

# INTERIM REPORT

JANUARY-MARCH

# 2023

AVIDA FINANS AB (PUBL)  
556230-9004

**AVIDA**

## CEO COMMENTS

# Investments and increased revenues before growth



The first quarter of the year meant positive revenue development thanks to repricing of existing engagements for both the consumer and corporate markets. Volumes increased cautiously during the period within our corporate segment at the same time we saw subdued growth within the consumer segment. This was partly driven by a sale of defaulted loans in Sweden as well as cautious new recruitment to adapt to the prevailing macro situation.

The investment we made in a new technical platform for our consumer business was an important investment that was delivered last year. It now gives Avida a common, modern platform and data warehouse for our three markets. The migration to the new platform was completed in record time thanks to a common, clear focus and prioritization of resources. However, the system change has also challenged our ability to adjust

prices and add new functionality for some customer segments. We have also experienced delays in the adaptations of our credit models. The solution for these system challenges is prioritized and when these are fixed, we can return to our growth agenda and because of that we do not see any significant volume growth during the first quarter.

Credit losses are slightly higher in the first quarter compared to previous quarters, mainly driven by the consumer segment. In our corporate business, we did not see any significant losses, thanks to the quality-enhancing work within in operations that was done to increase controls and give us better early warning systems that makes it possible for us to catch potential problem credits in time.

We have continued to fully focus on keeping our costs down and thanks to

that we manage to keep costs at a stable level despite further investments in our operations during the quarter.

Our result for the first quarter reflects the challenges we have faced but also the investments and priorities that that will strengthen Avida going forward. It continues to be a challenging macro situation, but at the same time it is something that gives us opportunities. Our ambition is unchanged, and we will make continued progress during the year.

Stockholm 25 May 2023

Tine Wollebakk, CEO

# Quarterly review

## CONDENSED INCOME STATEMENT

SEK million	Quarter 1, 2023	Quarter 4, 2022	Quarter 3, 2022	Quarter 2, 2022	Quarter 1, 2022
Net interest income	227.3	222.8	202.7	205.2	203.2
Total operating income	234.2	241.2	204.2	211.2	207.0
Total operating expenses	-92.8	-96.0	-90.5	-78.1	-82.3
Credit losses, net	-137.7	-131.9	-97.4	-104.3	-98.5
Profit/loss before tax	3.7	13.2	16.3	28.8	26.2
Net profit for the period	2.8	9.1	12.2	21.6	19.5

## KEY RATIOS\*

SEK million	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
Loans to the public	12,082.9	12,374.8	12,330.1	11,998.3	11,475.7
Deposits from the public	12,880.0	13,928.0	12,746.9	12,645.4	12,045.2
Equity	1,405.1	1,409.2	1,405.6	1,398.4	1,381.9

SEK million	Quarter 1, 2023	Quarter 4, 2022	Quarter 3, 2022	Quarter 2, 2022	Quarter 1, 2022
Net interest margin (%)	7.44%	7.22%	6.67%	6.99%	7.08%
C/I ratio	0.40	0.40	0.44	0.37	0.40
Return on equity (%)	0.81%	2.57%	3.48%	6.22%	5.68%
CET1 ratio (%)	10.61%	10.76%	10.98%	10.68%	11.12%
Loss ratio (%)	4.51%	4.27%	3.20%	3.56%	3.43%

\*For more information on key ratios, see Definitions.

# First quarter 2023 in the Group

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

## Operating income

Net interest income increased during the quarter by SEK 4.5 million to SEK 227.3 (222.8) million. Interest income increased by 5 percent during the quarter and amounted to SEK 308.3 (294.9) million, related to both the consumer and business segments. During the quarter, existing engagements were repriced. Furthermore the first quarter is historically a strong month for factoring with high financed volumes.

Interest costs increased by 12 percent to SEK -80.9 (-72.0) million, which is primarily driven by increased deposit costs, as deposit rates have been adjusted in line with changing market rates.

## Operating expenses

General administration expenses decreased to SEK 88.6 million compared to SEK 92.5 million during the fourth quarter. The fourth quarter was characterized by increased consulting costs linked to strategic projects and increased costs for audit-related services.

## Credit losses

Credit losses, net increased slightly from Q4 and amounted to SEK -137.7 (-131.9) million. The increase is mainly 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 12,082.9 million as of March 31, 2023, compared to SEK 12,734.8 million on December 31, 2022. Total lending volume within the consumer segment decreased slightly, while corporate lending increased.

## Deposits

Deposits from the public decreased by SEK -1,048.0 million and amounted to SEK 12,880.0 (13,928.0) million as of March 31.

## 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. During the beginning of the year, the macroeconomic situation has deteriorated, which has led to uncertainty in the financial markets. In addition, banks in both the US and Europe have found themselves in financial problems. Avida has a strong capital and liquidity position and all deposits are covered by the government's deposit guarantee scheme, 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.

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

At an extraordinary general meeting on April 20, 2023, it was decided to approve the Board's decision on a new share issue of a maximum of SEK 201 million with preferential rights for existing shareholders. The new issue was completed in May and strengthens Avida's CET1 capital.

## Expected future development

According to the latest report from The National Institute of Economic Research, Sweden will enter 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 profitability and high credit quality before growth. During the year, investments linked to the system environment 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 1, 2023	Quarter 4, 2022	Quarter 1, 2022	Full year 2022
Interest income	4	308.3	294.9	238.3	1 028.1
Interest expenses	4	-80.9	-72.0	-35.1	-194.1
<b>NET INTEREST INCOME</b>		<b>227.3</b>	<b>222.8</b>	<b>203.2</b>	<b>834.0</b>
Commission income		5.8	8.2	4.4	22.9
<b>NET COMMISSION INCOME</b>		<b>5.8</b>	<b>8.2</b>	<b>4.4</b>	<b>22.9</b>
Net result from financial transactions		0.6	9.0	-0.6	4.8
Other operating income		0.4	1.1	0.0	1.9
<b>TOTAL OPERATING INCOME</b>		<b>234.2</b>	<b>241.2</b>	<b>207.0</b>	<b>863.6</b>
General administrative expenses		-88.6	-92.5	-78.8	-332.7
Depreciation and amortisation of tangible and intangible fixed assets		-4.2	-3.5	-3.4	-14.1
<b>TOTAL EXPENSES BEFORE CREDIT LOSSES</b>		<b>-92.8</b>	<b>-96.0</b>	<b>-82.3</b>	<b>-346.8</b>
<b>PROFIT/LOSS BEFORE CREDIT LOSSES</b>		<b>141.4</b>	<b>145.2</b>	<b>124.8</b>	<b>516.7</b>
Credit losses, net	5	-137.7	-131.9	-98.5	-432.2
<b>OPERATING PROFIT/LOSS</b>		<b>3.7</b>	<b>13.3</b>	<b>26.2</b>	<b>84.5</b>
<b>PROFIT/LOSS BEFORE TAX</b>		<b>3.7</b>	<b>13.3</b>	<b>26.2</b>	<b>84.5</b>
Tax on profit or loss for the year		-0.8	-4.2	-6.7	-22.1
<b>NET PROFIT/LOSS</b>		<b>2.8</b>	<b>9.1</b>	<b>19.5</b>	<b>62.4</b>

## Consolidated statement of comprehensive income

SEK million	Quarter 1, 2023	Quarter 4, 2022	Quarter 1, 2022	Full year 2022
<b>NET PROFIT FOR THE PERIOD</b>	<b>2.8</b>	<b>9.1</b>	<b>19.5</b>	<b>62.4</b>
Currency rate differences when translating foreign operations	-0.5	0.0	0.5	0.0
<b>Sum of items that may be subsequently reclassified in the income statement</b>	<b>-0.5</b>	<b>0.0</b>	<b>0.5</b>	<b>0.0</b>
<b>TOTAL PROFIT/LOSS FOR THE PERIOD</b>	<b>2.3</b>	<b>9.1</b>	<b>20.0</b>	<b>62.4</b>

## Consolidated statement of financial position

SEK million	Note	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>ASSETS</b>				
Cash and balances with central banks	7	472.9	521.7	381.7
Treasury bills eligible for repayment	7	610.5	671.4	543.5
Loans to credit institutions	7	1,232.6	2,007.8	1,301.6
Loans to the public	6, 7	12,082.9	12,374.8	11,475.7
Derivatives		1.5	-	-
Intangible fixed assets		43.3	43.3	33.3
Tangible assets		30.0	20.5	24.8
Current tax asset		44.1	35.1	47.6
Other assets		148.0	39.4	20.8
Prepaid expenses and accrued income		20.8	19.5	8.1
<b>TOTAL ASSETS</b>		<b>14,686.6</b>	<b>15,733.4</b>	<b>13,837.1</b>
<b>LIABILITIES AND PROVISIONS</b>				
Deposits from the public	7	12,880.0	13,928.0	12,045.2
Derivatives	7	-	1.0	18.0
Other liabilities	7	82.1	90.6	107.2
Accrued expenses and prepaid income		69.3	55.1	37.3
Other provisions		0.9	0.7	0.1
Subordinated debt	7	249.3	248.9	247.4
<b>TOTAL LIABILITIES</b>		<b>13,281.5</b>	<b>14,324.3</b>	<b>12,455.2</b>
<b>EQUITY</b>				
Share capital		12.8	12.8	12.8
Other contributed capital		923.4	923.5	923.3
Additional Tier 1 capital		198.4	198.0	197.0
Other reserves		1.8	1.8	1.8
Retained earnings including profit for the year		268.7	273.0	247.0
<b>TOTAL EQUITY</b>		<b>1,405.1</b>	<b>1,409.2</b>	<b>1,381.9</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>14,686.6</b>	<b>15,733.4</b>	<b>13,837.1</b>

## 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
<b>Opening balance at 1 January 2023</b>	<b>12.8</b>	<b>923.5</b>	<b>198.0</b>	<b>1.8</b>	<b>273.0</b>	<b>1,409.2</b>
Profit/loss for the period					2.8	<b>2.8</b>
Other comprehensive income					-0.5	<b>-0.5</b>
<b>Total comprehensive income for the period</b>					<b>2.3</b>	<b>2.3</b>
Effect from changes in IAS 12 related to deferred tax on lease agreements					-0.3	<b>-0.3</b>
Transaction costs on Additional Tier 1 capital			0.3			<b>0.3</b>
Interest paid on Additional Tier 1 capital					-6.4	<b>-6.4</b>
<b>Closing balance at 31 March 2023</b>	<b>12.8</b>	<b>923.4</b>	<b>198.4</b>	<b>1.8</b>	<b>268.7</b>	<b>1,405.1</b>

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

SEK MILLION	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	ADDITIONAL TIER 1 CAPITAL	OTHER RESERVES	RETAINED EARNINGS INCL. PROFIT FOR THE YEAR	TOTAL
<b>Opening balance at 1 January 2022</b>	<b>12.8</b>	<b>923.3</b>	<b>196.7</b>	<b>1.8</b>	<b>232.1</b>	<b>1,366.7</b>
Profit/loss for the period					19.5	<b>19.5</b>
Other comprehensive income					0.1	<b>0.1</b>
<b>Total comprehensive income for the period</b>					<b>19.6</b>	<b>19.6</b>
Transaction costs on Additional Tier 1 capital			0.3			<b>0.3</b>
Interest paid on Additional Tier 1 capital					-5.1	<b>-5.1</b>
<b>Closing balance at 31 March 2022</b>	<b>12.8</b>	<b>923.3</b>	<b>197.0</b>	<b>1.8</b>	<b>247.0</b>	<b>1,381.9</b>

## Consolidated cash flow statement

SEK million	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>Cash at beginning of the period</b>	<b>2,529.5</b>	<b>1,945.9</b>	<b>1,945.9</b>
<b>Operating activities</b>			
Operating profit	3.7	84.5	26.2
<i>Adjustment for items not included in cash flow</i>			
Depreciation and amortisation of tangible and intangible assets	4.2	-21.9	-1.8
Provisions for credit losses	137.9	438.2	104.0
Unrealised changes in assets and liabilities	9.8	-6.0	0.0
Other non-cash items	-2.0	0.0	0.0
Income tax paid	-10.0	-14.8	-21.5
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>143.6</b>	<b>480.1</b>	<b>106.9</b>
Increase (-) /decrease (+) in loans to the public	154.0	-1,736.9	-483.5
Increase (-) /Decrease (+) in other assets	-111.6	-27.3	26.9
Increase (-) /decrease (+) in deposits from the public	-1,048.0	2,035.5	152.6
Increase (-) / Decrease (+) in other liabilities	-4.7	-3.4	-49.0
<b>Cash flow from operating activities</b>	<b>-866.8</b>	<b>747.9</b>	<b>-246.1</b>
<b>Investing activities</b>			
Investments in bonds and other securities	-	-128.4	-6.6
Divestments of bonds and other securities	51.2	0.0	0.0
Acquisition of tangible assets	0.1	-5.9	-5.2
<b>Cash flow from investing activities</b>	<b>51.3</b>	<b>-134.3</b>	<b>-11.7</b>
<b>Financing activities</b>			
Interest paid on Additional Tier 1 capital	-6.4	-21.9	-5.1
Amortisation of lease liabilities	-2.2	-8.0	0.0
<b>Cash flow from financing activities</b>	<b>-8.6</b>	<b>-30.0</b>	<b>-5.1</b>
<b>Cash flow for the period</b>	<b>-824.0</b>	<b>583.6</b>	<b>-262.9</b>
<b>Cash at end of the period</b>	<b>1,705.5</b>	<b>2,529.5</b>	<b>1,683.0</b>

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 1, 2023	Quarter 4, 2022	Quarter 1, 2022	Full year 2022
Interest income	308.3	294.9	235.7	1,025.8
Interest expenses	-80.9	-72.0	-35.0	-194.1
<b>NET INTEREST INCOME</b>	<b>227.4</b>	<b>222.9</b>	<b>200.7</b>	<b>831.7</b>
Commission income	5.8	8.2	4.4	22.9
<b>NET COMMISSION INCOME</b>	<b>5.8</b>	<b>8.2</b>	<b>4.4</b>	<b>22.9</b>
Net result from financial transactions	0.6	9.0	-0.7	4.7
Other operating income	0.4	1.3	0.0	2.1
<b>TOTAL OPERATING INCOME</b>	<b>234.2</b>	<b>241.4</b>	<b>204.4</b>	<b>861.4</b>
General administrative expenses	-90.1	-94.3	-78.2	-335.1
Depreciation and amortisation of tangible and intangible fixed assets	-2.3	-2.3	-2.2	-9.4
<b>TOTAL EXPENSES BEFORE CREDIT LOSSES</b>	<b>-92.3</b>	<b>-96.6</b>	<b>-80.5</b>	<b>-344.5</b>
<b>PROFIT/LOSS BEFORE CREDIT LOSSES</b>	<b>141.8</b>	<b>144.8</b>	<b>123.9</b>	<b>516.9</b>
Credit losses, net	-137.7	-131.9	-98.5	-431.7
<b>OPERATING PROFIT/LOSS</b>	<b>4.1</b>	<b>12.9</b>	<b>25.4</b>	<b>85.2</b>
<b>PROFIT/LOSS BEFORE TAX</b>	<b>4.1</b>	<b>12.9</b>	<b>25.4</b>	<b>85.2</b>
Tax on profit or loss for the year	-0.9	-4.0	-6.7	-22.0
<b>NET PROFIT/LOSS</b>	<b>3.2</b>	<b>9.0</b>	<b>18.7</b>	<b>63.3</b>

## Parent company statement of comprehensive income

SEK million	Quarter 1, 2023	Quarter 4, 2022	Quarter 1, 2022	Full year 2022
<b>NET PROFIT FOR THE PERIOD</b>	<b>3.2</b>	<b>9.0</b>	<b>18.7</b>	<b>63.3</b>
Currency rate differences when translating foreign operations	0.1	0.0	0.0	0.0
<b>Sum of items that may be subsequently reclassified in the income statement</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL PROFIT/LOSS FOR THE PERIOD</b>	<b>3.3</b>	<b>9.0</b>	<b>18.7</b>	<b>63.3</b>

## Parent company statement of financial position

SEK million	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>ASSETS</b>			
Cash and balances with central banks	472.9	521.7	381.7
Treasury bills eligible for repayment	610.5	671.4	543.5
Loans to credit institutions	1,227.2	2,001.4	1,292.3
Loans to the public	12,081.6	12,373.4	11,473.0
Derivatives	1.5	-	-
Shares and participations in Group companies	2.0	2.0	2.0
Intangible fixed assets	43.3	43.3	33.2
Tangible assets	5.0	5.3	6.0
Current tax asset	44.1	35.3	47.2
Other assets	146.1	37.6	20.3
Prepaid expenses and accrued income	20.8	19.4	7.9
<b>TOTAL ASSETS</b>	<b>14,655.0</b>	<b>15,710.8</b>	<b>13,807.2</b>
<b>LIABILITIES AND PROVISIONS</b>			
Deposits from the public	12,880.0	13,928.0	12,045.2
Derivatives	-	1.0	18.0
Other liabilities	58.5	77.3	88.5
Accrued expenses and prepaid income	69.3	55.1	37.2
Other provisions	0.9	0.7	0.0
Subordinated debt	249.3	248.9	247.4
<b>TOTAL LIABILITIES</b>	<b>13,257.9</b>	<b>14,311.0</b>	<b>12,436.3</b>
<b>EQUITY</b>			
Share capital	12.8	12.8	12.8
Other contributed capital	921.6	921.6	921.6
Additional Tier 1 capital	198.4	198.0	197.0
Other reserves	35.8	33.4	21.9
Retained earnings	225.4	170.8	198.9
Profit for the year	3.2	63.3	18.7
<b>TOTAL EQUITY</b>	<b>1,397.2</b>	<b>1,399.9</b>	<b>1,370.9</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>14,655.0</b>	<b>15,710.8</b>	<b>13,807.2</b>

# 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 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
<b>Net interest income</b>	<b>164.3</b>	<b>35.5</b>	<b>22.5</b>	<b>5.0</b>	<b>227.3</b>
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
<b>Total operating income</b>	<b>170.6</b>	<b>35.5</b>	<b>22.5</b>	<b>5.6</b>	<b>234.2</b>
Credit losses, net	-130.6	-2.9	-4.4	0.1	-137.7
<b>Total risk-adjusted operating income</b>	<b>40.0</b>	<b>32.6</b>	<b>18.1</b>	<b>5.7</b>	<b>96.5</b>
Operating expenses	-59.9	-26.0	-6.5	-0.3	-92.8
<b>Profit before tax</b>	<b>-19.9</b>	<b>6.6</b>	<b>11.6</b>	<b>5.4</b>	<b>3.7</b>
Lending to the public	8,602.3	2,157.0	1,248.4	75.3	12,082.9

QUARTER 4, 2022	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	214.9	47.8	23.9	2.5	289.1
Interest expenses	-43.1	-13.0	-6.2	-4.0	-66.3
<b>Net interest income</b>	<b>171.8</b>	<b>34.8</b>	<b>17.7</b>	<b>-1.5</b>	<b>222.8</b>
Fee and commission income	8.6	0.0	0.0	-0.4	8.2
Net result from financial transactions and other operating income	0.0	0.0	0.0	10.1	10.1
<b>Total operating income</b>	<b>180.4</b>	<b>34.8</b>	<b>17.7</b>	<b>8.3</b>	<b>241.1</b>
Credit losses, net	-119.1	-9.3	-2.9	-0.6	-131.9
<b>Total risk-adjusted operating income</b>	<b>61.2</b>	<b>25.6</b>	<b>14.8</b>	<b>7.6</b>	<b>109.3</b>
Operating expenses	-63.2	-26.9	-5.9	0.1	-95.9
<b>Profit before tax</b>	<b>-1.9</b>	<b>-1.4</b>	<b>8.9</b>	<b>7.7</b>	<b>13.3</b>
Lending to the public	8,998.4	2,222.7	1,066.4	87.3	12,374.8

### 3 OPERATING SEGMENTS, CONT.

QUARTER 1, 2022	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	OTHER	TOTAL
SEK million					
Interest income	175.0	37.7	17.4	7.0	237.1
Interest expenses	-24.9	-5.1	-3.1	-0.9	-33.9
<b>Net interest income</b>	<b>150.1</b>	<b>32.7</b>	<b>14.3</b>	<b>6.2</b>	<b>203.2</b>
Fee and commission income	4.5	0.0	0.0	-0.1	4.4
Net result from financial transactions and other operating income	0.0	0.0	0.0	-0.6	-0.6
<b>Total operating income</b>	<b>154.5</b>	<b>32.7</b>	<b>14.3</b>	<b>5.5</b>	<b>207.0</b>
Credit losses, net	-89.5	-8.3	0.1	-0.8	-98.5
<b>Total risk-adjusted operating income</b>	<b>65.0</b>	<b>24.4</b>	<b>14.4</b>	<b>4.7</b>	<b>108.5</b>
Operating expenses	-50.2	-24.4	-5.1	-2.6	-82.3
<b>Profit before tax</b>	<b>14.8</b>	<b>0.0</b>	<b>9.3</b>	<b>2.2</b>	<b>26.2</b>
Lending to the public	8,419.6	1,921.5	1,006.3	128.2	11,475.7

FULL YEAR, 2023	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
<b>Net interest income</b>	<b>623.0</b>	<b>138.5</b>	<b>65.9</b>	<b>6.6</b>	<b>834.0</b>
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
<b>Total operating income</b>	<b>646.8</b>	<b>138.5</b>	<b>65.9</b>	<b>12.4</b>	<b>863.6</b>
Credit losses, net	-388.6	-30.4	-11.4	-1.9	-432.2
<b>Total risk-adjusted operating income</b>	<b>258.2</b>	<b>108.1</b>	<b>54.5</b>	<b>10.5</b>	<b>431.4</b>
Operating expenses	-222.1	-99.2	-21.9	-3.7	-346.9
<b>Profit before tax</b>	<b>36.2</b>	<b>9.0</b>	<b>32.6</b>	<b>6.8</b>	<b>84.5</b>
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 1, 2023	Quarter 4, 2022	Quarter 1, 2022	Full year 2022
Lending to credit institutions	8.3	4.3	1.6	10.2
Bonds and other interest-bearing securities	3.1	1.8	0.0	2.5
Lending to the public	296.6	288.5	236.5	1,014.9
Other interest income	0.3	0.2	0.2	0.6
<b>Total interest income</b>	<b>308.3</b>	<b>294.9</b>	<b>238.3</b>	<b>1,028.1</b>
Lending to credit institutions	-4.8	-6.6	-0.9	-15.7
Deposits from the public	-69.5	-58.9	-29.6	-156.5
Subordinated debt	-5.7	-5.3	-4.0	-18.4
Other interest expenses	-0.9	-1.2	-0.6	-3.5
<b>Total interest expenses</b>	<b>-80.9</b>	<b>-72.0</b>	<b>-35.1</b>	<b>-194.1</b>
<b>Net interest income</b>	<b>227.3</b>	<b>222.8</b>	<b>203.2</b>	<b>834.0</b>

## 5 CREDIT LOSSES, NET

SEK MILLION	Quarter 1, 2023	Quarter 4, 2022	Quarter 1, 2022	Full year 2022
<b>Lending to the public</b>				
Provisions - Stage 1	-2.8	2.4	-14.7	-1.4
Provisions - Stage 2	6.6	-38.3	-7.7	-45.9
Provisions - Stage 3	148.4	-79.2	-80.6	-357.5
<b>Total provisions</b>	<b>152.2</b>	<b>-115.1</b>	<b>-102.9</b>	<b>-404.8</b>
Write-offs	-290.3	-15.1	-3.9	-32.0
Recoveries	0.1	-1.2	8.6	6.0
<b>Total</b>	<b>-138.0</b>	<b>-131.4</b>	<b>-98.2</b>	<b>-430.8</b>
<b>Total credit losses from lending to the public</b>	<b>-131.4</b>	<b>-430.8</b>	<b>-402.5</b>	<b>-106.2</b>
<b>Lending to credit institutions</b>				
Provisions - Stage 1	0.2	-0.5	-0.3	-1.4
Provisions - Stage 2	-	-	-	-
Provisions - Stage 3	-	-	-	-
<b>Total provisions</b>	<b>0.2</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-1.4</b>
<b>Total credit losses from lending to credit institutions</b>	<b>0.2</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-1.4</b>
<b>Total credit losses, net</b>	<b>-137.7</b>	<b>-131.9</b>	<b>-98.5</b>	<b>-432.2</b>

## 6 LENDING TO THE PUBLIC

SEK MILLION	31 March 2023	31 Dec 2022	31 March 2022
<b>Loans to the public, gross</b>	<b>13,200.0</b>	<b>13,650.1</b>	<b>12,433.3</b>
of which: Stage 1	10,320.0	10,579.0	10,263.0
of which: Stage 2	800.5	844.4	506.6
of which: Stage 3	2,079.4	2,226.7	1,663.7
<b>Total provisions</b>	<b>-1,117.0</b>	<b>-1,275.3</b>	<b>957.6</b>
of which: Stage 1	-112.6	-100.9	96.4
of which: Stage 2	-94.8	-103.6	60.0
of which: Stage 3	-909.7	-1,070.8	801.2
<b>Loans to the public, net</b>	<b>12,082.9</b>	<b>12,374.8</b>	<b>11,475.7</b>

### Change in gross carrying amount and provisions

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
<b>Gross carrying amount, 1 January 2023</b>	<b>10,579.0</b>	<b>844.4</b>	<b>2,226.6</b>	<b>13,650.1</b>
New financial assets	2,893.3	64.8	40.6	2,998.7
Derecognised financial assets	-2,594.1	-41.0	-72.7	-2,707.7
From stage 1 to stage 2	-340.7	337.8		-2.8
From stage 1 to stage 3	-85.0		80.5	0.9
From stage 2 to stage 1	135.7	-144.4		-8.8
From stage 2 to stage 3		-248.7	255.5	6.8
From stage 3 to stage 1	0.7		-415.9	-415.2
From stage 3 to stage 2		0.6	-0.6	0.0
Changes that are not derecognised financial assets	-249.1	-5.5	-24.4	-279.0
Exchange-rate differences	-19.4	-7.4	-16.2	-43.0
<b>Gross carrying amount, 31 March 2023</b>	<b>10,320.0</b>	<b>800.5</b>	<b>2,079.4</b>	<b>13,200.0</b>

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
<b>Provision for credit losses, 1 January 2023</b>	<b>100.9</b>	<b>103.6</b>	<b>1,070.8</b>	<b>1,275.3</b>
New financial assets	34.1	4.2	27.0	65.3
Derecognised financial assets	-7.7	-2.8	-60.2	-70.7
From stage 1 to stage 2	-11.4	52.6		41.2
From stage 1 to stage 3	-5.7		26.1	20.5
From stage 2 to stage 1	5.7	-18.5		-12.8
From stage 2 to stage 3		-46.4	103.8	57.3
From stage 3 to stage 1	0.1		-262.1	-261.9
From stage 3 to stage 2		0.1	-0.2	-0.1
Changes in risk factors (PD, EAD, LGD)	-2.5	1.3	5.3	4.0
Changes due to expert assessments (individual assessments, manual adjustments)	0.0		0.0	0.0
Exchange-rate differences	-0.9	0.7	-1.2	-1.4
<b>Provision for credit losses, 31 March 2023</b>	<b>112.6</b>	<b>94.8</b>	<b>909.7</b>	<b>1,117.0</b>

## 6 LENDING TO THE PUBLIC, CONT.

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
<b>Gross carrying amount, 1 January 2022</b>	<b>9,945.4</b>	<b>466.4</b>	<b>1,515.2</b>	<b>11,927.0</b>
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
<b>Gross carrying amount, 31 December 2022</b>	<b>10,579.0</b>	<b>844.4</b>	<b>2,226.7</b>	<b>13,650.1</b>

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
<b>Provision for credit losses, 1 January 2023</b>	<b>95.5</b>	<b>55.2</b>	<b>700.2</b>	<b>850.9</b>
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
<b>Provision for credit losses, 31 March 2023</b>	<b>100.9</b>	<b>103.6</b>	<b>1,070.8</b>	<b>1,275.3</b>

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
<b>Provision for credit losses, 1 January 2023</b>	<b>9,945.4</b>	<b>466.4</b>	<b>1,515.2</b>	<b>11,927.0</b>
New, acquired and derecognised financial assets, net	509.1	10.5	-85.3	434.3
Transfer to stage 1	111.8	-104.3	-7.5	-
Transfer to stage 2	-295.3	302.8	-7.5	-
Transfer to stage 3	-64.0	-171.7	235.7	-
Exchange-rate differences	55.5	2.9	13.1	71.5
<b>Gross carrying amount, 31 March 2022</b>	<b>10,263.0</b>	<b>506.6</b>	<b>1,663.7</b>	<b>12,433.3</b>

SEK MILLION	Stage 1	Stage 2	Stage 3	TOTAL
<b>Provision for credit losses, 1 January 2023</b>	<b>95.5</b>	<b>55.2</b>	<b>700.2</b>	<b>850.9</b>
New, acquired and derecognised financial assets, net	7.1	2.2	30.3	39.6
Transfer to stage 1	3.6	-10.2	-2.9	-9.5
Transfer to stage 2	-7.6	37.7	-3.2	26.9
Transfer to stage 3	-3.1	-25.7	82.1	53.3
Changes due to change in credit risk	0.2	0.6	-11.1	-10.3
Exchange-rate differences	0.7	0.2	5.8	6.7
<b>Provision for credit losses, 31 March 2022</b>	<b>96.4</b>	<b>60.0</b>	<b>801.2</b>	<b>957.6</b>



## 7 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

31 Mar 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			472.9	472.9	472.9
Treasury bills eligible for repayment	152.4		458.1	610.5	610.8
Loans to credit institutions			1,232.6	1,232.6	1,232.6
Loans to the public			12,082.9	12,082.9	12,082.9
Derivatives	1.5			1.5	1.5
Other assets	0.9		285.3	286.2	286.2
<b>Total assets</b>	<b>154.8</b>		<b>14,531.8</b>	<b>14,686.6</b>	<b>14,686.9</b>

Deposits from the public			12,880.0	12,880.0	12,880.0
Derivatives				0.0	0.0
Subordinated debt			249.3	249.3	249.3
Other liabilities	0.9		151.4	152.2	152.2
<b>Total liabilities</b>	<b>0.9</b>		<b>13,280.7</b>	<b>13,281.5</b>	<b>13,281.5</b>

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
<b>Total assets</b>	<b>162.9</b>	<b>-</b>	<b>15,570.5</b>	<b>15,733.4</b>	<b>15,397.3</b>

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
<b>Total liabilities</b>	<b>1.7</b>	<b>-</b>	<b>14,322.6</b>	<b>14,324.3</b>	<b>14,324.3</b>

31 Mar 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	-	-	381.7	381.7	381.7
Treasury bills eligible for repayment	161.8	-	543.5	705.3	705.3
Loans to credit institutions	-	-	1,301.6	1,301.6	1,301.6
Loans to the public	-	-	11,475.7	11,475.7	1,475.7
Other assets	-	-	76.5	76.5	76.5
<b>Total assets</b>	<b>161.8</b>	<b>-</b>	<b>13,779.0</b>	<b>13,940.8</b>	<b>13,940.8</b>

Deposits from the public	-	-	12,045.2	12,045.2	12,045.2
Subordinated debt	-	-	247.4	247.4	247.4
Derivatives	18.0	-	-	18.0	18.0
Other liabilities	-	-	107.2	107.2	107.2
<b>Total liabilities</b>	<b>18.0</b>	<b>-</b>	<b>12,399.8</b>	<b>12,417.8</b>	<b>12,417.8</b>

## 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.

31 Mar 2023	Level 1	Level 2	Level 3	Total
SEK MILLION				
<b>Assets</b>				
Treasury bills eligible for repayment	152.4	-	-	152.4
Derivatives	-	1.5	-	1.5
Other assets	-	0.9	-	0.9
<b>Total assets</b>	<b>152.4</b>	<b>2.4</b>	<b>-</b>	<b>154.8</b>
<b>Liabilities</b>				
Derivatives	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

31 Mar 2022	Level 1	Level 2	Level 3	Total
SEK MILLION				
<b>Assets</b>				
Treasury bills eligible for repayment	161.8	-	-	161.8
<b>Total assets</b>	<b>161.8</b>	<b>-</b>	<b>-</b>	<b>161.8</b>
<b>Liabilities</b>				
Derivatives	-	18.0	-	18.0
<b>Total liabilities</b>	<b>-</b>	<b>18.0</b>	<b>-</b>	<b>18.0</b>

## 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.

AVIDA FINANS AB						
Own funds requirements	31 Mar 2023		31 Dec 2022		31 Mar 2022	
Own funds requirements (Pillar 1)	909.8	8.00%	940.1	8.00%	859.4	8.00%
Special Own funds requirement (Pillar 2)	136.1	1.20%	180.3	1.53%	146.1	1.36%
Combined buffer requirement	390.7	3.44%	397.8	3.39%	283.4	2.64%
Pillar 2 guidance	-	-	-	-	-	-
<b>Total own funds requirements</b>	<b>1,436.6</b>	<b>12.63%</b>	<b>1,518.2</b>	<b>12.92%</b>	<b>1,288.9</b>	<b>12.00%</b>

Capital context	31 Mar 2023		31 Dec 2022		31 Mar 2022	
Common Equity Tier 1 capital after any deductions	1,208.8	10.63%	1,259.7	10.72%	1,189.1	11.07%
Additional Tier 1 capital after any deductions	198.4	1.74%	198.0	1.68%	197.0	1.83%
Tier 2 capital after any deductions	249.3	2.19%	248.9	2.12%	247.4	2.30%
<b>Own funds</b>	<b>1,656.5</b>	<b>14.57%</b>	<b>1,706.6</b>	<b>14.52%</b>	<b>1,633.5</b>	<b>15.21%</b>

	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Risk exposure amount (REA) and capital base requirements	11,372.1	909.8	11,751.2	940.1	10,743.1	859.4
of which: own funds requirements for credit risk	9,809.0	784.7	10,224.1	817.9	9,429.3	754.3
of which: own funds requirements for market risk	92.1	7.4	56.1	4.5	34.6	2.8
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	1,208.8	10.63%	1,259.7	10.72%	1,189.1	11.07%
Tier 1 capital / Tier 1 capital ratio	1,407.2	12.37%	1,457.7	12.40%	1,386.1	12.90%
Total own funds / Total capital ratio	1,656.5	14.57%	1,706.6	14.52%	1,633.5	15.21%
Total equity Tier 1 capital requirements including buffer requirements	902.4	7.94%	926.6	7.89%	766.8	7.14%
of which: Capital conservation buffer	284.3	2.50%	293.8	2.50%	268.6	2.50%
of which: Counter-cyclical buffer	106.4	0.94%	104.0	0.89%	14.8	0.14%
Common equity Tier 1 capital available to use as a buffer	697.1	6.13%	730.9	6.22%	705.7	6.57%

## 8 CAPITAL ADEQUACY, CONT.

OWN FUNDS	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>Common Equity Tier 1 capital</b>			
Capital instruments and associated share premium reserve	934.4	934.4	934.4
Retained earnings and reserves	257.3	254.6	220.6
Regulatory adjustments:			
- Intangible assets	22.9	20.6	10.3
- Deferred tax assets	0.3	0.3	0.0
- Reversal transitional rules to IFRS 9	40.3	91.6	45.0
<b>Total Common Equity Tier 1 capital</b>	<b>1,208.8</b>	<b>1,259.7</b>	<b>1,189.7</b>
<b>Additional Tier 1 capital</b>			
Perpetual subordinated loans	198.4	198.0	197.0
<b>Total other Tier 1 capital</b>	<b>198.0</b>	<b>196.7</b>	<b>197.6</b>
<b>Tier 2 capital</b>			
Time-bound subordinated loans	249.3	248.9	247.4
<b>Total supplementary capital</b>	<b>249.3</b>	<b>248.9</b>	<b>247.4</b>
<b>Total own funds</b>	<b>1,656.5</b>	<b>1,706.6</b>	<b>1,634.1</b>

Specification of risk exposure amount (REA) and capital requirements	31 Mar 2023		31 Dec 2022		31 Mar 2022	
	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
<b>Credit risk according to the standardised approach</b>						
Exposures to central banks and local authorities	4.6	0.4	5.5	0.4	3.9	0.3
Institution exposures	271.0	21.7	419.0	33.5	268.6	21.5
Corporate exposures	2,220.9	177.7	2,082.1	166.6	2,038.7	163.1
Retail exposures	6,188.4	495.1	6,590.2	527.2	6,233.0	498.6
Exposures in default	1,075.3	86.0	1,077.2	86.2	844.8	67.6
Equity exposures	2.0	0.2	2.0	0.2	2.0	0.2
Other items	46.8	3.7	48.0	3.8	38.2	3.1
<b>Total risk exposure amount and capital requirements</b>	<b>9,809.0</b>	<b>784.7</b>	<b>10,224.0</b>	<b>817.9</b>	<b>9,429.2</b>	<b>754.3</b>
<b>Market risk</b>						
Foreign exchange rate risk	92.1	7.4	56.1	4.5	34.6	2.8
<b>Total risk exposure amount and capital requirements</b>	<b>92.1</b>	<b>7.4</b>	<b>56.1</b>	<b>4.5</b>	<b>34.6</b>	<b>2.8</b>
<b>Operational risk</b>						
Basic indicator approach	1,471.0	117.7	1,471.0	117.7	1,279.2	102.3
<b>Total risk exposure amount and capital requirements</b>	<b>1,471.0</b>	<b>117.7</b>	<b>1,471.0</b>	<b>117.7</b>	<b>1,279.2</b>	<b>102.3</b>
<b>Total risk exposure amount and capital requirements</b>	<b>11,372.1</b>	<b>909.8</b>	<b>11,751.1</b>	<b>940.1</b>	<b>10,743.0</b>	<b>859.4</b>

ADDITIONAL CAPITAL REQUIREMENTS PILLAR 2	31 Mar 2023	31 Dec 2022	31 Mar 2022
Credit concentration risk	95.3	107.7	103.6
Interest rate risk in banking book	35.8	67.1	37.7
Other additional capital requirements	5.0	5.5	4.8
<b>Total additional capital requirements Pillar 2</b>	<b>136.1</b>	<b>180.3</b>	<b>146.1</b>

## 8 CAPITAL ADEQUACY, CONT.

LEVERAGE RATIO	31 Mar 2023		31 Dec 2022		31 Mar 2022	
Own funds requirements (Pillar 1)	15,100.3		16,329.0		14,291.3	
Special Own funds requirement (Pillar 2)	-		-		-	
Pillar 2 guide	-		-		-	
Exposure measures for calculation of leverage ratio	15,100.3		16,329.0		14,291.3	
Tier 1 capital	1,407.2		1,457.7		1,386.1	
<b>Leverage ratio. %</b>	<b>9.32%</b>		<b>8.93%</b>		<b>9.70%</b>	
Leverage ratio requirements	453		489.9		428.7	
Leverage ratio requirements, percent	3%		3%		3%	

TOTAL OWN FUNDS REQUIREMENT (INCLUDING PILLAR 2)	31 Mar 2023		31 Dec 2022		31 Mar 2023	
Common Equity Tier 1 capital requirements	979.0	8.61%	1,028.0	8.75%	849.0	7.90%
Tier 1 capital requirements	1,175.1	10.33%	1,238.1	10.54%	1,037.5	9.66%
<b>Total Capital</b>	<b>1,436.6</b>	<b>12.63%</b>	<b>1,518.2</b>	<b>12.92%</b>	<b>1,288.9</b>	<b>12.00%</b>

LIQUIDITY MEASURES	31 Mar 2023		31 Dec 2022		31 Mar 2022	
Liquidity coverage ratio (LCR)	243.7%		298.8%		168.9%	
Net stable funding ratio (NSFR)	126.3%		126.9%		157.0%	

### AVIDA FINANS CONSOLIDATED SITUATION

OWN FUNDS REQUIREMENTS	31 Mar 2023		31 Dec 2022		31 Mar 2022	
Own funds requirements (Pillar 1)	914.0	8.00%	943.1	8.00%	863.1	8.00%
Special Own funds requirement (Pillar 2)	140.4	1.23%	180.7	1.53%	146.6	1.36%
Combined buffer requirement	392.6	3.44%	399.1	3.39%	284.5	2.64%
Pillar 2 guide	-	-	-	-	-	-
<b>Total own funds requirements</b>	<b>1,447.0</b>	<b>12.67%</b>	<b>1,522.9</b>	<b>12.92%</b>	<b>1,294.2</b>	<b>12.00%</b>

CAPITAL CONTEXT	31 Mar 2023		31 Dec 2022		31 Mar 2022	
Common Equity Tier 1 capital after any deductions	1,212.2	10.61%	1,268.9	10.76%	1,199.3	11.12%
Additional Tier 1 capital after any deductions	198.4	1.74%	198.0	1.68%	197.0	1.83%
Tier 2 capital after any deductions	249.3	2.18%	248.9	2.11%	247.4	2.29%
<b>Own funds</b>	<b>1,659.9</b>	<b>14.53%</b>	<b>1,715.8</b>	<b>14.56%</b>	<b>1,643.7</b>	<b>15.24%</b>

## 8 CAPITAL ADEQUACY, CONT.

	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Risk exposure amount (REA) and capital base requirements	11,423.6	914.0	11,788.1	943.1	10,787.6	863.1
of which: own funds requirements for credit risk	9,844.6	787.6	10,245.1	819.6	9,452.1	756.2
of which: own funds requirements for market risk	92.1	7.4	56.1	4.5	34.6	2.8
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	1,212.2	10.61%	1,268.9	10.76%	1,199.3	11.12%
Tier 1 capital / Tier 1 capital ratio	1,410.6	12.35%	1,466.9	12.44%	1,396.3	12.94%
Total own funds / Total capital ratio	1,659.9	14.53%	1,715.8	14.56%	1,643.7	15.24%
Total equity Tier 1 capital requirements including buffer requirements	906.7	7.94%	929.6	7.89%	769.9	7.14%
of which: Capital conservation buffer	285.6	2.50%	294.7	2.50%	269.7	2.50%
of which: Counter-cyclical buffer	107.0	0.94%	104.4	0.89%	14.8	0.14%
Common equity Tier 1 capital available to use as a buffer	698.1	6.11%	738.4	6.26%	713.9	6.62%

CAPITAL ADEQUACY	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>Common Equity Tier 1 capital</b>			
Capital instruments and associated share premium reserve	936.2	936.3	936.3
Retained earnings and reserves	263.8	261.9	229.0
Regulatory adjustments:			
- Intangible assets	22.9	20.6	10.4
- Deferred tax assets	5.2	0.3	0.6
- Reversal transitional rules to IFRS 9	40.3	91.6	45.0
<b>Total Common Equity Tier 1 capital</b>	<b>1,212.2</b>	<b>1,268.9</b>	<b>1,199.3</b>
<b>Additional Tier 1 capital</b>			
Perpetual subordinated loans	198.4	198.0	197.0
<b>Total other Tier 1 capital</b>	<b>198.4</b>	<b>198.0</b>	<b>197.0</b>
<b>Tier 2 capital</b>			
Time-bound subordinated loans	249.3	248.9	247.4
<b>Total supplementary capital</b>	<b>249.3</b>	<b>248.9</b>	<b>247.4</b>
<b>Total own funds</b>	<b>1,659.9</b>	<b>1,715.8</b>	<b>1,643.7</b>

	31 Mar 2023		31 Dec 2022		31 Mar 2022	
Specification of risk exposure amount (REA) and capital base requirements	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
<b>Credit risk according to the standard method</b>						
Exposures to central banks and local authorities	4.6	0.4	5.5	0.4	3.9	0.3
Institution exposures	272.1	21.8	420.3	33.6	270.4	21.6
Corporate exposures	2,220.9	177.7	2,082.1	166.6	2,038.7	163.1
Retail exposures	6,191.3	495.3	6,593.2	527.5	6,233.1	498.6
Exposures secured by immovable property	0.0	0.0	0.0	0.0	0.0	0.0
Defaulted exposures	1,075.3	86.0	1,077.2	86.2	844.8	67.6
Other items	30.5	6.4	66.8	5.3	61.2	4.9
<b>Total risk exposure amount and capital requirements</b>	<b>9,844.7</b>	<b>787.6</b>	<b>10,245.1</b>	<b>819.6</b>	<b>9,452.1</b>	<b>756.2</b>

## 8 CAPITAL ADEQUACY, CONT.

<b>Market risk</b>						
Foreign exchange rate risk	92.1	7.4	56.1	4.5	34.6	2.8
<b>Total risk exposure amount and capital requirements</b>	<b>92.1</b>	<b>7.4</b>	<b>56.1</b>	<b>4.5</b>	<b>34.6</b>	<b>2.8</b>
<b>Operational risk</b>						
Basic indicator approach	1,486.9	119.0	1,486.9	119.0	1,300.9	104.1
<b>Total risk exposure amount and capital requirements</b>	<b>1,486.9</b>	<b>119.0</b>	<b>1,486.9</b>	<b>119.0</b>	<b>1,300.9</b>	<b>104.1</b>
<b>Total risk exposure amount and capital requirements</b>	<b>11,423.7</b>	<b>913.9</b>	<b>11,788.1</b>	<b>943.0</b>	<b>10,787.6</b>	<b>863.0</b>
<b>ADDITIONAL CAPITAL REQUIREMENTS PILLAR 2</b>						
	31 Mar 2023		31 Dec 2022		31 mar 2022	
Credit concentration risk	99.6		108.1		104.1	
Interest rate risk in banking book	35.8		67.1		37.7	
Other additional capital requirements	5.0		5.5		4.8	
<b>Total additional capital requirements Pillar 2</b>	<b>140.4</b>		<b>180.7</b>		<b>146.6</b>	
<b>LEVERAGE RATIO</b>						
	31 Mar 2023		31 Dec 2022		31 mar 2022	
Own funds requirements (Pillar 1)	15,167.9		16,382.7		14,348.1	
Special Own funds requirement (Pillar 2)	-		-		-	
Pillar 2 guide	-		-		-	
Exposure measures for calculation of leverage ratio	15,167.9		16,382.7		14,348.1	
Tier 1 Leverage ratio	1,410.6		1,466.9		1,396.3	
<b>Leverage ratio, %</b>	<b>9.30%</b>		<b>8.95%</b>		<b>9.73%</b>	
Leverage ratio requirements	455		491.5		430.4	
Leverage ratio requirements, percent	3%		3%		3%	
<b>TOTAL OWN FUNDS REQUIREMENT (INCLUDING PILLAR 2)</b>						
	31 Mar 2023		31 Dec 2022		31 mar 2022	
Common Equity Tier 1 capital requirements	985.7	8.63%	1,031.2	8.75%	852.5	7.90%
Tier 1 capital requirements	1,183.4	10.36%	1,242.0	10.54%	1,041.8	9.66%
<b>Total Capital</b>	<b>1,447.0</b>	<b>12.67%</b>	<b>1,522.9</b>	<b>12.92%</b>	<b>1,294.2</b>	<b>12.00%</b>
<b>LIQUIDITY MEASURES</b>						
	31 Mar 2023		31 Dec 2022		31 Mar 2022	
Liquidity coverage ratio (LCR)	243.7%		299.0%		168.9%	
Net stable funding ratio (NSFR)	125.9%		126.7%		156.6%	

## 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	31 Mar 2023	31 Dec 2022	31 Mar 2022
Cash and balances with central banks	472.9	521.7	381.7
Deposits in other banks available overnight	1,232.6	2,007.8	1,301.6
Bonds issued by government and municipalities	610.5	671.4	543.5
<b>TOTAL</b>	<b>2,316.0</b>	<b>3,200.9</b>	<b>2,226.7</b>

### FUNDING

SEK million	31 Mar 2023	31 Dec 2022	31 Mar 2022
Deposits from the public	12,880.0	13,928.0	12,045.2
Subordinated debt	249.3	248.9	247.4
Additional Tier 1 capital	198.4	198.0	197.0
Other equity	1,206.7	1,211.2	1,184.9
<b>TOTAL</b>	<b>14,534.4</b>	<b>15,586.1</b>	<b>13,674.6</b>



# 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, 25 May 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](http://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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