

# YEAR-END REPORT

JANUARY-DECEMBER

# 2022

AVIDA FINANS AB (PUBL)  
556230-9004

**AVIDA**

# TABLE OF CONTENTS

3	CEO COMMENTS
4	KEY RATIOS AND FINANCIAL DEVELOPMENT
6	INCOME STATEMENT
6	STATEMENT OF COMPREHENSIVE INCOME
8	STATEMENT OF FINANCIAL POSITION
10	STATEMENT OF CHANGES IN EQUITY
12	CASH FLOW STATEMENT
14	NOTES
33	DEFINITIONS - ALTERNATIVE PERFORMANCE MEASUREMENTS
34	BOARD OF DIRECTORS AND CEO DECLARATION
35	FINANCIAL CALENDAR

## CEO COMMENTS

# Adverse effects impacted the fourth quarter



**Both the consumer and business segments grew during 2022 and we achieved many milestones in migrating our consumer platform. However, during the third and especially into the fourth quarter it became evident that the migration had left us vulnerable as markets and interest rates became increasingly volatile. This resulted in inefficient rate hikes and had an adverse impact on the loan book migration in Finland leading to a weak overall performance for our consumer segments during fourth quarter.**

Our business segments and especially our factoring volumes grew significantly during the year. We managed to adjust pricing and while there has been a time lag, we will see the impact increase into 2023. The increase in losses during 2022 and into the fourth quarter is a combination of the growth and the weaker macro sentiment.

In the fourth quarter, the lending volume increased by 1% compared to the previous quarter and 12% for the whole year to a total volume of SEK 12,375 million. Improved margins and good cost control during the period partially compensated for increased financing costs and increasing credit losses, which resulted in an overall operating profit of SEK 13.2 million for the quarter. While there has been a delay, we have managed to increase our rates and we have seen positive overall development in the net interest margin which increased to 7.2% from 6,7% in previous quarter.

Investing in new, key recruitments and continued systems development has led to increased cost according to plan. During the quarter, we also continued to review and redesign processes for long-term increased cost efficiency and agility to meet the challenges of the market ahead.

Our most immediate priority is to make full use of the benefits provided by the new systems

platform as well as to plan for a system upgrade for the business segment. The short term focus will be on profitability and stability to create the foundation for future profitable growth and scalable operations. Our internal commitment to this is considerable, and I am convinced that we will realise our full potential going forward. The macro situation is obviously challenging, but at the same time that is something that provides us with opportunities.

**Stockholm 23 February 2023**  
**Tine Wollebakk, CEO**

# Key ratios

GROUP	Q4 2022	Q3 2022	Jan-Dec 2022	Jan-Dec 2021	Q4 2021
<b>SEK MILLION</b>					
Net interest income	223	203	834	773	196
Net commission income	8	5	23	15	4
Profit/loss before credit losses	145	114	517	487	124
Credit losses, net	-132	-97	-432	-403	-106
Operating profit	13	16	85	84	18
Loans to credit institutions	2,008	940	2,008	1,618	1,619
Loans to the public	12,375	12,330	12,375	11,076	11,076
Deposits from the public	13,928	12,747	13,928	11,893	11,893
Equity	1,409	1,406	1,409	1,367	1,367
Solidity (%)	9.0	9.6	9.0	10.0	10
C/I ratio	0.40	0.44	0.40	0.38	0.38
Return on equity (%)	2.6	3.5	4.5	4.6	3.2
Capital ratio (%)	14.6	14.9	14.6	14.7	14.7
Provision ratio (%)	9.3	8.5	9.3	7.1	7.1

PARENT COMPANY	Q4 2022	Q3 2022	Jan-Dec 2022	Jan-Dec 2021	Q4 2021
<b>SEK MILLION</b>					
Net interest income	223	203	832	761	193
Net commission income	8	5	23	15	4
Profit/loss before credit losses	145	115	517	484	124
Credit losses, net	-132	-97	-432	-403	-106
Operating profit	13	18	85	81	18
Loans to credit institutions	2,001	933	2,001	1,607	1,607
Loans to the public	12,373	12,328	12,373	11,072	11,072
Deposits from the public	13,928	12,747	13,928	11,893	11,893
Equity	1,400	1,397	1,400	1,357	1,357
Solidity (%)	8.9	9.6	8.9	9.9	9.9
C/I ratio	0.40	0.44	0.40	0.38	0.37
Return on equity (%)	2.6	3.9	4.6	3.4	3.4
Capital ratio (%)	14.5	14.6	14.5	14.7	14.7
Provision ratio (%)	9.3	8.5	9.3	7.1	7.1

### FINANCIAL DEVELOPMENT

Loans to the public increased during the quarter by 1% to SEK 12,375 million. The increase comes mainly from consumer lending and is mainly driven by volume increases in Norway and Sweden. Corporate lending decreased by 1.1% compared to the previous quarter.

Net interest income decreased by 9,9% during the quarter. We have had increased financing costs in all markets as the price of deposit accounts has increased as a result of increased market interest rates. Many of the agreements on the corporate side are linked to a reference rate and have been amended accordingly.

Credit losses increased by 35,4% during the quarter and ended up at SEK 131.9 million. However, this includes a one-off effect of SEK 11.0 million in connection with the migration of the Finnish consumer portfolio. Cleared of this one-off negative effect, credit loss ratios will be 4.40% compared to 3.32% in Q3.

Operating expenses increased by 11.8% during the quarter. This was mainly driven by increased costs for consultants associated with a number of strategic projects as well as increased costs for audit-related services. Revenues increased by 15.1%, causing the C/I ratio to decrease to 0.40.

We reported a profit before tax of SEK 13.2 million, which corresponds to a return on CET1 capital of 3.0%.



# Income statement

GROUP	Note	Q4 2022	Q3 2022	%	Jan-Dec 2022	Jan-Dec 2021	Q4 2021	%
<b>SEK million</b>								
Interest income	5	294.9	250.7	17.6%	1,028.1	903.9	234.6	25.7%
Interest expenses	5	-72.0	-48	50.0%	-194.1	-131.2	-38.6	86.5%
<b>NET INTEREST INCOME</b>		<b>222.8</b>	<b>202.7</b>	<b>9.9%</b>	<b>834.0</b>	<b>772.7</b>	<b>196.0</b>	<b>13.7%</b>
Commission income	6	8.2	5.4	51.9%	22.9	15.2	4.1	100.0%
<b>NET COMMISSION INCOME</b>		<b>8.2</b>	<b>5.4</b>	<b>51.9%</b>	<b>22.9</b>	<b>15.2</b>	<b>4.1</b>	<b>100.0%</b>
Net profit/loss of financial transactions		9.0	-4.5	-300.0%	4.8	-0.9	-0.6	-1,600.0%
Other income		1.1	0.6	83.3%	1.9	0.3	-0.1	-1,200.0%
<b>TOTAL OPERATING INCOME</b>		<b>241.2</b>	<b>204.2</b>	<b>18.1%</b>	<b>863.6</b>	<b>787.3</b>	<b>199.4</b>	<b>21.0%</b>
General administrative expenses		-92.5	-86.9	6.4%	-332.7	-275.6	-69.0	34.1%
Depreciation and impairments of tangible and intangible fixed assets		-3.5	-3.6	-2.8%	-14.1	-25.0	-6.3	-44.4%
<b>TOTAL COSTS BEFORE CREDIT LOSSES</b>		<b>-96.0</b>	<b>-90.5</b>	<b>6.1%</b>	<b>-346.8</b>	<b>-300.6</b>	<b>-75.2</b>	<b>27.7%</b>
<b>PROFIT/LOSS BEFORE CREDIT LOSSES</b>		<b>145.1</b>	<b>113.7</b>	<b>27.6%</b>	<b>516.7</b>	<b>486.6</b>	<b>124.2</b>	<b>16.8%</b>
Credit losses, net	7	-131.9	-97.4	35.4%	-432.2	-402.9	-106.3	24.1%
<b>OPERATING PROFIT/LOSS</b>		<b>13.2</b>	<b>16.3</b>	<b>-19.0%</b>	<b>84.5</b>	<b>83.7</b>	<b>17.9</b>	<b>-26.3%</b>
<b>PROFIT/LOSS BEFORE TAX</b>		<b>13.2</b>	<b>16.3</b>	<b>-19.0%</b>	<b>84.5</b>	<b>83.7</b>	<b>17.9</b>	<b>-26.3%</b>
Tax on annual profit/loss		-4.2	-4.1	2.4%	-22.1	-21.5	-7.0	-40.0%
<b>NET PROFIT FOR THE PERIOD</b>		<b>9.1</b>	<b>12.2</b>	<b>-25.4%</b>	<b>62.4</b>	<b>62.3</b>	<b>10.9</b>	<b>-16.5%</b>

# Statement of comprehensive income

GROUP	Note	Q4 2022	Q3 2022	Jan-Dec 2022	Jan-Dec 2021	Q4 2021
<b>SEK million</b>						
<b>NET PROFIT FOR THE PERIOD</b>		<b>9.1</b>	<b>12.2</b>	<b>62.4</b>	<b>62.3</b>	<b>10.9</b>
Changes in the fair value of financial assets valued at fair value through other total profit/loss	10,11	-	-	-	-	-
Currency rate differences when translating foreign operations		-	-0.1	-	1.0	0.8
<b>Sum of items that may be subsequently reclassified in the income statement</b>		<b>-</b>	<b>-0.1</b>	<b>-</b>	<b>1.0</b>	<b>0.8</b>
<b>TOTAL PROFIT/LOSS FOR THE PERIOD</b>		<b>9.1</b>	<b>12.1</b>	<b>62.4</b>	<b>63.3</b>	<b>11.7</b>

# Income statement

PARENT COMPANY	Note	Q4 2022	Q3 2022	%	Jan-Dec 2022	Jan-Dec 2021	Q4 2021	%
SEK million								
Interest income	5	294.9	250.7	17.6%	1,025.8	892.4	232	27.1%
Interest expenses	5	-72.0	-48	50.0%	-194.1	-131.1	-38.6	86.5%
<b>NET INTEREST INCOME</b>		<b>222.9</b>	<b>202.7</b>	<b>10.0%</b>	<b>831.7</b>	<b>761.3</b>	<b>193.4</b>	<b>15.3%</b>
Commission income	6	8.2	5.4	51.9%	22.9	15.2	4.1	100.0%
<b>NET COMMISSION INCOME</b>		<b>8.2</b>	<b>5.4</b>	<b>51.9%</b>	<b>22.9</b>	<b>15.2</b>	<b>4.1</b>	<b>100.0%</b>
Net profit/loss of financial transactions		9.0	-4.5	-300.0%	4.7	-1.0	-0.6	-1,600.0%
Other income		1.3	0.6	116.7%	2.1	0.9	0.7	85.7%
<b>TOTAL OPERATING INCOME</b>		<b>241.4</b>	<b>204.2</b>	<b>18.2%</b>	<b>861.4</b>	<b>776.4</b>	<b>197.5</b>	<b>22.2%</b>
General administrative expenses		-94.3	-87	8.4%	-335.1	-274.7	-68.8	37.1%
Depreciation and impairments of tangible and intangible fixed assets		-2.3	-2.4	-4.2%	-9.4	-18.0	-4.5	-48.9%
<b>TOTAL COSTS BEFORE CREDIT LOSSES</b>		<b>-96.6</b>	<b>-89.4</b>	<b>8.1%</b>	<b>-344.5</b>	<b>-292.8</b>	<b>-73.4</b>	<b>31.6%</b>
<b>PROFIT/LOSS BEFORE CREDIT LOSSES</b>		<b>144.8</b>	<b>114.7</b>	<b>26.2%</b>	<b>516.9</b>	<b>483.7</b>	<b>124.1</b>	<b>16.7%</b>
Credit losses, net	7	-131.9	-97	36.0%	-431.7	-402.8	-106.3	24.1%
<b>OPERATING PROFIT/LOSS</b>		<b>12.9</b>	<b>17.7</b>	<b>-27.1%</b>	<b>85.2</b>	<b>80.9</b>	<b>17.9</b>	<b>-27.9%</b>
<b>PROFIT/LOSS BEFORE TAX</b>		<b>12.9</b>	<b>17.7</b>	<b>-27.1%</b>	<b>85.2</b>	<b>80.9</b>	<b>17.9</b>	<b>-27.9%</b>
Tax on annual profit/loss		-4.0	-4.1	-2.4%	-22.0	-21.0	-6.5	-38.5%
<b>NET PROFIT FOR THE PERIOD</b>		<b>9.0</b>	<b>13.7</b>	<b>-34.3%</b>	<b>63.3</b>	<b>59.8</b>	<b>11.3</b>	<b>-20.4%</b>

# Statement of comprehensive income

PARENT COMPANY	Note	Q4 2022	Q3 2022	Jan-Dec 2022	Jan-Dec 2021	Q4 2021
SEK million						
<b>NET PROFIT FOR THE PERIOD</b>		<b>9.0</b>	<b>13.7</b>	<b>63.3</b>	<b>59.8</b>	<b>11.3</b>
Changes in the fair value of financial assets valued at fair value through other total profit/loss	10,11	-	-	-	-	-
Currency rate differences when translating foreign operations		-	-	-	0.3	0.5
<b>Sum of items that may be subsequently reclassified in the income statement</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>0.5</b>
<b>TOTAL PROFIT/LOSS FOR THE PERIOD</b>		<b>9.0</b>	<b>13.7</b>	<b>63.3</b>	<b>60.1</b>	<b>11.8</b>

# Statement of financial position

GROUP	Note	31-12-2022	30-09-2022	SEK million	31-12-2021	SEK million
<b>SEK MILLION</b>						
<b>ASSETS</b>						
Cash and balances with central banks	10	521.7	511	10.7	327.2	194.5
Collateralised government bonds	10,11	671.4	613.5	57.9	537.0	134.4
Loans to credit institutions	10	2,007.8	939.9	1,067.9	1,618.1	389.7
Loans to the public	8,10	12,374.8	12,330.1	44.7	11,076.6	1,298.2
Derivatives		-	36.1	-36.1	-	-
Intangible fixed assets		43.3	38.2	5.1	31.1	12.2
Tangible assets		20.5	22.1	-1.6	21.3	-0.8
Financial fixed assets		0.7	-	0.7	-	0.7
Current tax asset		35.4	49.3	-13.9	43.5	-8.1
Other assets	10	38.4	13.4	25	46.2	-7.8
Prepaid expenses and accrued income		19.5	18	1.5	8.2	11.3
<b>TOTAL ASSETS</b>		<b>15,733.4</b>	<b>14,571.7</b>	<b>1,161.7</b>	<b>13,709.1</b>	<b>2,024.3</b>
<b>LIABILITIES AND PROVISIONS</b>						
Deposits from the public	9,10	13,928.0	12,746.9	1,181.1	11,892.6	2,035.4
Derivatives	10	1.0	-	1	24.9	-23.9
Other liabilities	10	90.6	104.9	-14.3	151.6	-61
Deferred tax		-	-	-	0.1	-0.1
Other provisions		0.7	-	0.7	-	0.7
Accrued expenses and prepaid income		55.1	65.9	-10.8	25.9	29.2
Subordinated debt	10	248.9	248.4	0.5	247.3	1.6
<b>TOTAL LIABILITIES</b>		<b>14,324.3</b>	<b>13,166.1</b>	<b>1,158.2</b>	<b>12,342.4</b>	<b>1,981.9</b>
<b>EQUITY</b>						
Share capital		12.8	12.8	-	12.8	-
Other reserves		1.8	1.8	-	1.8	-
Other contributed capital		1,121.3	1,120.9	0.4	1,120.0	1.3
Retained earnings incl. profit for the year		273.2	270	3.2	232.1	41.1
<b>TOTAL EQUITY</b>		<b>1,409.2</b>	<b>1,405.6</b>	<b>3.6</b>	<b>1,366.7</b>	<b>42.5</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>15,733.4</b>	<b>14,571.7</b>	<b>1,161.7</b>	<b>13,709.1</b>	<b>2,024.3</b>



# Statement of financial position

PARENT COMPANY	Note	31-12-2022	30-09-2022	SEK million	31-12-2021	SEK million
<b>SEK MILLION</b>						
<b>ASSETS</b>						
Cash and balances with central banks	10	521.7	511.0	10.7	327.2	194.5
Collateralised government bonds	10,11	671.4	613.5	57.9	537.0	134.4
Loans to credit institutions	10	2,001.4	933.2	1,068.2	1,606.1	395.3
Loans to the public	8,10	12,373.4	12,328.4	45	11,073.2	1,300.2
Derivatives		-	36.1	-36.1	-	-
Shares and units in Group companies		2.0	2.0	-	2.0	-
Intangible fixed assets		43.3	38.2	5.1	30.9	12.4
Tangible assets		5.3	5.7	-0.4	1.3	4
Financial fixed assets		0.7	-	0.7	-	0.7
Current tax asset		35.3	49.0	-13.7	43.9	-8.6
Other assets	10	36.9	12.4	24.5	46.5	-9.6
Prepaid expenses and accrued income		19.4	17.9	1.5	7.7	11.7
<b>TOTAL ASSETS</b>		<b>15,710.8</b>	<b>14,547.6</b>	<b>1,163.2</b>	<b>13,675.8</b>	<b>2,035.1</b>
<b>LIABILITIES AND PROVISIONS</b>						
Deposits from the public	9,10	13,928.0	12,746.9	1,181.1	11,892.6	2,035.4
Derivatives	10	1.0	-	1	24.9	-23.9
Other liabilities	10	77.3	89.8	-12.5	128.8	-51.5
Provisions		0.7	-	0.7	-	0.7
Accrued expenses and prepaid income		55.1	65.9	-10.8	25.4	29.7
Subordinated debt	10	248.9	248.4	0.5	247.3	1.6
<b>TOTAL LIABILITIES</b>		<b>14,311.0</b>	<b>13,151.0</b>	<b>1,160</b>	<b>12,318.9</b>	<b>1,992.1</b>
<b>EQUITY</b>						
Share capital		12.8	12.8	-	12.8	-
Statutory reserve		1.8	1.8	-	1.8	-
Fund for development expenditure		43.2	37.9	5.3	29.8	13.4
Tier 1 capital		198.0	197.6	0.4	196.7	1.3
Retained earnings incl. profit for the year		1,144.1	1,146.5	-2.4	1,115.8	28.3
<b>TOTAL EQUITY</b>		<b>1,399.9</b>	<b>1,396.6</b>	<b>3.3</b>	<b>1,356.9</b>	<b>43</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>15,710.8</b>	<b>14,547.6</b>	<b>1,163.2</b>	<b>13,675.8</b>	<b>2,035.1</b>

# Statement of changes in equity

## 31-12-2022 GROUP

SEK MILLION

	RESTRICTED EQUITY		UNRESTRICTED EQUITY		TOTAL
	SHARE CAPITAL	OTHER RESERVES	OTHER CONTRIBUTED CAPITAL	RETAINED EARNINGS AND NET PROFIT/LOSS	
<b>Opening balance at 01-01-2022</b>	<b>12.8</b>	<b>1.8</b>	<b>1,120.0</b>	<b>232.1</b>	<b>1,366.7</b>
Total profit/loss for the period				62.4	
Reported in income statement				62.4	<b>62.4</b>
Reported as other total profit/loss					
Tier 1 capital, AT1			1.3		<b>1.3</b>
Interest and dividends on primary capital instruments				-21.3	<b>-21.3</b>
Transactions with shareholders					
Option program	-	-	-	-	-
New share issues	-	-	-	-	-
Transactions within the controlling influence	-	-	-	-	-
<b>Closing balance at 31-12-2022</b>	<b>12.8</b>	<b>1.8</b>	<b>1,121.3</b>	<b>273.2</b>	<b>1,409.2</b>

## 31-12-2021 GROUP

SEK MILLION

	RESTRICTED EQUITY		UNRESTRICTED EQUITY		TOTAL
	SHARE CAPITAL	OTHER RESERVES	OTHER CONTRIBUTED CAPITAL	RETAINED EARNINGS AND NET PROFIT/LOSS	
<b>Opening balance at 01-01-2021</b>	<b>12.8</b>	<b>1.8</b>	<b>1,118.6</b>	<b>189.4</b>	<b>1,322.6</b>
Total profit/loss for the period	-	-	-	63.3	<b>63.3</b>
Reported in income statement	-	-	-	62.3	<b>62.3</b>
Reported as other total profit/loss	-	-	-	1.0	<b>1.0</b>
Tier 1 capital, AT1	-	-	1.3	-	<b>1.3</b>
Interest and dividends on primary capital instruments	-	-	-	-20.5	<b>-20.5</b>
Transactions with shareholders					
Option program	-	-	-	-	-
New share issues	-	-	-	-	-
Transactions within the controlling influence	-	-	-	-	-
<b>Closing balance at 31-12-2021</b>	<b>12.8</b>	<b>1.8</b>	<b>1,120.0</b>	<b>232.1</b>	<b>1,366.7</b>

# Statement of changes in equity

## 31-12-2022 PARENT COMPANY

SEK MILLION

	RESTRICTED EQUITY			UNRESTRICTED EQUITY		TOTAL
	SHARECAPITAL	FUND FOR DEVELOPMENT EXPENDITURE	STATUTORY RESERVE	OTHER CONTRIBUTED CAPITAL	RETAINED EARNINGS AND NET PROFIT/LOSS	
<b>Opening balance at 01-01-2022</b>	<b>12.8</b>	<b>1.8</b>	<b>29.8</b>	<b>196.7</b>	<b>1,115.7</b>	<b>1,356.9</b>
Total profit/loss for the period					63.3	<b>63.3</b>
Reported in income statement					63.3	<b>63.3</b>
Reported as other total profit/loss	-	-	-	-	-	-
Change in fund for development expenditure			13.4		-13.4	<b>0.0</b>
Tier 1 capital, AT1				1.3		<b>1.3</b>
Interest and dividends on primary capital instruments					-21.6	<b>-21.6</b>
Transactions with shareholders						
Shareholder contribution	-	-	-	-	-	-
Group contribution	-	-	-	-	-	-
<b>Closing balance at 31-12-2022</b>	<b>12.8</b>	<b>1.8</b>	<b>43.2</b>	<b>198.0</b>	<b>1,144.1</b>	<b>1,399.9</b>

## 31-12-2021 PARENT COMPANY

SEK MILLION

	RESTRICTED EQUITY			UNRESTRICTED EQUITY		TOTAL
	SHARECAPITAL	FUND FOR DEVELOPMENT EXPENDITURE	STATUTORY RESERVE	OTHER CONTRIBUTED CAPITAL	RETAINED EARNINGS AND NET PROFIT/LOSS	
<b>Opening balance at 01-01-2021</b>	<b>12.8</b>	<b>25.3</b>	<b>1.8</b>	<b>195.3</b>	<b>1,080.7</b>	<b>1,315.9</b>
Total profit/loss for the period	-	-	-	-	60.1	<b>60.1</b>
Reported in income statement	-	-	-	-	59.8	<b>59.8</b>
Reported as other total profit/loss	-	-	-	-	0.3	<b>0.3</b>
Change in fund for development expenditure	-	4.6	-	-	-4.6	-
Tier 1 capital, AT1	-	-	-	1.3	-	<b>1.3</b>
Interest and dividends on primary capital instruments	-	-	-	-	-20.5	<b>-20.5</b>
Transactions with shareholders						
Shareholder contribution	-	-	-	-	-	-
Group contribution	-	-	-	-	-	-
<b>Closing balance at 31-12-2021</b>	<b>12.8</b>	<b>29.8</b>	<b>1.8</b>	<b>196.7</b>	<b>1,115.7</b>	<b>1,356.9</b>

Number of shares amounts to 70,576,359 with a quotient value of 0.18 SEK/share

# Cash flow statement

GROUP	31-12-2022	31-12-2021
<b>SEK MILLION</b>		
Operating profit	84.5	83.7
<i>Adjustment for items not included in cash flow</i>		
Unrealised credit losses (Provisions)	438.2	367.9
Depreciation of tangible and intangible assets	-21.9	25.0
Other non-cash items	-	-
Income tax paid	-14.8	-64.3
<b>Cashflow from operating activities before changes in operating assets and liabilities</b>	<b>486.1</b>	<b>412.3</b>
<b>Changes in operating assets and liabilities</b>		
Increase (-) /decrease (+) loans to the public	-1,736.9	-1,464.1
Increase (-) /Decrease (+) in other assets	-27.3	19.0
Increase (-) /decrease (+) deposits from the public	2,035.5	1,733.2
Increase (-) / Decrease (+) of other liabilities	-11.4	73.1
<b>Cash flow from operating activities</b>	<b>745.9</b>	<b>773.5</b>
<b>Investing activities</b>		
Acquisition/Sale of tangible fixed assets	-6.1	-1.0
Acquisition/Sale of intangible fixed assets	0.2	-19.9
Acquisition/Sale of collateralised government bonds	-134.4	-93.1
<b>Cash flow from investing activities</b>	<b>-140.3</b>	<b>-114.0</b>
<b>Financing activities</b>		
Interest dividends	-21.9	-19.1
<b>Cash flow from financing activities</b>	<b>-21.9</b>	<b>-19.1</b>
<b>Cash flow for the period</b>	<b>583.7</b>	<b>640.4</b>
Liquid funds at beginning of the period	1,945.9	1,305.8
Translation difference liquid funds	-	-0.3
<b>Liquid funds at end of period</b>	<b>2,529.5</b>	<b>1,945.9</b>

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

# Cash flow statement

PARENT COMPANY	31-12-2022	31-12-2021
<b>SEK MILLION</b>		
Operating profit	85.2	80.9
<i>Adjustment for items not included in cash flow</i>		
Unrealised credit losses (Provisions)	437.7	364.4
Depreciation of tangible and intangible assets	-12.5	18.0
Other non-cash items	-	-
Income tax paid	-12.8	-64.2
<b>Cashflow from operating activities before changes in operating assets and liabilities</b>	<b>497.6</b>	<b>399.1</b>
<b>Changes in operating assets and liabilities</b>		
Increase (-) /decrease (+) loans to the public	-1,738.5	-1,459.1
Increase (-) /Decrease (+) in other assets	-25.6	18.4
Increase (-) /decrease (+) deposits from the public	2,035.5	1,732.8
Increase (-) / Decrease (+) of other liabilities	-15.6	78.3
<b>Cash flow from operating activities</b>	<b>753.4</b>	<b>769.5</b>
<b>Investing activities</b>		
Acquisition/Sale of tangible fixed assets	-6.0	-1.0
Acquisition/Sale of intangible fixed assets	-1.9	-19.9
Acquisition/Sale of collateralised government bonds	-134.4	-93.1
<b>Cash flow from investing activities</b>	<b>-142.3</b>	<b>-114.0</b>
<b>Financing activities</b>		
Interest dividends	-21.9	-19.1
<b>Cash flow from financing activities</b>	<b>-21.9</b>	<b>-19.1</b>
<b>Cash flow for the period</b>	<b>589.2</b>	<b>636.4</b>
Liquid funds at beginning of the period	1,933.9	1,295.6
Translation difference liquid funds	0	0.7
<b>Liquid funds at end of period</b>	<b>2,523.1</b>	<b>1,933.9</b>

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

# Notes

## 1 GENERAL INFORMATION

Avida Finans AB (publ) with Corp. ID no. 556230-9004, is the parent company of Avida Group following the downstream merger of the former financial holding company Avida Holding AB, Corp. ID no. 556780-0593. It is in Avida Finans AB (publ) that the main business takes place. Avida Finans AB (publ) has had a permit from Swedish Financial Supervisory Authority as a credit market company since 2000. The business consists of financing services to companies and lending to consumers, debt collection management and deposits to the public. Avida Inkasso AS (913 778 367) has been a wholly owned subsidiary of Avida Finans AB (publ) since the merger.

The Consumer Finance business area comprises lending to and deposits from private clients. The company offers overdrafts and unsecured loans as well as deposits at one of the market's better interest rates.

The Business Finance area offers financial services such as factoring in the form of an off-balance solution or traditional invoice lending and various types of corporate loans. The focus is on offering financing solutions to optimise our customers cash flow or support customer growth.

Avida conducts operations in Sweden and via branches in Norway and Finland: Avida Finans AB NUF Org. no. 990 728 488 and Avida Finans AB, Finnish Branch Org. no. 2541768-9.

## 2 ACCOUNTING POLICIES AND VALUATION PRINCIPLES

This quarterly report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Annual Accounts for Credit Institutions and Securities Companies Act (ÅRKIL) and Financial Supervisory Authority's regulations and general guidelines regarding Annual Accounts at credit institutions and securities (FFFS 2008:25).

FFFS 2008:25, statutory IFRS, means that International Financial Reporting Standards (IFRS), as approved by the EU, are applicable for the preparation of the financial reports, with the restrictions and additions that follow from RFR 2 Accounting for legal entities and FFFS 2008:25.

The accounting principles as well as calculations and reporting are essentially equal to the annual report for 2021. All amounts are stated in millions of Swedish kronor.

This report has not been subject to audit.

### SIGNIFICANT ESTIMATES AND JUDGEMENTS IN THE FINANCIAL STATEMENTS

The preparation of the financial statements in accordance with statutory IFRS requires the Company's management to make

assessments and estimates as well as make assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and a number of other factors that seem reasonable under the prevailing conditions. The result of these estimates and assumptions is used to assess the reported values of assets and liabilities that are not otherwise clear from other sources.

Actual outcomes may deviate from these estimates and judgements. Estimates and assumptions are reviewed regularly. Changes in estimates are reported in the period in which the change is made if the change only affects this period, or in the period in which the change is made and future periods if the change affects both the current period and future periods.

Assessments made by management in the application of statutory IFRS that have a significant impact on the financial statements and estimates made that may lead to significant adjustments in the following year's financial statements are as follows:

When examining the need for impairment of loan receivables, the most critical assessment, which also contains the greatest uncertainty, is to estimate the most probable long-term loss, (*Loss Given Default, LGD*).

## 3 RISKS

In the business, different types of risks arise, such as credit risk, operational risk, market risk and liquidity risk. In order to limit and control risk-taking in the business, the company's board, which is ultimately responsible for the company's internal control, has established policies and instructions for lending and other financial activities.

Risk management aims to identify and analyse the risks that exist in the business and to set appropriate limits for these and ensure that there are controls in place. The risks are monitored and checks are made on an ongoing basis so that limits are not exceeded. Risk policies, risk appetite and risk management systems are reviewed regularly to check that these are relevant and, for example, reflect current market conditions as well as the products and services offered.

Within the company, there is a function for risk control that is led by the Chief Risk Officer, who is directly subordinate to the CEO, whose task is to compile, analyse and report all the company's risks. The risk control function monitors and controls the company's risk management performed in the business. During the quarter, no significant changes took place in the company's identified risks or in its risk management.

## FINANCIAL RISKS

Below is a general description of our financial risks, which is also the basis and forms a fundamental part of Avida's capital planning. More about capital planning can be read in the capital adequacy note.

**Credit risk** Credit/counterparty risk refers to the risk that the company will not receive payments in accordance with the agreement and/or will make a loss due to the counterparty's inability to meet its obligations.

**Market risk/Exchange rate risk** Exchange rate risk is the risk of losses related to changes in exchange rates at which the company has exposures. The company is exposed to transaction risks which means that the value of inflows and outflows in currencies other than SEK is negatively affected by movements in exchange rates. To minimise this risk, the company uses forward contracts. The company is also exposed to currency translation risk, which arises because Avida Finans AB (publ) has branches in Norway and Finland.

**Market risk/Interest risk** Interest risk arises if there is a difference in fixed interest rates between assets and liabilities in the company's balance sheet. The absolute majority of lending today takes place at variable interest rates, which limits exposure to interest rate risk.

**Liquidity risk** Liquidity risk is the risk that the company will not be able to meet current payments and other commitments in the short term. The company has cash and cash equivalents that guarantee liquidity and has the opportunity to immediately limit the acquisitions of new receivables, which directly reduces this risk.

## LIQUIDITY PLANNING

Just as the company has a process for managing the size of capital, the company also has a process for ensuring liquidity in the business. Liquidity planning is closely associated with liquidity risk and is always based on careful analysis of the same.

Liquidity risk is the risk that the company will have difficulties fulfilling payment obligations in the short term. Liquidity risk can also be expressed as the risk of loss or impaired earning capacity as a result of the Company's payment commitments not being able to be fulfilled on time. In order to ensure the company's short-term ability to pay in the event of loss or impaired access to normally available sources of financing, the company maintains a separate reserve of high-quality assets. The company's liquidity reserve is defined in accordance

## MARKET AND INTEREST RATE RISK FOR LOANS AND DEPOSITS

Risks in deposits from the public	Financial measure	Change	Q4 2022	Q4 2021
Change in deposit interest rate	Profit/loss before tax	+/-1 percentage points	+/- 32.1	+/- 28.8
	Change in equity	+/-1 percentage points	+/- 25.2	+/- 22.6

Risks in loans to the public	Financial measure	Change	Q4 2022	Q4 2021
Change in lending interest rate	Profit/loss before tax	+/-1 percentage points	+/- 30.1	+/- 27.0
	Change in equity	+/-1 percentage points	+/- 23.7	+/- 21.2

Risks in loans to credit institutions	Financial measure	Change	Q4 2022	Q4 2021
Change in lending interest rate	Profit/loss before tax	+/-1 percentage points	+/- 3.4	+/- 4.0
	Change in equity	+/-1 percentage points	+/- 2.7	+/- 3.2

## EXCHANGE RATE RISK

Risks for result from foreign branches and companies	Financial measure	Change	Q4 2022	Q4 2021
Change in exchange rate SEK-NOK	Profit/loss before tax	+/-10 percentage points	+/- 2.0	+/- 2.3
	Change in equity	+/-10 percentage points	+/- 1.6	+/- 1.8
Change in exchange rate SEK-EUR	Profit/loss before tax	+/-10 percentage points	+/- 3.3	+/- 3.2
	Change in equity	+/-10 percentage points	+/- 2.6	+/- 2.5

## CREDIT RISK

Risk of change in recovery of overdue credits	Financial measure	Change	Q4 2022	Q4 2021
Changes in LGD	Profit/loss before tax	+/-5 percentage points	+/- 105.6	+/- 91.6
	Change in equity	+/-5 percentage points	+/- 83.0	+/- 72.0

with Financial Supervisory Authority's regulations FFFS 2010:7, which means that it only consists of available funds that are not used as collateral and that can be pledged with the Swedish, Norwegian or Finnish central bank. In addition to the liquidity reserve, the liquidity buffer currently also includes funds in cash/bank, provided that such balances are available on the following banking day. The minimum size of the liquidity reserve is regulated by board-decided limits.

It is also possible to adjust the deposit rate to attract additional deposits from the public in order to strengthen liquidity if necessary. The CEO is responsible for liquidity management. All new and changed limits must be approved by the board. In this respect, the company's risk management focuses on monitoring and controlling that the liquidity buffer is within the limits decided by the Board and to analyse whether there is any need for a limit adjustment based on changes in the business and its environment.

The risk control function evaluates the risk management of liquidity risks and is responsible for independent analysis of the models that the company uses to plan its need for liquidity risks correspond to the company's risk appetite. The internal auditor is responsible for the audit of risk management and of the independent risk control function.

### CAPITAL PLANNING

Avida's strategies and methods for valuing and maintaining capital base requirements follow from the company's process for Internal Capital and Liquidity Adequacy Assessment Process (ICLAAP). This process aims to assess whether the internal capital is sufficient to form the basis for current and future operations and to ensure that the capital base has the right size and composition. The process is a tool that ensures that Avida and its consolidated context, clearly and correctly identify, evaluate and manage all the risks that Avida is exposed to and make an assessment of its internal capital requirements in relation to this. This includes that Avida must have appropriate control and monitoring functions and risk management systems.

GROUP	31-12-2022	30-09-2022	31-12-2021
SEK MILLION			
<b>Liquidity reserve</b>			
Cash and balances with central banks	521.7	511	327.2
Collateralised government bonds etc.	671.4	613.5	537
Loans to credit institutions (available the next day)	2,007.8	939.9	1,618.10
<b>Total liquidity reserve</b>	<b>3,200.9</b>	<b>2,064.4</b>	<b>2,482.3</b>

PARENT COMPANY	31-12-2022	30-09-2022	31-12-2021
SEK MILLION			
<b>Liquidity reserve</b>			
Cash and balances with central banks	521.7	511.0	327.2
Collateralised government bonds etc.	671.4	613.5	537.0
Loans to credit institutions (available the next day)	2,001.4	933.2	1,606.1
<b>Total liquidity reserve</b>	<b>3,194.4</b>	<b>2,057.7</b>	<b>2,470.3</b>

## 4 OPERATING SEGMENTS

Management has determined the operating segments based on the information used as a basis for allocating resources and evaluating results. Management assesses the business from an aggregate level distributed from a customer perspective; Consumer Finance and Business Finance, where Business Finance is divided into Factoring and

Corporate Loans. The profit measure that is followed up at segment level is the operating profit. Profit items that are not directly attributable to segments are allocated with allocation formulas that the company management believes provide a fair distribution to the segments.



SEGMENT REPORTING GROUP 2022	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	TOTAL
<b>SEK million</b>				
Interest income	757.3	174.6	96.2	1,028.1
Interest expenses	-143.5	-29.7	-20.9	-194.1
Commission income	22.9	-	-	22.9
Net profit/loss of financial transactions	-0.8	5.6	0	4.8
Other income	-	1.9	-	1.9
<b>Total operating income</b>	<b>635.9</b>	<b>152.4</b>	<b>75.3</b>	<b>863.6</b>
General administrative expenses	-205.1	-111.8	-15.9	-332.8
Depreciation and impairments of tangible and intangible fixed assets	-11.2	-2	-0.9	-14.1
<b>Total cost before credit losses</b>	<b>-216.3</b>	<b>-113.8</b>	<b>-16.8</b>	<b>-346.9</b>
<b>Profit/loss before credit losses</b>	<b>419.6</b>	<b>38.6</b>	<b>58.5</b>	<b>516.7</b>
Credit losses, net	-388.6	-30.9	-12.8	-432.2
<b>Profit/loss before tax</b>	<b>31</b>	<b>7.7</b>	<b>45.7</b>	<b>84.5</b>
Tax	-8.2	-1.9	-12	-22.1
<b>Net profit</b>	<b>22.8</b>	<b>5.8</b>	<b>33.7</b>	<b>62.4</b>
Loans to the public	9,213.5	2,027.8	1,133.5	12,374.8
Net interest margin	6.5%	6.2%	6.1%	6.4%
Credit losses (%)	4.1%	1.3%	1.0%	3.3%
Return on equity Tier 1	1.7%	1.7%	37.9%	4.5%

SEGMENT REPORTING GROUP 2021	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	TOTAL
<b>SEK million</b>				
Interest income	658.0	149.8	96.0	903.9
Interest expenses	-94.7	-22.1	-14.4	-131.2
Commission income	15.2	0.0	0.0	15.2
Net profit/loss of financial transactions	-0.5	-0.4	0.2	-0.8
Other income	0.1	0.1	0.0	0.2
<b>Total operating income</b>	<b>578.0</b>	<b>127.4</b>	<b>81.8</b>	<b>787.3</b>
General administrative expenses	-154.9	-104.8	-15.9	-275.6
Depreciation and impairments of tangible and intangible fixed assets	-21.3	-2.6	-1.1	-25.1
<b>Total cost before credit losses</b>	<b>-176.2</b>	<b>-107.4</b>	<b>-17.0</b>	<b>-300.6</b>
<b>Profit/loss before credit losses</b>	<b>401.8</b>	<b>20.0</b>	<b>64.8</b>	<b>486.6</b>
Credit losses, net	-384.5	-7.4	11.0	-402.9
<b>Profit/loss before tax</b>	<b>17.3</b>	<b>12.6</b>	<b>53.8</b>	<b>83.7</b>
Tax	-4.5	-4.1	-12.8	-21.5
<b>Net profit</b>	<b>12.8</b>	<b>8.5</b>	<b>41.1</b>	<b>62.3</b>
Loans to the public	8,232.3	1,763.1	1,080.2	11,075.5
Net interest margin	6.7%	7.0%	7.0%	6.8%
Credit losses (%)	4.6%	0.4%	0.9%	3.5%
Return on equity Tier 1	1.5%	4.6%	34.9%	4.6%

GROUP	Sweden	Norway	Finland	Total
SEK million				
<b>2022</b>				
Operating income	501.6	106.6	255.3	863.6
Loans to the public	7,242.9	1,847.7	3,284.1	12,374.8
<b>2021</b>				
Operating income	459.0	106.6	221.7	787.3
Loans to the public	6,180.9	1,476.5	3,419.1	11,076.6

## 5 NET INTEREST INCOME

GROUP	Q4 2022	Q3 2022	Jan-Dec 2022	Jan-Dec 2021	Q4 2021
SEK MILLION					
<b>Interest income</b>					
Loans to the public	225.5	190.9	796.6	739.7	193.7
Factoring	47.6	43.9	170.9	136.9	39.2
Interest-bearing securities	19.0	12.6	49.8	21.4	-
Other	2.8	3.3	10.8	5.9	1.7
<b>Total interest income</b>	<b>294.9</b>	<b>250.7</b>	<b>1,028.1</b>	<b>903.9</b>	<b>234.6</b>
<b>Interest expenses</b>					
Borrowing and credit from the public	49.6	32.3	135.0	111.4	38.1
Interest-bearing securities	17.2	11.3	47.2	18.9	-
Other	5.2	4.4	12.0	0.9	0.5
<b>Total interest costs</b>	<b>72.0</b>	<b>48</b>	<b>194.1</b>	<b>131.2</b>	<b>38.6</b>
<b>Net interest income</b>	<b>222.8</b>	<b>202.7</b>	<b>834.0</b>	<b>772.7</b>	<b>196.0</b>

PARENT COMPANY	Q4 2022	Q3 2022	Jan-Dec 2022	Jan-Dec 2021	Q4 2021
SEK MILLION					
<b>Interest income</b>					
Loans to the public	225.5	191	794.2	727.7	191.0
Factoring	47.6	43.9	170.9	136.9	39.2
Interest-bearing securities	19.0	12.6	49.9	21.5	-
Other	2.8	3.2	10.8	5.9	1.7
<b>Total interest income</b>	<b>294.9</b>	<b>250.7</b>	<b>1,025.8</b>	<b>892.4</b>	<b>232.0</b>
<b>Interest expenses</b>					
Borrowing and credit from the public	49.6	32.3	134.9	111.4	38.1
Interest-bearing securities	17.2	11.3	47.2	18.9	-
Other	5.2	4.3	12.0	0.8	0.5
<b>Total interest costs</b>	<b>72.0</b>	<b>48</b>	<b>194.1</b>	<b>131.1</b>	<b>38.6</b>
<b>Net interest income</b>	<b>222.9</b>	<b>202.7</b>	<b>831.7</b>	<b>761.3</b>	<b>193.4</b>

## 6 NET COMMISSION INCOME

GROUP & PARENT COMPANY	Q4 2022	Q3 2022	Jan-Dec 2022	Jan-Dec 2021	Q4 2021
SEK MILLION					
<b>Commission income</b>					
Commission income from brokered insurance	8.2	5.4	22.9	15.2	4.1
<b>Total commission income</b>	<b>8.2</b>	<b>5.4</b>	<b>22.9</b>	<b>15.2</b>	<b>4.1</b>
<b>Net commission income</b>	<b>8.2</b>	<b>5.4</b>	<b>22.9</b>	<b>15.2</b>	<b>4.1</b>

## 7 CREDIT LOSSES, NET

GROUP	Q4 2022	Q3 2022	Jan-Dec 2022	Jan-Dec 2021	Q4 2021
SEK million					
<b>Loans to the public</b>					
Provisions - Stage 1	-14.6	-8.8	-42.9	25.5	18.6
Provisions - Stage 2	-38.3	-1	-45.9	-1.2	6.2
Provisions - Stage 3	-62.2	-80.2	-316.0	-388.5	-122.7
<b>Total provisions</b>	<b>-115.1</b>	<b>-90.1</b>	<b>-404.8</b>	<b>-364.2</b>	<b>-97.9</b>
Write-offs	-15.1	-8.8	-37.1	-63.6	-33.1
Recovered financial assets	-1.2	1.7	-11.1	25.3	24.8
<b>Total</b>	<b>-16.3</b>	<b>-7.1</b>	<b>-26.0</b>	<b>-38.3</b>	<b>-8.3</b>
<b>Total credit losses from loans to the public</b>	<b>-131.4</b>	<b>-97.2</b>	<b>-430.8</b>	<b>-402.5</b>	<b>-106.2</b>
<b>Loans to credit institutions</b>					
Provisions - Stage 1	-0.5	-0.2	-1.4	-0.4	-0.1
Provisions - Stage 2	-	-	-	-	-
Provisions - Stage 3	-	-	-	-	-
<b>Total provisions</b>	<b>-0.5</b>	<b>-0.2</b>	<b>-1.4</b>	<b>-0.4</b>	<b>-10.0%</b>
Write-offs	-	-	-	-	-
Recovered financial assets	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total credit losses from loans to credit institutions</b>	<b>-0.5</b>	<b>-0.2</b>	<b>-1.4</b>	<b>-0.4</b>	<b>-0.1</b>
<b>Total credit losses, net</b>	<b>-131.9</b>	<b>-97.4</b>	<b>-432.2</b>	<b>-402.9</b>	<b>-106.3</b>

Provisions are calculated using quantitative models, which are based on input data, assumptions and methods that largely consist of assessments from the Company's management. The following parts affect the level of provisions and are included as drivers in the models:

- *Probability of default (PD)* - PD model is based on historical portfolio development, which is updated as needed, however, at least quarterly. The general definition consists of a backstop corresponding to the fact that a credit is due more than 90 days.
- *Determination of a significant increase in credit risk (SICR)* - Even if an exposure is not mature according to the back-stop rule, an assessment is made continuously whether the exposure has a significantly increased credit risk. The assessment of a significantly increased credit risk is based on whether its current calculated PD exceeds certain limit values compared to the PD calculated when the account was created (i.e. when the credit was issued). In addition, the debtor's payment pattern is added to the assessment, for example if the debtor has been late with payment during the last six months and the maximum number of invoices that the debtor has been late with at the same time. Of the customers that fall due, the majority receive a significantly increased credit risk before the default.
- *Failed assets that return to performance* - The time that runs from when an asset returns to the status of being in performance or to being valued at 12 months of credit losses, has an average between one and six months depending on the characteristics of the individual credit.
- *Macroeconomic outlook* - Avida takes into account macroeconomic aspects regarding policy rates and unemployment in the market in which the Company has its main operations. For these, an expected, deteriorated and improved outlook is designed, which at each reporting occasion is weighted at 80% for the expected outlook and at 10% each for the deteriorated and improved outlook. The macroeconomic element is updated at least annually and affects the probability of default.
- *Valuation of loss given default (LGD)* - LGD is calculated on the basis of a discounted cash flow of expected receivables that are due. The expected cash flow is based on the current development in each portfolio, historical experience and LGD levels determined in contracts, for example through forward flow. The discounted cash flow is calculated at 15 years and is updated quarterly. Where the Company has entered into forward flow, the LGD is determined at the time of sale and corresponds to the difference between the gross value of the transferred exposure and the price under the agreement. The LGD can also be determined for specific portfolio sales and corresponds to the difference between the exposure's original value and the cash flow that the sales generate. The LGD level was at the end of 2022 between 32-50 percent in the consumer portfolio and close to 100 percent in the corporate portfolio.

## 8 LOANS TO THE PUBLIC

GROUP	31-12-2022	31-12-2021
<b>SEK MILLION</b>		
<b>Loans to the public, gross</b>	<b>13,650.1</b>	<b>11,927.5</b>
of which are Stage 1	10,609.8	9,945.9
of which are Stage 2	858.2	466.4
of which are Stage 3	2,182.1	1,515.2
<b>Total provisions</b>	<b>-1,275.3</b>	<b>-850.9</b>
of which are Stage 1	-100.9	-95.5
of which are Stage 2	-103.6	-55.2
of which are Stage 3	-1,070.8	-700.2
<b>Loans to the public, net</b>	<b>12,374.8</b>	<b>11,076.6</b>

GROUP	Stage 1	Stage 2	Stage 3	Total
<b>SEK MILLION</b>				
<b>Loans to the public, gross 1 January 2022</b>	<b>9,944.8</b>	<b>466.4</b>	<b>1,515.2</b>	<b>11,926.4</b>
New, acquired and removed financial assets, net	1,501.8	-18.2	-31.2	1,452.4
Movement to stage 1	92.4	-81.8	-10.6	-
Movement to stage 2	-676.9	683.5	-6.6	-
Movement to stage 3	-481.6	-218.3	700	-
Reassessment due to change in credit risk	-	-	-	-
Exchange rate adjustments	229.3	26.6	15.3	271.2
Other	-	-	-	-
<b>Loans to the public, gross 31 December 2022</b>	<b>10,609.8</b>	<b>858.2</b>	<b>2,182.1</b>	<b>13,650.1</b>

GROUP	Stage 1	Stage 2	Stage 3	Total
<b>SEK MILLION</b>				
<b>Provisions 1 January 2022</b>	<b>95.5</b>	<b>55.2</b>	<b>700.2</b>	<b>850.9</b>
New, acquired and removed financial assets, net	32.9	20.1	46.0	99.1
Movement to stage 1	3.0	-8.3	-4.1	-9.5
Movement to stage 2	-7.1	61.6	-2.6	51.6
Movement to stage 3	-11.9	-30.1	217.9	175.8
Reassessment due to change in credit risk	-15.6	2.4	64.0	50.9
Exchange rate adjustments	4.1	3	7.3	14.4
Other	-	-	42.1	42.1
<b>Provisions 31 Dec 2022</b>	<b>100.9</b>	<b>103.6</b>	<b>1,070.8</b>	<b>1,275.3</b>

GROUP	Stage 1	Stage 2	Stage 3	TOTAL
<b>SEK MILLION</b>				
<b>Loans to the public, gross 1 January 2021</b>	<b>8,962.3</b>	<b>517.9</b>	<b>1,149.7</b>	<b>10,629.9</b>
New, acquired and removed financial assets, net	1,564.7	29.4	-419.5	1,174.6
Movement to stage 1	93.8	-88.2	-5.5	-
Movement to stage 2	-247.9	254.5	-6.7	-
Movement to stage 3	-522.2	-252.3	774.5	-
Reassessment due to change in credit risk	-	-	-	-
Exchange rate adjustments	94.1	5.1	22.7	121.9
Other	-	-	-	-
<b>Loans to the public, gross 31 December 2021</b>	<b>9,944.8</b>	<b>466.4</b>	<b>1,515.2</b>	<b>11,926.4</b>

GROUP	Stage 1	Stage 2	Stage 3	TOTAL
<b>SEK MILLION</b>				
<b>Provisions 1 January 2021</b>	<b>111.7</b>	<b>62.9</b>	<b>476.2</b>	<b>650.8</b>
New, acquired and removed financial assets, net	11.3	11.2	-91.7	-69.2
Movement to stage 1	2.0	-9.3	-2.0	-9.3
Movement to stage 2	-6.1	32.4	-2.6	23.7
Movement to stage 3	-16.0	-42.0	257.0	199.0
Reassessment due to change in credit risk	-8.8	-0.5	53.8	44.5
Exchange rate adjustments	1.4	0.5	9.5	11.4
Other	-	-	-	-
<b>Provisions 31 December 2021</b>	<b>95.5</b>	<b>55.2</b>	<b>700.2</b>	<b>850.9</b>

## 8 LOANS TO THE PUBLIC, CONT.

PARENT COMPANY	31-12-2022	31-12-2021
<b>SEK MILLION</b>		
<b>Loans to the public, gross</b>	<b>13,648.7</b>	<b>11,924.1</b>
of which are Stage 1	10,608.4	9,942.5
of which are Stage 2	858.2	466.4
of which are Stage 3	2,182.1	1,515.2
<b>Total provisions</b>	<b>-1,275.3</b>	<b>-950.9</b>
of which are Stage 1	-100.9	-95.5
of which are Stage 2	-103.6	-55.2
of which are Stage 3	-1,070.8	-700.2
<b>Loans to the public, net</b>	<b>12,373.4</b>	<b>11,073.2</b>

PARENT COMPANY	Stage 1	Stage 2	Stage 3	Total
<b>SEK MILLION</b>				
<b>Loans to the public, gross 1 January 2022</b>	<b>9,941.4</b>	<b>466.4</b>	<b>1,515.2</b>	<b>11,923.0</b>
New, acquired and removed financial assets, net	1,503.8	-18.2	-31.2	1,454.4
Movement to stage 1	92.4	-81.8	-10.6	-
Movement to stage 2	-676.9	683.5	-6.6	-
Movement to stage 3	-481.6	-218.3	700.0	-
Reassessment due to change in credit risk	-	-	-	-
Write-offs	-	-	-	-
Recovered financial assets	-	-	-	-
Exchange rate adjustments	229.3	26.6	15.3	271.2
Other	-	-	-	-
<b>Loans to the public, gross 31 December 2022</b>	<b>10,608.4</b>	<b>858.2</b>	<b>2,182.1</b>	<b>13,648.7</b>

PARENT COMPANY	Stage 1	Stage 2	Stage 3	Total
<b>SEK MILLION</b>				
<b>Provisions 1 January 2022</b>	<b>95.5</b>	<b>55.2</b>	<b>700.2</b>	<b>850.9</b>
New, acquired and removed financial assets, net	32.9	20.1	46.0	99.1
Movement to stage 1	3.0	-8.3	-4.1	-9.5
Movement to stage 2	-7.1	61.6	-2.6	51.6
Movement to stage 3	-11.9	-30.1	217.9	175.8
Reassessment due to change in credit risk	-15.6	2.4	64.0	50.9
Write-offs	-	-	-	-
Recovered financial assets	-	-	-	-
Exchange rate adjustments	4.1	3	7.3	14.4
Other	-	-	42.1	42.1
<b>Provisions 31 Dec 2022</b>	<b>100.9</b>	<b>103.6</b>	<b>1,070.8</b>	<b>1,275.3</b>

PARENT COMPANY	Stage 1	Stage 2	Stage 3	TOTAL
<b>SEK MILLION</b>				
<b>Loans to the public, gross 1 January 2021</b>	<b>8,960.8</b>	<b>518.0</b>	<b>1,149.8</b>	<b>10,628.6</b>
New, acquired and removed financial assets, net	1,563.8	29.4	-419.5	1,172.7
Movement to stage 1	93.8	-88.2	-5.5	-
Movement to stage 2	-247.9	254.5	-6.7	-
Movement to stage 3	-522.2	-252.3	774.5	-
Reassessment due to change in credit risk	-	-	-	-
Write-offs	-	-	-	-
Recovered financial assets	-	-	-	-
Exchange rate adjustments	94.1	5.1	22.7	121.9
Other	-	-	-	-
<b>Loans to the public, gross 31 December 2021</b>	<b>9,941.4</b>	<b>466.4</b>	<b>1,515.2</b>	<b>11,923.0</b>

PARENT COMPANY	Stage 1	Stage 2	Stage 3	TOTAL
<b>SEK MILLION</b>				
<b>Provisions 1 January 2021</b>	<b>111.7</b>	<b>62.9</b>	<b>476.2</b>	<b>650.8</b>
New, acquired and removed financial assets, net	11.3	11.2	-91.7	-69.2
Movement to stage 1	2.0	-9.3	-2.0	-9.3
Movement to stage 2	-6.1	32.4	-2.6	23.7
Movement to stage 3	-16.0	-42.0	257.0	199.0
Reassessment due to change in credit risk	-8.8	-0.5	53.8	44.5
Write-offs	-	-	-	-
Recovered financial assets	-	-	-	-
Exchange rate adjustments	1.4	0.5	9.5	11.4
Other	-	-	-	-
<b>Provisions 31 December 2021</b>	<b>95.5</b>	<b>55.2</b>	<b>700.2</b>	<b>850.9</b>

## 9 DEPOSITS FROM THE PUBLIC

GROUP & PARENT COMPANY	31-12-2022	31-12-2021
SEK million		
<b>Deposits from the public</b>		
SEK	5,122.1	4,133.6
Foreign currency	8,806.0	7,758.9
<b>Total</b>	<b>13,928.0</b>	<b>11,892.6</b>

## 10 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

31-12-2022 GROUP	Financial assets & liabilities valued at fair value through income statement	Financial assets valued at fair value through other total profit/loss	Financial assets & liabilities valued at amortised cost	TOTAL REPORTED VALUE	TOTAL FAIR VALUE
SEK million					
<b>Financial assets</b>					
Cash and balances with central banks			521.7	521.7	521.7
Collateralised government bonds	162.2		509.1	671.4	671.4
Loans to credit institutions			2,007.8	2,007.8	2,007.8
Loans to the public			12,374.8	12,374.8	12,374.8
Other assets	0.7		157.1	157.8	157.8
Derivatives			0.0	0.0	0.0
<b>Total assets</b>	<b>162.9</b>		<b>15,570.5</b>	<b>15,733.4</b>	<b>15,733.4</b>
<b>Financial liabilities</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>14,322.6</b>	<b>14,324.3</b>	<b>14,324.3</b>
31-12-2021 GROUP					
SEK million					
<b>Financial assets</b>					
Cash and balances with central banks	-	-	327.2	327.2	327.2
Collateralised government bonds	156.2	-	380.8	537.0	537.0
Loans to credit institutions	-	-	1,618.1	1,618.1	1,618.1
Loans to the public	-	-	11,076.6	11,076.6	11,076.6
Other assets	-	-	97.9	97.9	97.9
<b>Total assets</b>	<b>156.2</b>	<b>-</b>	<b>13,500.6</b>	<b>13,656.8</b>	<b>13,656.8</b>
<b>Financial liabilities</b>					
Deposits from the public	-	-	11,892.6	11,892.6	11,892.6
Subordinated debt	-	-	247.3	247.3	247.3
Derivatives	24.9	-	-	24.9	24.9
Other liabilities	-	-	151.6	151.6	151.6
<b>Total liabilities</b>	<b>24.9</b>	<b>-</b>	<b>12,291.5</b>	<b>12,316.4</b>	<b>12,316.4</b>

## 10 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES, CONT.

31-12-2021 PARENT COMPANY	Financial assets & liabilities valued at fair value through income statement	Financial assets valued at fair value through other total profit/loss	Financial assets & liabilities valued at amortised cost	TOTAL REPORTED VALUE	TOTAL FAIR VALUE
<b>SEK million</b>					
<b>Financial assets</b>					
Cash and balances with central banks			521.7	521.7	521.7
Collateralised government bonds	162.2		509.1	671.4	671.4
Loans to credit institutions			2,001.4	2,001.4	2,001.4
Loans to the public			12,373.4	12,373.4	12,373.4
Shares in subsidiaries					0.0
Derivatives	0.0			0.0	0.0
Other assets	0.7		142.3	143.0	143.0
<b>Total assets</b>	<b>162.9</b>		<b>15,547.9</b>	<b>15,710.8</b>	<b>15,710.8</b>

<b>Financial liabilities</b>					
Deposits from the public			13,928.0	13,928.0	13,928.0
Subordinated debt			248.9	248.9	248.9
<b>Derivatives</b>	<b>1.0</b>			<b>1.0</b>	<b>1.0</b>
Other liabilities	0.7		145.7	146.4	146.4
<b>Total liabilities</b>	<b>1.7</b>		<b>14,322.6</b>	<b>14,324.3</b>	<b>14,324.3</b>

31-12-2021 PARENT COMPANY	Financial assets & liabilities valued at fair value through income statement	Financial assets valued at fair value through other total profit/loss	Financial assets & liabilities valued at amortised cost	TOTAL REPORTED VALUE	TOTAL FAIR VALUE
<b>SEK million</b>					
<b>Financial assets</b>					
Cash and balances with central banks	-	-	327.2	327.2	327.2
Collateralised government bonds	156.2	-	380.8	537.0	537.0
Loans to credit institutions	-	-	1,606.1	1,606.1	1,606.1
Loans to the public	-	-	11,073.2	11,073.2	11,073.2
Shares in subsidiaries	2.0	-	-	-	2.0
Other assets	-	-	98.1	98.1	98.1
<b>Total assets</b>	<b>158.2</b>	<b>-</b>	<b>13,485.4</b>	<b>13,641.6</b>	<b>13,641.6</b>

<b>Financial liabilities</b>					
Deposits from the public	-	-	11,892.6	11,892.6	11,892.6
Subordinated debt	-	-	247.3	247.3	247.3
Derivatives	24.9	-	-	24.9	24.9
Other liabilities	-	-	128.8	128.8	128.8
<b>Total liabilities</b>	<b>24.9</b>	<b>-</b>	<b>12,268.6</b>	<b>12,293.5</b>	<b>12,293.5</b>



## 11 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Group applies IFRS 13 for financial instruments that are valued at fair value on the balance sheet.

at fair value in the balance sheet. Thus, information is required about valuation at fair value at the level of the following fair value hierarchy:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Other observable data for the asset or debt than quoted prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations) (level 2)
- Data for the asset or liability that is not based on observable market data (level 3)

The Parent Company Avida Finans AB (publ) holds derivative instruments, endowment insurance as well as a fund containing high-quality assets valued at fair value. Purchases of funds took place during the period for SEK 1.2 million.

The valuation of the fund is obtained from quoted prices in active markets for identical assets or liabilities, hence level 1.

The valuation of derivatives is based on observable data for the asset or liability, hence level 2.

No transfer was made between the different levels during the period.

For financial instruments that are listed on an active market, fair value is determined on the basis of the asset's quoted purchase price on the balance sheet date, without the addition of transaction costs at the time of acquisition. A financial instrument is considered to be listed on an active market if quoted prices are readily available on a stock exchange, a trader, broker, bank, etc. and these prices represent actual and regularly occurring market transactions on commercial terms.

Fair values for derivative instruments in the form of foreign exchange forwards are based on input data from an external commercial bank. The fair value of the fund is based on input data on prices in the underlying assets from an external commercial bank. For valuation of financial assets and liabilities in foreign currency, exchange rates are obtained from an external commercial bank.

31 DEC 2022 GROUP & PARENT COMPANY	Level 1	Level 2	Level 3	Total
<b>SEK MILLION</b>				
<b>Assets</b>				
Collateralised government bonds	162.2			162.2
Financial fixed assets		0.7		0.7
<b>Total assets</b>	<b>162.2</b>	<b>0.7</b>	<b>0.0</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 DEC 2021 GROUP & PARENT COMPANY	Level 1	Level 2	Level 3	Total
<b>SEK MILLION</b>				
<b>Assets</b>				
Collateralised government bonds	156.2	-	-	156.2
<b>Total assets</b>	<b>156.2</b>	<b>-</b>	<b>-</b>	<b>156.2</b>
<b>Liabilities</b>				
Derivatives	-	24.9	-	24.9
<b>Total liabilities</b>	<b>-</b>	<b>24.9</b>	<b>-</b>	<b>24.9</b>

## 12 CAPITAL ADEQUACY

Information about Avida's capital coverage in this document relates to such information as is provided under Chapter 6 Sections 3-4 of the Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) regarding annual accounts at credit institutions and securities companies and relating to information set out in Articles 92.3 d. and f., 436, 437 b. and 438 of Regulation (EU) No 575/2013 and Chapter 8 Section 8 of the Financial Supervisory Authority's regulations (FFFS 2014:12) on prudential requirements and capital buffers and column a. of Appendix 6 of the commission's implementing regulation (EU) no 1423/2013. Other information required in accordance with FFFS 2014:12 and Regulation (EU) No. 575/2013 is provided on Avida's website [www.avidase.se](http://www.avidase.se).

Avida's strategy for capital management is to hold capital that by a sufficient margin exceeds the minimum level, including total buffer requirements.

Avida uses the standardised method for credit risks and for operational risks the basic method is used.

### INFORMATION ON OWN FUNDS AND CAPITAL REQUIREMENT

For the determination of Avida's statutory capital requirements, the Credit Institutions and Securities Companies (Special Supervision) Act (2014:968), Regulation (EU) No. 575/2013, the Capital Buffer Act (2014:966) and Financial Supervisory Authority regulations

(FFFS 2014:12) on prudential requirements and capital buffers. The purpose of the rules is to ensure that Avida manages its risks and protects clients. The rules state that the capital base must cover the capital requirement, including the minimum capital requirement according to Pillar 1 for credit risk, market risk and operational risks, additional capital base requirements as well as the overall buffer requirements.

### CONSOLIDATED SITUATION

The consolidated situation consists of Avida Finans AB (publ) and the wholly owned subsidiary Avida Inkasso AS (913778367). The responsible institution is Avida Finans AB (publ).

### INTERNALLY ASSESSED CAPITAL REQUIREMENT

The internal capital and liquidity assessment is carried out at least annually. On a quarterly basis, Avida's capital and liquidity for the consolidated situation is published.

### INTERNALLY ASSESSED CAPITAL REQUIREMENTS

As of 31 December 2022, the internally assessed capital requirement amounted to SEK 180.3 million (136.7) in Avida Finans AB. The internally assessed capital requirement in a consolidated context amounted to SEK 180.7 million (137.1). The internal capital requirement in Pillar 2 is assessed by the Group to consist of the following types of risk: Credit concentration risk, Interest rate risk in the bank book and Business risk including credit spread risk.

#### AVIDA FINANS AB

##### SEK MILLION

Capital adequacy	Q4 2022		31-12-2021		Q3 2022	
Risk exposure amount	11,751.2		10,875.7		11,287.7	
Total own funds requirements	1,518.2	12.92%	1,294.0	11.90%	1,409.7	12.49%
<b>Total own funds</b>	<b>1,706.6</b>	<b>14.52%</b>	<b>1,603.6</b>	<b>14.74%</b>	<b>1,681.8</b>	<b>14.90%</b>

Own funds requirements	Q4 2022		31-12-2021		Q3 2022	
Own funds requirements (Pillar 1)	940.1	8.00%	870.0	8.00%	903	8.00%
Special Own funds requirement (Pillar 2)	180.3	1.53%	138.3	1.27%	136.7	1.21%
Combined buffer requirement	397.8	3.39%	285.7	2.63%	370	3.28%
Pillar 2 guide	-	-	-	-	-	-
<b>Total own funds requirements</b>	<b>1,518.2</b>	<b>12.92%</b>	<b>1,294.0</b>	<b>11.90%</b>	<b>1,409.7</b>	<b>12.49%</b>

Capital context	Q4 2022		31-12-2021		Q3 2022	
Common Equity Tier 1 capital after any deductions	1,259.7	10.72%	1,159.7	10.66%	1,235.8	10.95%
Additional Tier 1 capital after any deductions	198.0	1.68%	196.7	1.81%	197.6	1.75%
Tier 2 capital after any deductions	248.9	2.12%	247.2	2.27%	248.4	2.20%
<b>Own funds</b>	<b>1,706.6</b>	<b>14.52%</b>	<b>1,603.6</b>	<b>14.74%</b>	<b>1,681.8</b>	<b>14.90%</b>

## 12 CAPITAL ADEQUACY, CONT.

## AVIDA FINANS AB

SEK MILLION

Capital situation, cont.	Q4 2022		31-12-2021		Q3 2022	
	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Risk exposure amount (REA) and capital base requirements	11,751.2	940.1	10,875.7	870.0	11,287.7	903
of which: own funds requirements for credit risk	10,224.1	817.9	9,586.5	766.9	9,976.0	798.1
of which: own funds requirements for market risk	56.1	4.5	9.9	0.8	32.4	2.6
of which: own funds requirements for operational risk	1,471.0	117.7	1,279.2	102.3	1,279.2	102.3
Transitional adjustment	-	-	-	-	-	-
Common equity Tier 1 capital / Common equity Tier 1 capital ratio	1,259.7	10.72%	1,159.7	10.66%	1,235.8	10.95%
Tier 1 capital / Tier 1 capital ratio	1,457.7	12.40%	1,356.4	12.47%	1,433.4	12.70%
Total own funds / Total capital ratio	1,706.6	14.52%	1,603.6	14.74%	1,681.8	14.90%
Total equity Tier 1 capital requirements including buffer requirements	926.6	7.89%	775.1	7.13%	877.9	7.78%
of which: Capital conservation buffer	293.8	2.50%	271.9	2.50%	282.2	2.50%
of which: Counter-cyclical buffer	104.0	0.89%	13.8	0.13%	87.8	0.78%
Common equity Tier 1 capital available to use as a buffer	730.9	6.22%	670.3	6.16%	727.9	6.45%
<b>OWN FUNDS</b>	<b>Q4 2022</b>	<b>31-12-2021</b>	<b>Q3 2022</b>			
<b>Common Equity Tier 1 capital</b>						
Capital instruments and associated share premium reserve	934.4	934.4	934.4			
Other contributed capital	-	-	-			
Retained earnings and reserves	254.6	165.8	264.2			
Regulatory adjustments:						
- Intangible assets	20.6	8.6	12.6			
- Net profit due to capitalisation of future income	-	-	-			
- Adjustments relating to unrealised gains	-	-	-			
- Deferred tax assets	0.3	0.7	0.5			
- Other	-	-	-			
Reversal transitional rules to IFRS 9	91.6	68.8	50.3			
<b>Total Common Equity Tier 1 capital</b>	<b>1,259.7</b>	<b>1,159.7</b>	<b>1,235.8</b>			
<b>Additional Tier 1 capital</b>						
Perpetual subordinated loans	198.0	196.7	197.6			
Deduction from primary and supplementary capital (half of this)	-	-	-			
<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	248.9	247.2	248.4			
Deduction according to limitation rule	-	-	-			
<b>Total supplementary capital</b>	<b>248.9</b>	<b>247.2</b>	<b>248.4</b>			
<b>Total own funds</b>	<b>1,706.6</b>	<b>1,603.6</b>	<b>1,681.8</b>			

## 12 CAPITAL ADEQUACY, CONT.

AVIDA FINANS AB						
SEK MILLION						
Specification of risk exposure amount (REA) and capital base requirements	Q4 2022		31-12-2021		Q3 2022	
	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	5.5	0.4	3.8	0.3	4.0	0.3
Institution exposures	419.0	33.5	334.2	26.7	209.6	16.8
Corporate exposures	2,082.1	166.6	1,958.6	156.7	2,076.5	166.1
Retail exposures	6,590.2	527.2	6,484.8	518.8	6,659.5	532.8
Exposures secured by immovable property	-	-	0.3	-	-	-
Exposures in default	1,077.2	86.2	748.1	59.8	974.6	78
Equity exposures	2.0	0.2	2.0	0.2	2.0	0.2
Other items	48.0	3.8	54.8	4.4	49.5	4
<b>Total risk exposure amount and capital requirements</b>	<b>10,224.0</b>	<b>817.9</b>	<b>9,586.6</b>	<b>766.9</b>	<b>9,975.7</b>	<b>798.1</b>
<b>Market risk</b>						
Foreign exchange rate risk	56.1	4.5	9.9	0.8	32.4	2.6
<b>Total risk exposure amount and capital requirements</b>	<b>56.1</b>	<b>4.5</b>	<b>9.9</b>	<b>0.8</b>	<b>32.4</b>	<b>2.6</b>
<b>Operational risk</b>						
Basic indicator approach	1,471.0	117.7	1,279.2	102.3	1,279.2	102.3
Total risk exposure amount and capital requirements	1,471.0	117.7	1,279.2	102.3	1,279.2	102.3
<b>Total risk exposure amount and capital requirements</b>	<b>11,751.1</b>	<b>940.1</b>	<b>10,875.7</b>	<b>870.1</b>	<b>11,287.3</b>	<b>903.0</b>
<b>ADDITIONAL CAPITAL REQUIREMENTS PILLAR 2</b>						
Credit concentration risk	107.7		97.0		94.2	
Interest rate risk in banking book	67.1		36.5		39.1	
Other additional capital requirements	5.5		4.8		3.4	
<b>Total additional capital requirements Pillar 2</b>	<b>180.3</b>		<b>138.3</b>		<b>136.7</b>	
<b>LEVERAGE RATIO</b>						
Own funds requirements (Pillar 1)	16,329.0		14,130.2		15,417.4	
Special Own funds requirement (Pillar 2)	-		-		-	
Pillar 2 guide	-		-		-	
Exposure measures for calculation of leverage ratio	16,329.0		14,130.2		15,417.4	
Tier 1 capital	1,457.7		1,356.4		1,433.4	
<b>Leverage ratio. %</b>	<b>8.93%</b>		<b>9.60%</b>		<b>9.30%</b>	
Leverage ratio requirements	491.5		423.9		462.5	
Leverage ratio requirements, percent	3%		3%		3%	

If Avida had not applied the transitional rules for IFRS 9: Common Equity Tier 1 9.94%, Tier 1 capital 11.63%, Total 13.74%.

## 12 CAPITAL ADEQUACY, CONT.

TOTAL OWN FUNDS REQUIREMENT (INCLUDING PILLAR 2)	Q4 2022		31-12-2021		Q3 2022	
Common Equity Tier 1 capital requirements	1,028.0	8.75%	852.9	7.84%	954.8	8.46%
Tier 1 capital requirements	1,238.1	10.54%	1,041.9	9.58%	1,149.8	10.19%
<b>Total Capital</b>	<b>1,518.2</b>	<b>12.92%</b>	<b>1,294.0</b>	<b>11.90%</b>	<b>1,409.7</b>	<b>12.49%</b>

LIQUIDITY %	Q4 2022		31-12-2021		Q3 2022	
Liquidity coverage ratio (LCR)	298.8%		217.0%		201.6%	
Net stable funding ratio (NSFR)	126.9%		157.5%		134.9%	

## AVIDA CONSOLIDATED SITUATION

SEK million

Capital adequacy	Q4 2022		31-12-2021		Q3 2022	
Risk exposure amount	11,788.1		10,903.3		11,334.4	
Total own funds requirements	1,522.9	12.92%	1,297.3	11.90%	1,415.5	12.49%
<b>Total own funds</b>	<b>1,715.8</b>	<b>14.56%</b>	<b>1,610.9</b>	<b>14.77%</b>	<b>1,690.7</b>	<b>14.92%</b>

Own funds requirements	Q4 2022		31-12-2021		Q3 2022	
Own funds requirements (Pillar 1)	943.1	8.00%	872.3	8.00%	906.8	8.00%
Special Own funds requirement (Pillar 2)	180.7	1.53%	138.5	1.27%	137.1	1.21%
Combined buffer requirement	399.1	3.39%	286.5	2.63%	371.6	3.28%
Pillar 2 guide	-	-	-	-	-	-
<b>Total own funds requirements</b>	<b>1,522.9</b>	<b>12.92%</b>	<b>1,297.3</b>	<b>11.90%</b>	<b>1,415.5</b>	<b>12.49%</b>

Capital context	Q4 2022		31-12-2021		Q3 2022	
Common Equity Tier 1 capital after any deductions	1,268.9	10.76%	1,167.0	10.70%	1,244.7	10.98%
Additional Tier 1 capital after any deductions	198.0	1.68%	196.7	1.80%	197.6	1.74%
Tier 2 capital after any deductions	248.9	2.11%	247.2	2.27%	248.4	2.19%
<b>Own funds</b>	<b>1,715.8</b>	<b>14.56%</b>	<b>1,610.9</b>	<b>14.77%</b>	<b>1,690.7</b>	<b>14.92%</b>

	Q4 2022		31-12-2021		Q3 2022	
	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Risk exposure amount (REA) and capital base requirements	11,788.1	943.1	10,903.3	872.3	11,334.4	906.8
of which: own funds requirements for credit risk	10,245.1	819.6	9,592.5	767.4	10,001.1	800.1
of which: own funds requirements for market risk	56.1	4.5	9.9	0.8	32.4	2.6
of which: own funds requirements for operational risk	1,486.9	119.0	1,300.9	104.1	1,300.9	104.1
Transitional adjustment	-	-	-	-	0.0	0
Common equity Tier 1 capital / Common equity Tier 1 capital ratio	1,268.9	10.76%	1,167.0	10.70%	1,244.7	10.98%
Tier 1 capital / Tier 1 capital ratio	1,466.9	12.44%	1,363.7	12.51%	1,442.3	12.72%
Total own funds / Total capital ratio	1,715.8	14.56%	1,610.9	14.77%	1,690.7	14.92%
Total equity Tier 1 capital requirements including buffer requirements	929.6	7.89%	777.1	7.13%	881.6	7.78%
of which: Capital conservation buffer	294.7	2.50%	272.6	2.50%	283.4	2.50%
of which: Counter-cyclical buffer	104.4	0.89%	13.9	0.13%	88.2	0.78%
Common equity Tier 1 capital available to use as a buffer	738.4	6.26%	676.4	6.20%	734.7	6.48%

## 12 CAPITAL ADEQUACY, CONT.

AVIDA CONSOLIDATED SITUATION			
SEK million			
CAPITAL ADEQUACY	Q4 2022	31-12-2021	Q3 2022
<b>Common Equity Tier 1 capital</b>			
Capital instruments and associated share premium reserve	936.3	936.3	936.3
Other contributed capital	-	-	-
Retained earnings and reserves	261.9	171.4	271.2
Regulatory adjustments:	-	-	-
- Intangible assets	20.6	8.8	12.6
- Net profit due to capitalisation of future income	-	-	-
- Adjustments relating to unrealised gains	-	-	-
- Deferred tax assets	0.3	0.7	0.5
- Other	-	-	-
Reversal transitional rules to IFRS 9	91.6	68.8	50.3
<b>Total Common Equity Tier 1 capital</b>	<b>1,268.9</b>	<b>1,167.0</b>	<b>1,244.7</b>
<b>Additional Tier 1 capital</b>			
Perpetual subordinated loans	198.0	196.7	197.6
Deduction from primary and supplementary capital (half of this)	-	-	-
<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	248.9	247.2	248.4
Deduction according to limitation rule	-	-	-
<b>Total supplementary capital</b>	<b>248.9</b>	<b>247.2</b>	<b>248.4</b>
<b>Total own funds</b>	<b>1,715.8</b>	<b>1,610.9</b>	<b>1,690.7</b>

## 12 CAPITAL ADEQUACY, CONT.

AVIDA CONSOLIDATED SITUATION						
SEK million						
	Q4 2022		31-12-2021		Q3 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	5.5	0.4	3.8	0.3	4.0	0.3
Institution exposures	420.3	33.6	336.6	26.9	211.0	16.9
Corporate exposures	2,082.1	166.6	1,958.6	156.7	2,076.5	166.1
Retail exposures	6,593.2	527.5	6,486.3	518.9	6,640.1	531.2
Exposures secured by immovable property	0.0	0.0	0.3	-	0.0	0.0
Defaulted exposures	1,077.2	86.2	748.1	59.8	974.6	78.0
Other items	66.8	5.3	59.0	4.7	94.8	7.6
<b>Total risk exposure amount and capital requirements</b>	<b>10,245.1</b>	<b>819.6</b>	<b>9,592.7</b>	<b>767.4</b>	<b>10,001.0</b>	<b>800.1</b>
<b>Market risk</b>						
Foreign exchange rate risk	56.1	4.5	9.9	0.8	32.4	2.6
<b>Total risk exposure amount and capital requirements</b>	<b>56.1</b>	<b>4.5</b>	<b>9.9</b>	<b>0.8</b>	<b>32.4</b>	<b>2.6</b>
<b>Operational risk</b>						
Basic indicator approach	1,486.9	119.0	1,300.9	104.1	1,300.9	104.1
<b>Total risk exposure amount and capital requirements</b>	<b>1,486.9</b>	<b>119.0</b>	<b>1,300.9</b>	<b>104.1</b>	<b>1,300.9</b>	<b>104.1</b>
<b>Total risk exposure amount and capital requirements</b>	<b>11,788.1</b>	<b>943.0</b>	<b>10,903.5</b>	<b>872.3</b>	<b>11,334.3</b>	<b>906.7</b>
<b>ADDITIONAL CAPITAL REQUIREMENTS PILLAR 2</b>						
Credit concentration risk	108.1		97.2		94.6	
Interest rate risk in banking book	67.1		36.5		39.1	
Other additional capital requirements	5.5		4.8		3.4	
<b>Total additional capital requirements Pillar 2</b>	<b>180.7</b>		<b>138.5</b>		<b>137.1</b>	
<b>LEVERAGE RATIO</b>						
Own funds requirements (Pillar 1)	16,382.7		14,130.2		15,468.0	
Special Own funds requirement (Pillar 2)	0.0		0.0		0.0	
Pillar 2 guide	0.0		0.0		0.0	
Exposure measures for calculation of leverage ratio	16,382.7		14,130.2		15,468.0	
Tier 1 Leverage ratio	1,466.9		1,363.7		1,442.3	
<b>Leverage ratio, %</b>	<b>8.95%</b>		<b>9.62%</b>		<b>9.32%</b>	
<b>Leverage ratio requirements</b>	<b>491.5</b>		<b>423.9</b>		<b>462.5</b>	
<b>Leverage ratio requirements, percent</b>	<b>3%</b>		<b>3%</b>		<b>3%</b>	

If Avida had not applied the transitional rules for IFRS 9: Common Equity Tier 1 9.99%, Tier 1 capital 11.67%, Total 13.78%.

## 12 CAPITAL ADEQUACY, CONT.

TOTAL OWN FUNDS REQUIREMENT (INCLUDING PILLAR 2)	Q4 2022		31-12-2021		Q3 2022	
Common Equity Tier 1 capital requirements	1,031.2	8.75%	855.1	7.84%	958.8	8.46%
Tier 1 capital requirements	1,242.0	10.54%	1,044.6	9.58%	1,154.5	10.19%
<b>Total Capital</b>	<b>1,522.9</b>	<b>12.92%</b>	<b>1,297.3</b>	<b>11.90%</b>	<b>1,415.5</b>	<b>12.49%</b>

LIQUIDITY %	Q4 2022	31-12-2021	Q3 2022
Liquidity coverage ratio (LCR)	299.0%	216.8%	201.6%
Net stable funding ratio (NSFR)	126.7%	157.4%	134.7%

## 13 RELATED PARTY TRANSACTIONS

Avida Finans AB (publ), Org. no. 556230-9004 (situated in Sweden), owns 100% of Avida Inkasso AS's shares. Avida Finans AB (publ) is also the parent company in the group for which consolidated accounts are prepared.

The following transactions have taken place with related parties on market terms:

### (A) SALES OF GOODS AND SERVICES

During the quarter, Avida Finans AB sold services to its subsidiary Avida Inkasso AS (Corp. ID no 913778367) in an amount of SEK 0.2 (0.0) million.

### (B) PURCHASE OF GOODS AND SERVICES

Avida Finans AB has during the quarter bought services from the subsidiary Avida Inkasso AS (Corp. ID no. 913778367) to an amount of SEK 0.1 (0.0) million.

### (C) RECEIVABLES AND LIABILITIES AT THE END OF PERIOD

As of the balance sheet date, Avida Finans AB has a net debt of SEK 1.7 (0.9) million to the subsidiary Avida Inkasso AS.

## 14 SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

A successful sale of overdue receivables in Sweden was completed in the first quarter of 2023. The deal was the second structured sale of this type for Avida, and is likely to be followed by more sales in the future. Sale of overdue receivables aims to free up capital for the company and enable focus on the company's core business, which does not include handling overdue receivables.



# Definitions

## ALTERNATIVE PERFORMANCE MEASURES<sup>1</sup>

### RETURN ON EQUITY

Reported profit/loss divided by average adjusted equity

CALCULATION  $(62.4 / 1,387.9 * 100)$

### C/I RATIO

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

CALCULATION  $(346.8 / 863.6)$

### OWN FUNDS

The sum of primary and supplementary capital minus deductions under the Capital Insurance Regulation (EU) No 575/2013 Article 36

### COMMON EQUITY TIER 1 CAPITAL RATIO

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

CALCULATION:  $(1,268.9 / 11,788.1 * 100)$

### LIQUIDITY COVERAGE RATIO LCR

The size of the liquidity reserve in relation to an expected stressed net cash flow over a 30-day period

CALCULATION  $(1,180.9 / 395.2)$

### TIER 1 CAPITAL RATIO

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

CALCULATION  $(1,457.7 / 11,788.1 * 100)$

### PROVISION RATIO (%)

Reserve set aside at the end of the period for future credit losses in relation to lending to the general public (gross) at the end of the period

CALCULATION  $(1,272.4 / 13,647.2 * 100)$

### RISK EXPOSURE AMOUNT

Risk-weighted exposures refer to the assigned value of an exposure, in and outside the balance sheet

### NET INTEREST INCOME

Total interest income minus interest expenses

CALCULATION  $(1,028.1 - 194.1)$

### SOLIDITY

Adjusted equity at the end of the year divided by total assets at the end of the period

CALCULATION:  $(1,409.2 / 15,733.4 * 100)$

### TOTAL CAPITAL RATIO

Own funds divided by the total risk-weighted exposure amount

CALCULATION  $(1,715.8 / 11,788.1 * 100)$

### TOTAL PROFIT/LOSS AFTER TAX

Total result including components that have or may come to be reclassified to the income statement

### PROFIT MARGIN

Profit before allocations and tax divided by operating income

CALCULATION  $(84.5 / 863.6 * 100)$

### CREDIT LOSSES (%)

Net credit losses in relation to average lending to the public

CALCULATION  $(432.2 / 11,725.4 * 365 / 90 * 100)$

<sup>1</sup>) Alternative Performance Measures (APM) 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 Fourth 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.

# 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, 23 February 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 2023

Q1 - INTERIM REPORT JANUARY-MARCH 2023

Q2 - INTERIM REPORT APRIL-JUNE 2023

Q3 - INTERIM REPORT JULY-SEPTEMBER 2023

Q4 - YEAR-END REPORT 2023

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

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

## CONTACT INFORMATION

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

MICHAEL GROSCHE, IR  
MICHAEL.GROSCHE@AVIDA.SE  
+46 70 307 29 36



**AVIDA**

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