733.4	14,571.7
LIABILITIES AND EQUITY				
Deposits from the public	7	12,172.5	13,928.0	12,746.9
Derivatives	7	-	1.0	-
Other liabilities	7	154.2	90.6	104.9
Accrued expenses and prepaid income		77.0	55.1	65.9
Other provisions		1.2	0.7	0.0
Subordinated debt	7	250.1	248.9	248.4
TOTAL LIABILITIES		12,655.0	14,324.3	13,166.1
EQUITY				
Share capital		14.6	12.8	12.8
Other contributed capital		1,121.4	923.3	923.4
Additional Tier 1 capital		199.0	198.0	197.6
Other reserves		1.8	1.8	1.8
Retained earnings including profit for the year		268.0	273.2	269.9
TOTAL EQUITY		1,604.9	1,409.2	1,405.6
TOTAL LIABILITIES AND EQUITY		14,259.9	15,733.4	14,571.7

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 Jan 2023	12.8	923.5	198.0	1.8	273.0	1,409.2
Profit or loss for the period					16.1	16.1
Other comprehensive income					-0.4	-0.4
Total comprehensive income for the period					15.7	15.7
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			1.0			1.0
Interest paid on Additional Tier 1 capital					-20.4	-20.4
Closing balance at 30 Sep 2023	14.6	1 121.4	199.0	1.8	268.0	1 604.9

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 Jan 2022	12.8	923.3	196.7	1.8	232.1	1,366.7
Profit or 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 Dec 2022	12.8	923.3	198.0	1.8	273.2	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 Jan 2022	12.8	923.3	196.7	1.8	232.1	1,366.7
Profit or loss for the period					53.3	53.3
Other comprehensive income					0.0	0.0
Total comprehensive income for the period					53.3	53.3
Transaction costs on Additional Tier 1 capital			0.9			0.9
Interest paid on Additional Tier 1 capital					-15.6	-15.6
Closing balance at 30 Sep 2022	12.8	923.4	197.6	1.8	270.0	1 405.6

Condensed consolidated cash flow statement

SEK million	Jan - Sep 2023	Full year 2022	Jan - Sep 2022
Operating activities			
Operating profit	17.1	84.5	71.3
<i>Adjustment for items not included in cash flow</i>			
Depreciation and amortisation of tangible and intangible assets	12.6	-21.9	-23.8
Provisions for credit losses	414.6	438.2	307.5
Unrealised changes in assets and liabilities	-11.9	-6.0	0.0
Other non-cash items	0.3	0.0	0.0
Income tax paid	-7.5	-14.8	-24.2
Cash flow from operating activities before changes in operating assets and liabilities	425.3	480.1	330.9
Increase (-) / Decrease (+) in loans to the public	17.5	-1,736.9	-1,561.5
Increase (-) / Decrease (+) in other assets	6.2	-27.3	-40.8
Increase (-) / Decrease (+) in deposits from the public	-1,755.6	2,035.5	854.4
Increase (-) / Decrease (+) in other liabilities	75.4	-3.4	14.7
Cash flow from operating activities	-1,231.2	747.9	-402.4
Investing activities			
Investments in bonds and other securities	-222.4	-128.4	-76.6
Divestments of bonds and other securities	51.2	0.0	0.0
Acquisition of tangible assets	-1.4	-5.9	-6.0
Acquisition of intangible assets	-	-	5.6
Cash flow from investing activities	-172.5	-134.3	-77.0
Financing activities			
Share issue	199.7	-	-
Interest paid on Additional Tier 1 capital	-20.4	-21.9	-15.6
Amortisation of lease liabilities	-6.4	-8.0	0.0
Cash flow from financing activities	173.0	-30.0	-15.6
Cash at cash equivalents at beginning of the period	2,529.5	1,945.9	1,945.9
Cash flow for the period	-1,230.7	583.6	-495.0
Cash at cash equivalents at end of the period	1,298.8	2,529.5	1,450.9
1) Cash and cash equivalents in the cash flow statement			
Cash and balances with central banks	80.7	521.7	511.0
Loans to credit institutions	1,218.1	2,007.8	939.9
Total cash and cash equivalents in the cash flow statement	1,298.8	2,529.5	1,450.9

Parent company financial statements

Parent company income statement

SEK million	Quarter 3 2023	Quarter 2 2023	Quarter 3 2022	Jan - Sep 2023	Jan - Sep 2022	Full year 2022
Interest income	332.4	325.8	250.7	634.0	730.9	1,025.8
Interest expenses	-112.7	-101.6	-48.0	-182.4	-122.0	-194.1
NET INTEREST INCOME	219.7	224.2	202.7	451.6	608.9	831.7
NET COMMISSION INCOME	5.6	6.2	5.4	12.0	14.7	22.9
Net result from financial transactions	0.7	2.1	-4.5	2.7	-4.4	4.7
Other operating income	0.2	1.5	0.6	1.9	0.8	2.1
TOTAL OPERATING INCOME	226.2	234.0	204.2	468.2	620.0	861.4
General administrative expenses	-86.3	-78.5	-87.0	-168.6	-240.8	-335.1
Depreciation and amortisation of tangible and intangible fixed assets	-2.3	-2.2	-2.4	-4.4	-7.1	-9.4
TOTAL EXPENSES BEFORE CREDIT LOSSES	-88.6	-80.7	-89.4	-173.1	-247.8	-344.5
PROFIT/LOSS BEFORE CREDIT LOSSES	137.6	153.3	114.7	295.1	372.1	516.9
Credit losses, net	-136.5	-140.3	-97.0	-278.1	-299.9	-431.7
OPERATING PROFIT/LOSS	1.0	13.0	17.7	17.1	72.3	85.2
PROFIT/LOSS BEFORE TAX	1.0	13.0	17.7	17.1	72.3	85.2
Tax on profit or loss for the period	2.8	-3.1	-4.1	-4.0	-18.0	-22.0
PROFIT OR LOSS FOR THE PERIOD	3.9	9.9	13.7	13.1	54.3	63.3

Parent company statement of comprehensive income

SEK million	Quarter 3 2023	Quarter 2 2023	Quarter 3 2022	Jan - Sep 2023	Jan - Sep 2022	Full year 2022
PROFIT OR LOSS FOR THE PERIOD	3.9	9.9	13.7	13.1	54.3	63.3
Currency rate differences when translating foreign operations	-0.6	0.5	0.0	-0.1	0.0	0.3
Sum of items that may be subsequently reclassified to the income statement	-0.6	0.5	0.0	-0.1	0.0	0.3
TOTAL PROFIT OR LOSS FOR THE PERIOD	3.2	10.3	13.7	13.0	54.3	63.6

Parent company statement of financial position

SEK million	30 Sep 2023	31 Dec 2022	30 Sep 2022
ASSETS			
Cash and balances with central banks	80.7	521.7	511.0
Treasury bills eligible for repayment	848.7	671.4	613.5
Loans to credit institutions	1,213.3	2,001.4	933.2
Loans to the public	11,941.5	12,373.4	12,328.4
Derivatives	4.3	-	36.1
Shares and participations in Group companies	2.0	2.0	2.0
Intangible fixed assets	45.6	43.3	38.2
Tangible assets	5.2	5.3	5.7
Current tax asset	41.2	35.3	49.0
Other assets	21.7	37.6	12.4
Prepaid expenses and accrued income	28.1	19.4	17.9
TOTAL ASSETS	14,232.3	15,710.8	14,547.6
LIABILITIES AND EQUITY			
Deposits from the public	12,172.5	13,928.0	12,746.9
Derivatives	-	1.0	-
Other liabilities	134.4	77.3	89.8
Accrued expenses and prepaid income	77.0	55.1	65.9
Other provisions	1.2	0.7	0.0
Subordinated debt	250.1	248.9	248.4
TOTAL LIABILITIES	12,635.2	14,311.0	13,151.0
EQUITY			
Share capital	14.6	12.8	12.8
Other contributed capital	1,119.5	921.6	921.6
Additional Tier 1 capital	199.0	198.0	197.6
Other reserves	33.1	33.4	29.8
Retained earnings	213.9	170.8	180.6
Profit for the year	17.0	63.3	54.3
TOTAL EQUITY	1,597.2	1,399.9	1,396.6
TOTAL LIABILITIES AND EQUITY	14,232.3	15,710.8	14,547.6

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 was 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 the chief operating decision maker 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 3, 2023	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	224.0	62.4	31.4	1.0	318.8
Interest expenses	-74.0	-20.0	-10.2	5.1	-99.1
Net interest income	149.9	42.4	21.2	6.1	219.7
Fee and commission income	5.6	0.0	0.0	0.0	5.6
Net result from financial transactions and other operating income	0.0	0.0	0.0	0.9	0.9
Total operating income	155.6	42.4	21.2	7.0	226.2
Credit losses, net	-137.3	3.9	-5.6	2.5	-136.5
Total risk-adjusted operating income	18.3	46.3	15.6	9.5	89.7
Operating expenses	-57.4	-25.4	-6.2	0.1	-88.9
Profit before tax	-39.1	20.9	9.4	9.6	0.8
Loans to the public	8,161.6	2,626.3	1,101.4	53.3	11,942.7

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
Loans to the public	8,489.5	2,310.5	1,191.9	66.8	12,058.7

3 OPERATING SEGMENTS, CONT.

QUARTER 3, 2022	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	179.0	43.9	21.4	2.8	247.1
Interest expenses	-29.5	-7.9	-4.1	-2.9	-44.4
Net interest income	149.6	36.0	17.3	-0.2	202.7
Fee and commission income	5.7	0.0	0.0	-0.3	5.4
Net result from financial transactions and other operating income	0.0	0.0	0.0	-4.0	-4.0
Total operating income	155.3	36.0	17.3	-4.4	204.2
Credit losses, net	-87.3	-6.2	-2.6	-1.3	-97.4
Total risk-adjusted operating income	68.0	29.8	14.6	-5.7	106.7
Operating expenses	-59.7	-24.6	-5.8	-0.5	-90.5
Profit before tax	8.3	5.2	8.9	-6.2	16.3
Loans to the public	8,811.8	2,215.3	1,201.0	102.0	12,330.1

JAN - SEP, 2023	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	668.1	169.6	91.0	3.7	932.4
Interest expenses	-194.4	-50.8	-27.4	11.4	-261.2
Net interest income	473.7	118.8	63.6	15.1	671.2
Fee and commission income	17.7	0.0	0.0	0.1	17.7
Net result from financial transactions and other operating income	0.0	0.0	0.0	3.5	3.5
Total operating income	491.3	118.8	63.6	20.7	694.4
Credit losses, net	-406.0	0.8	-12.0	2.6	-414.6
Total risk-adjusted operating income	85.4	119.5	51.5	23.4	279.9
Operating expenses	-169.7	-74.3	-18.4	-0.3	-262.7
Profit before tax	-84.4	45.2	33.1	23.1	17.1
Loans to the public	8,161.6	2,626.3	1,101.4	53.3	11,942.7

JAN - SEP, 2022	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	532.2	122.7	58.6	13.2	726.7
Interest expenses	-81.0	-19.0	-10.4	-5.1	-115.5
Net interest income	451.2	103.7	48.2	8.0	611.1
Fee and commission income	15.2	0.0	0.0	-0.5	14.8
Net result from financial transactions and other operating income	0.0	0.0	0.0	-4.3	-4.3
Total operating income	466.4	103.7	48.2	4.0	622.4
Credit losses, net	-269.5	-21.1	-8.5	-1.2	-300.3
Total risk-adjusted operating income	197.0	82.6	39.7	2.8	322.1
Operating expenses	-160.4	-72.2	-16.1	-2.1	-250.8
Profit before tax	36.6	10.4	23.6	0.8	71.3
Loans to the public	8,811.8	2,215.3	1,201.0	102.0	12,330.1

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
Loans to the public	8,998.4	2,222.7	1,066.4	87.3	12,374.8

4 NET INTEREST INCOME

SEK million	Quarter 3 2023	Quarter 2 2023	Quarter 3 2022	Jan - Sep 2023	Jan - Sep 2023	Full year 2022
Loans to credit institutions	8.7	5.0	2.5	22.0	5.9	10.2
Bonds and other interest-bearing securities	5.8	4.6	0.9	13.5	0.6	2.5
Loans to the public	319.2	317.0	247.1	932.8	726.4	1,014.9
Other interest income	0.3	0.2	0.2	0.7	0.4	0.6
Total interest income	334.0	326.7	250.7	969.0	733.3	1,028.1
Liabilities to credit institutions	-2.3	-1.7	-5.4	-8.8	-9.1	-15.7
Deposits from the public	-104.4	-93.9	-37	-267.8	-97.7	-156.5
Subordinated debt	-6.6	-6.2	-4.8	-18.5	-13.1	-18.4
Other interest expenses	-1.0	-0.8	-0.9	-2.7	-2.3	-3.5
Total interest expenses	-114.3	-102.6	-48.0	-297.8	-122.1	-194.1
Net interest income	219.7	224.1	202.7	671.2	611.1	834.0

5 CREDIT LOSSES, NET

SEK million	Quarter 3 2023	Quarter 2 2023	Quarter 3 2022	Jan - Sep 2023	Jan - Sep 2023	Full year 2022
Loans to the public						
Provisions - Stage 1	5.8	5.5	-4.3	8.8	-4.8	-1.4
Provisions - Stage 2	34.2	4.7	-1.0	45.5	-7.6	-45.9
Provisions - Stage 3	-165.4	143.7	-85.2	-160.7	-278.3	-357.5
Total provisions	-125.4	-133.5	-90.6	-106.4	-290.7	-404.8
Write-offs	-11.5	-7.0	-8.9	-308.7	-16.9	-32.0
Recoveries	0.3	0.1	1.7	0.6	7.2	6.0
Total credit losses from loans to the public	-136.5	-140.4	-97.7	-414.6	-300.4	-430.8
Loans to credit institutions						
Provisions - Stage 1	0.0	0.1	0.2	0.0	0.1	-1.4
Total credit losses from loans to credit institutions	0.0	0.1	0.2	0.0	0.1	-1.4
Total credit losses, net	-136.5	-140.3	-97.4	-414.6	-300.3	-432.2

6 LOANS TO THE PUBLIC

SEK million	30 Sep 2023	31 Dec 2022	30 Sep 2022
Loans to the public, gross	13,328.7	13,650.1	13,481.1
of which: Stage 1	10,083.8	10,579.0	10,734.1
of which: Stage 2	623.2	844.4	762.1
of which: Stage 3	2,261.7	2,226.7	1,984.9
Total provisions	-1,386.1	-1,275.3	-1,151.0
of which: Stage 1	-71.2	-100.9	-102.2
of which: Stage 2	-79.1	-103.6	-64.0
of which: Stage 3	-1,235.7	-1,070.8	-984.8
Loans to the public, net	11,942.7	12,374.8	12,330.1

Change in gross carrying amount and provisions

SEK million	Stage 1	Stage 2	Stage 3	TOTAL
Gross carrying amount, 1 Jan 2023	10,579.0	844.4	2,226.6	13,650.1
New financial assets	4,116.1	84.0	94.0	4,294.1
Derecognised financial assets	-3,362.6	-163.3	-105.1	-3,631.0
From stage 1 to stage 2	-369.2	341.4		-27.8
From stage 1 to stage 3	-519.0		533.6	14.6
From stage 2 to stage 1	115.6	-127.5		-11.9
From stage 2 to stage 3		-337.9	340.0	2.2
From stage 3 to stage 1	0.7		-0.8	-0.1
From stage 3 to stage 2		1.0	-1.1	-0.1
Changes that are not derecognised financial assets	-540.3	-22.1	-467.8	-1,030.2
Exchange-rate differences	63.5	3.2	2.2	68.9
Gross carrying amount, 30 Sep 2023	10,083.8	623.2	2,621.7	13,328.7

SEK million	Stage 1	Stage 2	Stage 3	TOTAL
Provision for credit losses, 1 Jan 2023	100.9	103.6	1,070.8	1,275.3
New financial assets	10.6	9.3	50.9	70.8
Derecognised financial assets	-19.1	-7.8	-74.1	-101.0
From stage 1 to stage 2	-9.2	51.5		42.3
From stage 1 to stage 3	-19.0		234.6	215.6
From stage 2 to stage 1	4.0	-16.6		-12.5
From stage 2 to stage 3		-60.3	153.8	93.5
From stage 3 to stage 1	0.0		-0.2	-0.2
From stage 3 to stage 2		0.1	-0.2	-0.2
Changes in risk factors (PD, EAD, LGD)	-5.6	-1.8	-173.6	-181.0
Changes due to expert assessments (individual assessments, manual adjustments)	7.8		-27.9	-20.1
Exchange-rate differences	0.6	1.2	1.7	3.6
Provision for credit losses, 30 Sep 2023	71.2	93.5	1,235.7	1,386.1

6 LOANS TO THE PUBLIC, CONT.

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
Gross carrying amount, 1 Jan 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 Dec 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 Jan 2022	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 Dec 2022	100.9	103.6	1,070.8	1,275.3

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
Provision for credit losses, 1 Jan 2022	9,945.4	466.4	1,515.2	11,927.0
New, acquired and derecognised financial assets, net	1,466.8	-11.4	-69.5	1,385.9
Transfer to stage 1	104.7	-93.8	-10.9	-
Transfer to stage 2	-588	595.2	-7.1	0.1
Transfer to stage 3	-345	-206.5	551.5	-
Exchange-rate differences	150.8	12.2	5.7	168.7
Gross carrying amount, 30 Sep 2022	10,734.1	762.1	1,984.9	13,481.1

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
Provision for credit losses, 1 Jan 2022	95.5	55.2	700.2	850.9
New, acquired and derecognised financial assets, net	19.2	9.4	18.7	47.3
Transfer to stage 1	2.6	-9.7	-5.1	-12.2
Transfer to stage 2	-7.0	39	-2.8	29.2
Transfer to stage 3	-9.7	-30.5	179.5	139.3
Changes due to change in credit risk	-0.3	-0.5	91.3	90.5
Exchange-rate differences	1.9	1.1	3	6
Provision for credit losses, 30 Sep 2022	102.2	64.0	898.6	1 151.0

7 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

30 Sep 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	-	-	80.7	80.7	80.7
Treasury bills eligible for repayment	160.8	-	687.9	848.7	843.3
Loans to credit institutions	-	-	1,218.1	1,218.1	1,218.1
Loans to the public	-	-	11,942.7	11,942.7	11,942.7
Derivatives	4.3	-	-	4.3	4.3
Other financial assets	1.2	-	8.5	9.7	9.7
Total financial assets	166.3	-	13,937.9	14,104.2	14,098.8

Deposits from the public	-	-	12,172.5	12,172.5	12,172.5
Subordinated debt	-	-	250.1	250.1	250.1
Other financial liabilities	-	-	117.7	117.7	117.7
Total financial liabilities	-	-	12,540.3	12,540.3	12,540.3

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 financial assets	0.7	-	157.1	157.8	157.8
Total financial 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 financial liabilities	0.7	-	145.7	146.4	146.4
Total financial liabilities	1.7	-	14,322.6	14,324.3	14,324.3

30 Sep 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	-	-	511.0	511.0	511.0
Treasury bills eligible for repayment	155.5	-	458.0	613.5	613.5
Loans to credit institutions	-	-	939.9	939.9	939.9
Loans to the public	-	-	12,330.1	12,330.1	12,330.1
Derivatives	36.1	-	-	36.1	36.1
Other financial assets	-	-	141.0	141.0	141.0
Total financial assets	191.6	-	14,380.0	14,571.7	14,571.7

Deposits from the public	-	-	12,746.9	12,469.9	12,746.9
Subordinated debt	-	-	248.4	248.4	248.4
Other financial liabilities	-	-	170.8	170.8	170.8
Total financial liabilities	-	-	13,166.1	12,889.1	13,166.1

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 Sep 2023	Level 1	Level 2	Level 3	Total
SEK MILLION				
Assets				
Treasury bills eligible for repayment	160.8			160.8
Derivatives		4.3		4.3
Other assets		1.2		1.2
Total assets	160.8	5.5	-	166.3
Liabilities				
Derivatives		-		-
Total liabilities	-	-	-	-

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 Sep 2022	Level 1	Level 2	Level 3	Total
SEK MILLION				
Assets				
Treasury bills eligible for repayment	155.5	-	-	155.5
Derivatives	-	36.1	-	36.1
Total assets	155.5	36.1	-	191.6
Liabilities				
Derivatives	-	-	-	-
Total liabilities	-	-	-	-

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 Sep 2023		31 Dec 2022		30 Sep 2022	
Own funds requirements (Pillar 1)	890.3	8.00%	940.1	8.00%	903.0	8.00%
Special Own funds requirement (Pillar 2)	158.5	1.42%	180.3	1.53%	136.7	1.21%
Combined buffer requirement	447.8	4.02%	397.8	3.39%	370.0	3.28%
Pillar 2 guidance	-	-	-	-	-	-
Total own funds requirements	1.496.6	13.45%	1.518.2	12.92%	1.409.7	12.49%

Capital context	30 Sep 2023		31 Dec 2022		30 Sep 2022	
Common Equity Tier 1 capital after any deductions	1.385.4	12.45%	1.259.7	10.72%	1.235.8	10.95%
Additional Tier 1 capital after any deductions	199.0	1.79%	198.0	1.68%	197.6	1.75%
Tier 2 capital after any deductions	250.1	2.25%	248.9	2.12%	248.4	2.20%
Own funds	1.834.5	16.49%	1.706.6	14.52%	1.681.8	14.90%

	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Risk exposure amount (REA) and capital base requirements	11.127.6	890.3	11.751.2	940.1	11.287.7	903.0
of which: own funds requirements for credit risk	9.633.3	770.7	10.224.1	817.9	9.976.0	798.1
of which: own funds requirements for market risk	23.3	1.9	56.1	4.5	32.4	2.6
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	1.385.4	12.45%	1.259.7	10.72%	1.235.8	10.95%
Tier 1 capital / Tier 1 capital ratio	1.584.4	14.24%	1.457.7	12.40%	1.433.4	12.70%
Total own funds / Total capital ratio	1.834.5	16.49%	1.706.6	14.52%	1.681.8	14.90%
Total equity Tier 1 capital requirements including buffer requirements	948.5	8.52%	926.6	7.89%	877.9	7.78%
of which: Capital conservation buffer	278.2	2.50%	293.8	2.50%	282.2	2.50%
of which: Counter-cyclical buffer	169.6	1.52%	104.0	0.89%	87.8	0.78%
Common equity Tier 1 capital available to use as a buffer	884.7	7.95%	730.9	6.22%	727.9	6.45%

8 CAPITAL ADEQUACY, CONT.

OWN FUNDS	30 Sep 2023	31 Dec 2022	30 Sep 2022
Common Equity Tier 1 capital			
Capital instruments and associated share premium reserve	1,134.1	934.4	934.4
Retained earnings and reserves	246.9	254.6	264.2
Regulatory adjustments:			
- Intangible assets	24.0	20.6	12.6
- Deferred tax assets	0.4	0.3	0.5
- Insufficient coverage for exposures in default	0.0	-3.7	0.0
- Reversal transitional rules to IFRS 9	28.8	91.6	50.3
Total Common Equity Tier 1 capital	1,385.4	1,259.7	1,235.8
Additional Tier 1 capital			
Perpetual subordinated loans	199.0	198.0	197.6
Total other Tier 1 capital	199.0	198.0	197.6
Tier 2 capital			
Time-bound subordinated loans	250.1	248.9	248.4
Total supplementary capital	250.1	248.9	248.4
Total own funds	1,834.5	1,706.6	1,681.8

Specification of risk exposure amount (REA) and own funds requirements	30 Sep 2023		31 Dec 2022		30 Sep 2022	
	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Credit risk according to the standardised approach						
Exposures to central banks and local authorities	7.4	0.6	5.5	0.4	4.0	0.3
Institution exposures	260.2	20.8	419.0	33.5	209.6	16.8
Corporate exposures	2,332.5	186.6	2,082.1	166.6	2,076.5	166.1
Retail exposures	5,693.0	455.4	6,590.2	527.2	6,659.5	532.8
Exposures in default	1,283.4	102.7	1,077.2	86.2	974.6	78.0
Equity exposures	2.0	0.2	2.0	0.2	2.0	0.2
Other items	54.7	4.4	48.0	3.8	49.5	4.0
Total risk exposure amount and capital requirements	9,633.2	770.7	10,224.0	817.9	9,975.7	798.1

Market risk						
Foreign exchange rate risk	23.3	1.9	56.1	4.5	32.4	2.6
Total risk exposure amount and capital requirements	23.3	1.9	56.1	4.5	32.4	2.6

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	11,127.5	890.2	11,751.1	940.1	11,287.3	903.0

ADDITIONAL CAPITAL REQUIREMENTS PILLAR 2	30 Sep 2023	31 Dec 2022	30 Sep 2022
Credit concentration risk	123.1	107.7	94.2
Interest rate risk in banking book	30.2	67.1	39.1
Other additional capital requirements	5.2	5.5	3.4
Total additional capital requirements Pillar 2	158.5	180.3	136.7

8 CAPITAL ADEQUACY, CONT.

LEVERAGE RATIO	30 Sep 2023		31 Dec 2022		30 Sep 2022	
Own funds requirements (Pillar 1)	14,549.2		16,329.0		15,417.4	
Special Own funds requirement (Pillar 2)	-		-		-	
Pillar 2 guide	-		-		-	
Exposure measures for calculation of leverage ratio	14,549.2		16,329.0		15,417.4	
Tier 1 capital	1,584.4		1,457.7		1,433.4	
Leverage ratio. %	10.89%		8.93%		9.30%	
Leverage ratio requirements	436.5		489.9		462.5	
Leverage ratio requirements. percent	3%		3%		3%	

TOTAL OWN FUNDS REQUIREMENT (INCLUDING PILLAR 2)	30 Sep 2023		31 Dec 2022		30 Sep 2022	
Common Equity Tier 1 capital requirements	1.037.8	9.33%	1.028.0	8.75%	954.8	8.46%
Tier 1 capital requirements	1.234.4	11.09%	1.238.1	10.54%	1.149.8	10.19%
Total Capital	1.496.6	13.45%	1.518.2	12.92%	1.409.7	12.49%

LIQUIDITY MEASURES	30 Sep 2023		31 Dec 2022		30 Sep 2022	
Liquidity coverage ratio (LCR)	272.4%		298.8%		201.6%	
Net stable funding ratio (NSFR)	128.3%		126.9%		134.9%	

AVIDA FINANS CONSOLIDATED SITUATION						
OWN FUNDS REQUIREMENTS	30 Sep 2023		31 Dec 2022		30 Sep 2022	
Own funds requirements (Pillar 1)	893.8	8.00%	943.1	8.00%	906.8	8.00%
Special Own funds requirement (Pillar 2)	159.0	1.42%	180.7	1.53%	137.1	1.21%
Combined buffer requirement	449.8	4.03%	399.1	3.39%	371.6	3.28%
Pillar 2 guide	-	-	-	-	-	-
Total own funds requirements	1,502.6	13.45%	1,522.9	12.92%	1,415.5	12.49%

CAPITAL CONTEXT	30 Sep 2023		31 Dec 2022		30 Sep 2022	
Common Equity Tier 1 capital after any deductions	1,389.9	12.44%	1,268.9	10.76%	1,244.7	10.98%
Additional Tier 1 capital after any deductions	199.0	1.78%	198.0	1.68%	197.6	1.74%
Tier 2 capital after any deductions	250.1	2.24%	248.9	2.11%	248.4	2.19%
Own funds	1,839.0	16.46%	1,715.8	14.56%	1,690.7	14.92%

8 CAPITAL ADEQUACY, CONT.

	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Risk exposure amount (REA) and capital base requirements	11,171.6	893.8	11,788.1	943.1	11,334.4	906.8
of which: own funds requirements for credit risk	9,662.0	773.0	10,245.1	819.6	10,001.1	800.1
of which: own funds requirements for market risk	22.7	1.8	56.1	4.5	32.4	2.6
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	1,389.9	12.44%	1,268.9	10.76%	1,244.7	10.98%
Tier 1 capital / Tier 1 capital ratio	1,588.9	14.22%	1,466.9	12.44%	1,442.3	12.72%
Total own funds / Total capital ratio	1,839.0	16.46%	1,715.8	14.56%	1,690.7	14.92%
Total equity Tier 1 capital requirements including buffer requirements	952.5	8.53%	929.6	7.89%	881.6	7.78%
of which: Capital conservation buffer	279.3	2.50%	294.7	2.50%	283.4	2.50%
of which: Counter-cyclical buffer	170.5	1.53%	104.4	0.89%	88.2	0.78%
Common equity Tier 1 capital available to use as a buffer	887.2	7.94%	738.4	6.26%	734.7	6.48%

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	253.7	261.9	271.2
Regulatory adjustments:			
- Intangible assets	24.0	20.6	12.6
- Deferred tax assets	4.6	0.3	0.5
- Insufficient coverage for exposures in default	0.0	0.3	0.0
- Reversal transitional rules to IFRS 9	28.8	91.6	50.3
Total Common Equity Tier 1 capital	1,389.9	1,268.9	1,244.7
Additional Tier 1 capital			
Perpetual subordinated loans	199.0	198.0	197.6
Total other Tier 1 capital	199.0	198.0	197.6
Tier 2 capital			
Time-bound subordinated loans	250.1	248.9	248.4
Total supplementary capital	250.1	248.9	248.4
Total own funds	1,839.0	1,715.8	1,690.7

	30 Sep 2023		31 Dec 2022		30 Sep 2022	
Specification of risk exposure amount (REA) and own funds requirements	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Credit risk according to the standard method						
Exposures to central banks and local authorities	7.4	0.6	5.5	0.4	4.0	0.3
Institution exposures	261.2	20.9	420.3	33.6	211.0	16.9
Corporate exposures	2,332.5	186.6	2,082.1	166.6	2,076.5	166.1
Retail exposures	5,693.2	455.5	6,593.2	527.5	6,640.1	531.2
Defaulted exposures	1,283.4	102.7	1,077.2	86.2	974.6	78.0
Other items	84.4	6.8	66.8	5.3	94.8	7.6
Total risk exposure amount and capital requirements	9,662.1	773.0	10,245.1	819.6	10,001.0	800.1

8 CAPITAL ADEQUACY, CONT.

Market risk						
Foreign exchange rate risk	22.7	1.8	56.1	4.5	32.4	2.6
Total risk exposure amount and capital requirements	22.7	1.8	56.1	4.5	32.4	2.6
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	11,171.7	893.7	11,788.1	943.0	11,334.3	906.7
ADDITIONAL CAPITAL REQUIREMENTS PILLAR 2						
	30 Sep 2023		31 Dec 2022		30 Sep 2022	
Credit concentration risk	123.6		108.1		94.6	
Interest rate risk in banking book	30.2		67.1		39.1	
Other additional capital requirements	5.2		5.5		3.4	
Total additional capital requirements Pillar 2	159.0		180.7		137.1	
LEVERAGE RATIO						
	30 Sep 2023		31 Dec 2022		30 Sep 2022	
Own funds requirements (Pillar 1)	14,608.4		16,382.7		15,468.0	
Special Own funds requirement (Pillar 2)	-		-		-	
Pillar 2 guide	-		-		-	
Exposure measures for calculation of leverage ratio	14,608.4		16,382.7		15,468.0	
Tier 1 Leverage ratio	1,588.9		1,466.9		1,442.3	
Leverage ratio, %	10.88%		8.95%		9.32%	
Leverage ratio requirements	438.3		491.5		464	
Leverage ratio requirements, percent	3%		3%		3%	
TOTAL OWN FUNDS REQUIREMENT (INCLUDING PILLAR 2)						
	30 Sep 2023		31 Dec 2022		30 Sep 2022	
Common Equity Tier 1 capital requirements	1,042.0	9.33%	1,031.2	8.75%	958.8	8.46%
Tier 1 capital requirements	1,239.4	11.09%	1,242.0	10.54%	1,154.5	10.19%
Total Capital	1,502.6	13.45%	1,522.9	12.92%	1,415.5	12.49%
LIQUIDITY MEASURES						
	30 Sep 2023		31 Dec 2022		30 Sep 2022	
Liquidity coverage ratio (LCR)	272.4%		299.0%		201.6%	
Net stable funding ratio (NSFR)	128.0%		126.7%		134.7%	

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 Sep 2023	31 Dec 2022	30 Sep 2022
Cash and balances with central banks	80.7	521.7	511.0
Deposits in other banks available overnight	1,218.1	2,007.8	939.9
Bonds issued by government and municipalities	848.7	671.4	613.5
TOTAL	2,147.5	3,200.9	2,064.4

FUNDING

SEK million	30 Sep 2023	31 Dec 2022	30 Sep 2022
Deposits from the public	12,172.5	13,928.0	12,746.9
Subordinated debt	250.1	248.9	248.4
Additional Tier 1 capital	199.0	198.0	197.6
Other equity	1,405.9	1,211.2	1,208.0
Other liabilities	232.4	147.4	170.8
TOTAL	14,259.9	15,733.4	14,471.7

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 MEASURES¹

Return on equity

Reported profit or loss for the period divided by average adjusted equity.

Return on assets

Reported profit or loss for the period 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 loans to the public.

Loss ratio

Net credit losses for the period in relation to average loans 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 of Avida's operations, financial standing and result, and describes significant risks and uncertainties that the Group faces.

Stockholm, 23 November 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

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