

INTERIM REPORT

JANUARY-MARCH

2022

AVIDA FINANS AB (PUBL)
556230-9004

AVIDA

TABLE OF CONTENTS

3	CEO COMMENTS
5	KEY RATIOS AND FINANCIAL DEVELOPMENT
7	INCOME STATEMENT
7	STATEMENT ON COMPREHENSIVE INCOME
9	STATEMENT ON FINANCIAL POSITION
11	STATEMENT ON CHANGES IN EQUITY
13	CASH FLOW STATEMENT
15	NOTES
33	DEFINITIONS - ALTERNATIVE PERFORMANCE MEASUREMENTS
34	BOARD OF DIRECTORS AND CEO DECLARATION
35	FINANCIAL CALENDAR

CEO COMMENTS

Continued profitable volume growth in an uncertain environment



The first quarter of the year has brought continued volume growth. Total lending has grown by 4% during the quarter to SEK 11,476 million. Increased volumes in the corporate segment, continued strict cost control, stable margins and favourable financing costs led to a profit before tax of SEK 26 million for the period.

EXISTING CUSTOMERS CONTRIBUTED STRONGLY TO INCREASED VOLUMES

During the quarter, growth continued and the total volume increased by 4% compared to the previous quarter. Volume growth continued in all markets within Consumer Finance. We have been able to retain several customers for a longer period of time and although we see certain outflows, the total trend remains positive in all markets.

The corporate market once again saw a strong quarter in terms of volume. It is primarily factoring that has contributed greatly to our growth with record volumes during the

period. It is particularly gratifying that our existing customers have chosen to stay with us, and even increase their commitment, during the first quarter of the year. The financed volume increased by 21% during the quarter to SEK 2,258 million. Annual growth is currently more than 40%.

There is major activity within Corporate loans, where we are strengthening our position as a unique player between the large banks and the smaller niche banks. Due to the restructuring of our loan portfolio, the balance sheet stays the same level in terms of volume this quarter as well.

REDUCED MARGINS WERE OFFSET BY IMPROVED RISK WEIGHT

The margins within Business Finance decreased somewhat during the period and were lower than the previous quarter. However, this has been offset by the risk weight of the exposures, which means that the underlying profitability is the same as in the previous quarter. The improved risk weight also meant

that we were able to offer our customers a competitive price, which contributed to increased volumes.

Thanks to a focused effort to work more actively with the private customers who are behind with their payments for various reasons, we have been able to recover more of the non-payments during the quarter than before. In addition, together with our external partner for debt collection services, we have improved our joint processes so that we are now better positioned to process a greater proportion of customers who have failed to pay their debts.

CREDIT LOSSES CONTINUE TO BE AT A STABLE, LOW LEVEL

Credit losses remain at a stable and low level of 4% during the period. In our corporate market, we have seen credit losses increase slightly among our factoring clients, but this is from very low levels. We have not seen any negative effects from the pandemic during the quarter, neither among our consumer customers nor our business customers.

STABLE COSTS

The cost development remains at a low and stable level during the first quarter of the year. In addition to a minor cost increase within IT operations, the underlying costs remain stable and low.

THE INTRODUCTION OF A NEW BUSINESS PLATFORM CONTINUES ACCORDING TO PLAN

The roll-out of a new business platform is at the end of the first phase. The quarter began with a transfer of the Swedish customer stock to the new platform, followed by the

work to transfer our Finnish Consumer finance customers as well. A phase, which, once it is implemented during the second quarter, will have resulted in the moving of our entire consumer business to the new, modern system Stacc. We will then have an entirely new range of opportunities to analyse customer data, actively work to meet our customers' needs and retain existing customers longer as we achieve an increasingly stronger value offering.

In the next phase, our corporate business will also be transferred to the new business system. This project will take place during the coming quarters. The goal is clear, with a new modern business system for Avida's entire business, we are well equipped to take advantage of the growth opportunities available.

THIS IS AN IMPORTANT STEP TOWARDS BECOMING A LEADER IN UNDERSTANDING CUSTOMER NEEDS

In order to take substantial steps towards the goal of becoming a leader in understanding customer needs, a new technical platform has been implemented during the quarter. Now we can gather data about our

customers' needs and how they feel about their relationship with us. Getting facts that can be analysed and used in the continued product and service development are central, and we can now achieve this in a structured manner. We will continue to build on the platform and add several markets and customer groups during the year.

WORKING IN AN UNCERTAIN ENVIRONMENT

During the quarter, Russia's invasion of Ukraine began with great human suffering as a result. It is currently difficult to forecast and understand the full consequences of the war and how it will affect the world in human terms as well as financially. We continue to monitor the development and adapt our business as required to the developing situation.

In the wake of a declining pandemic and an uncertain global outlook, inflation, as well as interest rates, have begun to rise. In light of this, we are planning for increased financing costs, even if we have not experienced any adjustments to interest rates on deposits from the public on the short-term. What this will mean for our private customers' ability to pay or for our business customers' activities

is not yet fully known, but we are monitoring the development closely. We are reviewing and adjusting our position on the risks we are willing to take, while tracking our customers closely to be ready to act early in case of difficulty in making payments.

With our well-anchored strategy, a product portfolio that meets customer needs and committed employees who assist our customers in their financial day-to-day work, we are well equipped for future challenges.

Stockholm, 20 May 2022

Tine Wollebekk, CEO

Key ratios

GROUP	Q1 2022	Q4 2021	Q3 2021	Jan-Dec 2021	Q1 2021
SEK MILLION					
Net interest income	203	196	207	773	176
Net commission income	4	4	3	15	4
Profit/loss before credit losses	125	124	138	487	105
Credit losses, net	-99	-106	-104	-403	-98
Operating profit	26	18	33	84	7
Loans to credit institutions	1,302	1,618	1,410	1,618	1,978
Loans to the public	11,476	11,076	10,933	11,076	10,356
Deposits from the public	12,045	11,893	11,380	11,893	11,388
Equity	1,382	1,367	1,360	1,367	1,325
Solidity (%)	9.9	10.0	10.3	10.0	10.1
C/I ratio	0.40	0.38	0.35	0.38	0.40
Return on equity (%)	5.8	3.2	7.7	4.6	1.8
Capital ratio (%)	15.2	14.7	16.2	14.7	16.7
Provision ratio (%)	7.7	7.1	6.6	7.1	6.7

PARENT COMPANY	Q1 2022	Q4 2021	Q3 2021	Jan-Dec 2021	Q1 2021
SEK MILLION					
Net interest income	201	193	204	761	173
Net commission income	4	4	3	15	4
Profit/loss before credit losses	124	124	137	484	104
Credit losses, net	-99	-106	-104	-403	-98
Operating profit	25	18	33	81	6
Loans to credit institutions	1,292	1,606	1,398	1,606	1,967
Loans to the public	11,473	11,073	10,930	11,073	10,355
Deposits from the public	12,045	11,893	11,380	11,893	11,388
Equity	1,371	1,357	1,350	1,357	1,317
Solidity (%)	9.9	10.0	10.3	9.9	10.1
C/I ratio	0.39	0.37	0.34	0.38	0.40
Return on equity (%)	5.6	3.2	7.4	3.4	1.5
Capital ratio (%)	15.2	14.7	16.2	14.7	16.7
Provision ratio (%)	7.7	7.1	6.6	7.1	6.7

FINANCIAL DEVELOPMENT

Loans to the public increased during the quarter by 4% to SEK 11,476 million. We had a strong quarter, where the volume increase is mainly driven by Factoring in Sweden and Finland and Consumer Finance in Norway and Finland.

Net interest income increased by 4% during the quarter. This is driven by both increased interest income and the fact that we see slightly lower interest expenses.

Credit losses decreased during the quarter by 8% and amount to

SEK 99 million. The underlying credit quality remains good in both Consumer Finance and Business Finance.

Costs increased by 14% during the quarter. This was mainly driven by increased personnel and IT costs, which resulted in an increased C/I ratio to 0.40.

We reported a profit before tax of SEK 26 million, which corresponds to a return on CET1 capital of 5.8%.



Income statement

GROUP	Note	Q1 2022	Q4 2021	%	Q3 2021	Jan-Dec 2021	Q1 2021	%
SEK million								
Interest income	5	238.3	234.6	2%	236.3	903.9	209.0	12%
Interest expenses	5	-35.1	-38.6	-10%	-29.4	-131.2	-33.0	6%
NET INTEREST INCOME		203.2	196.0	4%	206.9	772.7	176.0	13%
Commission income	6	4.4	4.1	7%	3.4	15.2	3.7	16%
NET COMMISSION INCOME		4.4	4.1	7%	3.4	15.2	3.7	16%
Net profit/loss of financial transactions		-0.6	-0.6	-	1.4	-0.9	-3.5	-
Other income		-	-0.1	-	0.2	0.3	-	-
TOTAL OPERATING INCOME		207.0	199.4	4%	211.9	787.3	176.2	15%
General administrative expenses		-78.8	-69.0	12%	-68.4	-275.6	-65.3	17%
Depreciation and impairments of tangible and intangible fixed assets		-3.4	-6.3	-85%	-6.0	-25.0	-6.0	-76%
TOTAL COSTS BEFORE CREDIT LOSSES		-82.3	-75.2	9%	-74.4	-300.6	-71.3	13%
PROFIT/LOSS BEFORE CREDIT LOSSES		124.8	124.2	-	137.5	486.6	104.9	16%
Credit losses, net	7	-98.5	-106.3	-8%	-104.3	-402.9	-97.8	1%
OPERATING PROFIT/LOSS		26.2	17.9	32%	33.3	83.7	7.1	73%
PROFIT/LOSS BEFORE TAX		26.2	17.9	32%	33.3	83.7	7.1	73%
Tax on annual profit/loss		-6.7	-7.0	-4%	-7.3	-21.5	-1.1	84%
NET PROFIT FOR THE PERIOD		19.5	10.9	44%	25.9	62.3	6.1	69%

Statement on comprehensive income

GROUP	Note	Q1 2022	Q4 2021	Q3 2021	Jan-Dec 2021	Q1 2021
SEK million						
NET PROFIT FOR THE PERIOD		19.5	10.9	25.9	62.3	6.1
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		0,5	0.8	-2.1	1.0	0.9
Sum of items that may be subsequently reclassified to the income statement		0,5	0.8	-2.1	1.0	0.9
TOTAL PROFIT/LOSS FOR THE PERIOD		20.0	11.7	23.8	63.3	7.0

Income statement

PARENT COMPANY	Note	Q1 2022	Q4 2021	%	Q3 2021	Jan-Dec 2021	Q1 2021	%
SEK million								
Interest income	5	235.7	232.0	2%	233.6	892.4	206.0	13%
Interest expenses	5	-35.0	-38.6	-10%	-29.4	-131.1	-32.9	6%
NET INTEREST INCOME		200.7	193.4	4%	204.2	761.3	173.1	14%
Commission income	6	4.4	4.1	7%	3.4	15.2	3.7	16%
NET COMMISSION INCOME		4.4	4.1	7%	3.4	15.2	3.7	16%
Net profit/loss of financial transactions		-0.7	-0.6	14%	1.4	-1.0	-3.6	-
Other income		-	0.7	-	0.2	0.9	-	-
TOTAL OPERATING INCOME		204.4	197.6	3%	209.2	776.4	173.2	15%
General administrative expenses		-78.2	-68.8	12%	-68.1	-274.7	-64.2	18%
Depreciation and impairments of tangible and intangible fixed assets		-2.2	-4.5	-	-4.3	-18.0	-4.8	-
TOTAL COSTS BEFORE CREDIT LOSSES		-80.5	-73.3	9%	-72.4	-292.8	-69.0	14%
PROFIT/LOSS BEFORE CREDIT LOSSES		123.9	124.2	-	136.8	483.7	104.2	16%
Credit losses, net	7	-98.5	-106.3	-8%	-104.2	-402.8	-97.8	1%
OPERATING PROFIT/LOSS		25.4	17.9	30%	32.6	80.9	6.4	75%
PROFIT/LOSS BEFORE TAX		25.4	17.9	30%	32.6	80.9	6.4	75%
Tax on annual profit/loss		-6.7	-6.5	3%	-7.3	-21.0	-1.1	84%
NET PROFIT FOR THE PERIOD		18.7	11.4	39%	25.3	59.8	5.3	72%

Statement on comprehensive income

PARENT COMPANY	Note	Q1 2022	Q4 2021	Q3 2021	Jan-Dec 2021	Q1 2021
SEK million						
NET PROFIT FOR THE PERIOD		18.7	11.4	25.3	59.8	5.3
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		-	0.5	-1.0	0.3	0.4
Sum of items that may be subsequently reclassified to the income statement		-	0.5	-1.0	0.3	0.4
TOTAL PROFIT/LOSS FOR THE PERIOD		18.7	11.8	24.3	60.1	5.7

Statement on financial position

GROUP	Note	31-03-2022	31-12-2021	Δ SEK million	31-03-2021	Δ SEK million
SEK MILLION						
ASSETS						
Cash and balances with central banks	10	381.7	327.2	54.5	224.5	157.2
Collateralised government bonds	10,11	543.5	537.0	6.5	381.8	161.7
Loans to credit institutions	10	1,301.6	1,618.1	-316.5	1,977.7	-676.1
Loans to the public	8,10	11,475.7	11,076.6	399.1	10,355.7	1,120.0
Intangible fixed assets		33.3	31.1	2.2	26.1	7.2
Tangible assets		24.8	21.3	3.5	9.1	15.7
Current tax asset		48.2	43.5	4.7	27.4	20.8
Other assets	10	20.3	46.2	-25.9	69.7	-49.4
Prepaid expenses and accrued income		8.1	8.2	-0.1	14.9	-6.8
TOTAL ASSETS		13,837.1	13,709.1	128.0	13,086.9	750.2
LIABILITIES AND PROVISIONS						
Deposits from the public	9,10	12,045.2	11,892.6	152.6	11,388.0	657.2
Derivatives	10	18.0	24.9	-6.9	18.8	-0.8
Other liabilities	10	107.2	151.6	-44.4	74.3	32.9
Deferred tax		0.1	0.1	-	0.1	-
Accrued expenses and prepaid income		37.3	25.9	11.4	34.0	3.3
Subordinated debt	10	247.4	247.3	0.1	246.6	0.8
TOTAL LIABILITIES		12,455.2	12,324.4	112.8	11,761.9	693.3
EQUITY						
Share capital		12.8	12.8	-	12.8	-
Other reserves		1.8	1.8	-	1.8	-
Other contributed capital		1,120.3	1,120.0	0.3	1,119.1	1.2
Retained earnings incl. profit for the year		247.0	232.1	14.9	191.4	55.6
TOTAL EQUITY		1,381.9	1,366.7	15.2	1,325.1	56.8
TOTAL LIABILITIES AND EQUITY		13,837.1	13,709.1	128.0	13,086.9	750.2

Statement on financial position

PARENT COMPANY	Note	31-03-2022	31-12-2021	Δ SEK million	31-03-2021	Δ SEK million
SEK MILLION						
ASSETS						
Cash and balances with central banks	10	381.7	327.2	54.5	224.5	157.2
Collateralised government bonds	10,11	543.5	537.0	6.5	381.8	161.7
Loans to credit institutions	10	1,292.3	1,606.1	-313.8	1,966.9	-674.6
Loans to the public	8,10	11,473.0	11,073.2	399.8	10,354.8	1,118.2
Shares and units in Group companies		2.0	2.0	-	2.0	-
Intangible fixed assets		33.2	30.9	2.3	26.0	7.2
Tangible assets		6.0	1.3	4.7	1.4	4.6
Current tax asset		47.2	43.9	3.3	29.4	17.8
Other assets	10	20.3	46.5	-26.2	68.7	-48.4
Prepaid expenses and accrued income		7.9	7.7	0.2	12.9	-5.0
TOTAL ASSETS		13,807.2	13,675.8	131.4	13,068.5	738.7
LIABILITIES AND PROVISIONS						
Deposits from the public	9,10	12,045.2	11,892.6	152.6	11,388.0	657.2
Derivatives	10	18.0	24.9	-6.9	18.8	-0.8
Other liabilities	10	88.5	128.8	-40.3	64.8	23.7
Accrued expenses and prepaid income		37.2	25.4	11.8	33.3	3.9
Subordinated debt	10	247.4	247.3	0.1	246.6	0.8
TOTAL LIABILITIES		12,436.3	12,318.9	117.4	11,751.5	684.8
EQUITY						
Share capital		12.8	12.8	-	12.8	-
Statutory reserve		1.8	1.8	-	1.8	-
Fund for development expenditure		29.9	29.8	0.1	23.2	6.6
Tier 1 capital		197.0	196.7	0.3	195.7	1.3
Retained earnings incl. profit for the year		1,129.4	1,115.8	13.6	1,083.5	45.9
TOTAL EQUITY		1,370.9	1,356.9	14.0	1,317.0	53.9
TOTAL LIABILITIES AND EQUITY		13,807.2	13,675.8	131.4	13,068.5	738.7

Statement on changes in equity

31-03-2022 GROUP

SEK MILLION

	RESTRICTED EQUITY		UNRESTRICTED EQUITY		TOTAL
	SHARE CAPITAL	OTHER RESERVES	OTHER CONTRIBUTED CAPITAL	RETAINED EARNINGS AND NET PROFIT/LOSS	
Opening balance at 01-01-2022	12.8	1.8	1,120.0	232.1	1,366.7
Total profit/loss for the period	-	-	-	20.0	20.0
Reported in profit and loss account	-	-	-	19.5	19.5
Reported as other total profit/loss	-	-	-	0.5	0.5
Tier 1 capital, AT1	-	-	0.3	-	0.3
Interest and dividends on primary capital instruments	-	-	-	-5.1	-5.1
Transactions with shareholders					
Option program	-	-	-	-	-
New share issues	-	-	-	-	-
Transactions within the controlling influence	-	-	-	-	-
Closing balance at 31-03-2022	12.8	1.8	1,120.3	247.0	1,381.9

31-12-2021 GROUP

SEK MILLION

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

Statement on changes in equity

31-03-2022 PARENT COMPANY

SEK MILLION

	RESTRICTED EQUITY			UNRESTRICTED EQUITY		TOTAL
	SHARE CAPITAL	FUND FOR DEVELOPMENT EXPENDITURE	STATUTORY RESERVE	OTHER CONTRIBUTED CAPITAL	RETAINED EARNINGS AND NET PROFIT/LOSS	
Opening balance at 01-01-2022	12.8	29.8	1.8	196.7	1,115.7	1,356.9
Total profit/loss for the period	-	-	-	-	18.7	18.7
Reported in profit and loss account	-	-	-	-	18.7	18.7
Reported as other total profit/loss	-	-	-	-	-	-
Change in fund for development expenditure	-	-	-	-	-	-
Tier 1 capital, AT1	-	-	-	0.3	-	0.3
Interest and dividends on primary capital instruments	-	-	-	-	-5.1	-5.1
Transactions with shareholders						
Shareholder contribution	-	-	-	-	-	-
Group contribution	-	-	-	-	-	-
Closing balance at 31-03-2022	12.8	29.8	1.8	197.0	1,129.4	1,370.9

31-12-2021 PARENT COMPANY

SEK MILLION

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

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

Cash flow statement

GROUP	31-03-2022	31-12-2021
SEK MILLION		
Operating profit	26.2	83.7
<i>Adjustment for items not included in cash flow</i>		
Unrealised credit losses (Provisions)	104.0	367.9
Depreciation of tangible and intangible assets	2.5	25.0
Other non-cash items	-	-
Income tax paid	-21.5	-64.3
Cashflow from operating activities before changes in operating assets and liabilities	111.2	412.3
Changes in operating assets and liabilities		
Increase (-) /decrease (+) loans to the public	-483.5	-1,464.1
Increase (-) /Decrease (+) in other assets	26.9	19.0
Increase (-) /decrease (+) deposits from the public	152.6	1,733.2
Increase (-) / Decrease (+) of other liabilities	-49.0	73.1
Cash flow from operating activities	-241.8	773.5
Investing activities		
Acquisition/Sale of tangible fixed assets	-5.2	-1.0
Acquisition/Sale of intangible fixed assets	-4.4	-19.9
Acquisition/Sale of collateralised government bonds	-6.6	-93.1
Cash flow from investing activities	-16.2	-114.0
Financing activities		
Interest dividends	-5.1	-19.1
Cash flow from financing activities	-5.1	-19.1
Cash flow for the period	-263.1	640.4
Liquid funds at beginning of the period	1,945.9	1,305.8
Translation difference liquid funds	0.4	-0.3
Liquid funds at end of period	1,683.2	1,945.9

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

Cash flow statement

PARENT COMPANY	31-03-2022	31-12-2021
SEK MILLION		
Operating profit	25.4	80.9
<i>Adjustment for items not included in cash flow</i>		
Unrealised credit losses (Provisions)	104.0	364.4
Depreciation of tangible and intangible assets	2.4	18.0
Other non-cash items	-	-
Income tax paid	-21.0	-64.2
Cashflow from operating activities before changes in operating assets and liabilities	110.8	399.1
Changes in operating assets and liabilities		
Increase (-) /decrease (+) loans to the public	-482.9	-1,459.1
Increase (-) /Decrease (+) in other assets	27.1	18.4
Increase (-) /decrease (+) deposits from the public	152.6	1,732.8
Increase (-) / Decrease (+) of other liabilities	-46.5	78.3
Cash flow from operating activities	-238.9	769.5
Investing activities		
Acquisition/Sale of tangible fixed assets	-5.2	-1.0
Acquisition/Sale of intangible fixed assets	-4.3	-19.9
Acquisition/Sale of collateralised government bonds	-6.6	-93.1
Cash flow from investing activities	-16.1	-114.0
Financing activities		
Interest dividends	-5.1	-19.1
Cash flow from financing activities	-5.1	-19.1
Cash flow for the period	-260.1	636.4
Liquid funds at beginning of the period	1,933.9	1,295.6
Translation difference liquid funds	0.2	0.7
Liquid funds at end of period	1,674.0	1,933.9

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 from 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 Corp. ID 990 728 488 and Avida Finans AB, Finnish Branch Corp. ID 2541768-9.

2 ACCOUNTING 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 (ÅRKL) and Finansinspektionen'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 stat-

utory 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 guaran-

tee 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 with Finansinspektionen'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 ba-

MARKET AND INTEREST RATE RISK FOR LOANS AND DEPOSITS

Risks in deposits from the public	Financial measure	Change	Q1 2022	Q1 2021
Change in deposit interest rate	Profit/loss before tax	+/-1 percentage points	+/- 29.9	+/- 26.9
	Change in equity	+/-1 percentage points	+/- 23.5	+/- 21.2

Risks in loans to the public	Financial measure	Change	Q1 2022	Q1 2021
Change in lending interest rate	Profit/loss before tax	+/-1 percentage points	+/- 28.2	+/- 25.4
	Change in equity	+/-1 percentage points	+/- 22.2	+/- 20.0

Risks in loans to credit institutions	Financial measure	Change	Q1 2022	Q1 2021
Change in lending interest rate	Profit/loss before tax	+/-1 percentage points	+/- 3.7	+/- 3.8
	Change in equity	+/-1 percentage points	+/- 2.9	+/- 3.0

EXCHANGE RATE RISK

Risks for result from foreign branches and companies	Financial measure	Change	Q1 2022	Q1 2021
Change in exchange rate SEK-NOK	Profit/loss before tax	+/-10 percentage points	+/- 2.2	+/- -4.4
	Change in equity	+/-10 percentage points	+/- 1.7	+/- -3.5
Change in exchange rate SEK-EUR	Profit/loss before tax	+/-10 percentage points	+/- 2.8	+/- -2.8
	Change in equity	+/-10 percentage points	+/- 2.2	+/- -2.2

CREDIT RISK

Risk of change in recovery of overdue credits	Financial measure	Change	Q1 2022	Q1 2021
Changes in LGD	Profit/loss before tax	+/-5 percentage points	+/- 97.6	+/- 147.4
	Change in equity	+/-5 percentage points	+/- 76.7	+/- 115.8

lances 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 situation, 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	31-03-2022	31-12-2021	31-03-2021
SEK MILLION			
Liquidity reserve			
Cash and balances with central banks	381.7	327.2	224.5
Collateralised government bonds etc.	543.5	537.0	381.8
Loans to credit institutions (available the next day)	1,301.6	1,619.2	1,977.7
Total liquidity reserve	2,226.8	2,483.4	2,584.0

PARENT COMPANY	31-03-2022	31-12-2021	31-03-2021
SEK MILLION			
Liquidity reserve			
Cash and balances with central banks	381.7	327.2	224.5
Collateralised government bonds etc.	543.5	537.0	381.8
Loans to credit institutions (available the next day)	1,292.3	1,606.1	1,966.9
Total liquidity reserve	2,217.5	2,470.3	2,573.2

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 Q1 2022	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	TOTAL
SEK million				
Interest income	176.1	40.8	21.4	238.3
Interest expenses	-27.0	-4.9	-3.2	-35.1
Commission income	4.4	-	-	4.4
Net profit/loss of financial transactions	-0.4	-0.1	-0.1	-0.6
Other income	-	-	-	-
Total operating income	153.1	35.8	18.1	207.0
General administrative expenses	-47.8	-27.3	-3.7	78.8
Depreciation and impairments of tangible and intangible fixed assets	-2.8	-0.4	-0.2	-3.4
Total cost before credit losses	-50.6	-27.7	-3.9	-82.3
Profit/loss before credit losses	102.1	8.5	14.2	124.8
Credit losses, net	-89.5	-8.3	-0.7	-98.5
Profit/loss before tax	12.6	0.2	13.5	26.2
Tax	-3.2	-0.1	-3.4	-6.7
Net profit	9.4	0.1	10.1	19.5
Loans to the public	8,529.7	1,826.8	1,119.2	11,475.7
Net interest margin	6.7%	7.0%	6.3%	6.7%
Credit losses (%)	4.0%	1.6%	0.2%	3.3%
Return on equity Tier 1	4.3%	0.3%	35.5%	6.6%

SEGMENT REPORTING GROUP Q1 2021	CONSUMER FINANCE	FACTORING	CORPORATE LOANS	TOTAL
SEK million				
Interest income	152.1	32.9	24.0	209.0
Interest expenses	-24.2	-5.1	-3.7	-33.0
Commission income	3.7	-	-	3.7
Net profit/loss of financial transactions	-2.6	-0.8	-0.1	-3.5
Other income	-	-	-	-
Total operating income	129.0	27.0	20.2	176.2
General administrative expenses	-34.8	-26.5	-4.0	-65.3
Depreciation and impairments of tangible and intangible fixed assets	-5.1	-0.6	-0.3	-6.0
Total cost before credit losses	-39.9	-27.1	-4.3	-71.3
Profit/loss before credit losses	89.1	-0.1	15.9	104.9
Credit losses, net	-86.9	-6.7	-4.2	-97.8
Profit/loss before tax	2.2	-6.8	11.7	7.1
Tax	-0.4	1.5	-2.2	-1.1
Net profit	1.8	-5.3	9.5	6.0
Loans to the public	7,659.9	1,492.5	1,203.3	10,355.7
Net interest margin	6.4%	7.1%	6.8%	6.6%
Credit losses (%)	4.3%	1.7%	1.4%	3.6%
Return on equity Tier 1	0.9%	-16.3%	37.8%	2.1%

GROUP	Sweden	Norway	Finland	Total
SEK million				
Q1 2022				
Operating income	133.7	30.1	43.2	207.0
Loans to the public	6,453.0	1,624.3	3,398.4	11,475.7
Q1 2021				
Operating income	103.0	23.7	49.5	176.2
Loans to the public	5,737.9	1,351.4	3,266.5	10,355.7

5 NET INTEREST INCOME

GROUP	Q1 2022	Q4 2021	Q3 2021	Jan-Dec 2021	Q1 2021
SEK MILLION					
Interest income					
Loans to the public	187.8	189.0	191.5	739.7	168.4
Factoring	37.9	39.2	42.2	136.9	33.5
Interest-bearing securities	10.3	4.9	2.5	21.4	4.6
Other	2.2	1.5	0.1	5.9	2.5
Total interest income	238.3	234.6	236.3	903.9	209.0
Interest expenses					
Borrowing and credit from the public	24.0	34.5	24.0	111.4	29.8
Interest-bearing securities	10.6	6.9	5.2	18.9	3.1
Other	0.5	0.5	0.2	0.9	0.1
Total interest costs	35.1	38.6	29.4	131.2	33.0
Net interest income	203.2	196.0	206.9	772.7	175.9

PARENT COMPANY	Q1 2022	Q4 2021	Q3 2021	Jan-Dec 2021	Q1 2021
SEK MILLION					
Interest income					
Loans to the public	185.2	185.2	184.4	722.2	165.3
Factoring	37.9	39.2	42.2	136.9	33.5
Interest-bearing securities	10.4	5.9	6.1	21.5	4.7
Other	2.2	1.7	0.9	5.9	2.5
Total interest income	235.7	232.0	233.6	892.4	206.0
Interest expenses					
Borrowing and credit from the public	24.0	31.2	24.0	111.4	37.0
Interest-bearing securities	10.6	6.9	5.2	18.9	3.1
Other	0.4	0.5	0.2	0.8	0.1
Total interest costs	35.0	38.6	29.4	131.1	32.9
Net interest income	200.7	193.4	204.2	761.3	173.1

6 NET COMMISSION INCOME

GROUP & PARENT COMPANY	Q1 2022	Q4 2021	Q3 2021	Jan-Dec 2021	Q1 2021
SEK MILLION					
Commission income					
Commission income from brokered insurance	4.4	4.1	3.4	15.2	3.7
Total commission income	4.4	4.1	3.4	15.2	3.7
Net commission income	4.4	4.1	3.4	15.2	3.7

7 CREDIT LOSSES, NET

GROUP	Q1 2022	Q4 2021	Q3 2021	Jan-Dec 2021	Q1 2021
SEK million					
Loans to the public					
Provisions - Stage 1	-14.7	18.6	4.4	25.5	2.2
Provisions - Stage 2	-7.7	6.2	-6.5	-1.2	-1.7
Provisions - Stage 3	-80.5	-122.7	-97.7	-388.5	-79.4
Total provisions	-102.9	-97.9	-99.8	-364.2	-78.9
Write-offs	-3.9	-33.1	-4.5	-63.6	-19.0
Recycled financial assets	8.5	24.8	0.1	25.3	0.3
Total	4.6	-8.3	-4.4	-38.3	-18.8
Total credit losses from loans to the public	-98.2	-106.2	-104.2	-402.5	-97.7
Loans to credit institutions					
Provisions - Stage 1	-0.3	-0.1	-0.1	-0.4	-0.1
Provisions - Stage 2	-	-	-	-	-
Provisions - Stage 3	-	-	-	-	-
Total provisions	-0.3	-0.1	-0.1	-0.4	-0.1
Write-offs	-	-	-	-	-
Recycled financial assets	-	-	-	-	-
Total	-	-	-	-	-
Total credit losses from loans to credit institutions	-0.3	-0.1	-0.1	-0.4	-0.1
Total credit losses, net	-98.5	-106.3	-104.3	-402.9	-97.8

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 losses in case of failure (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 the period between 40-50 percent in the consumer portfolio and close to 100 percent in the Company portfolio.

8 LOANS TO THE PUBLIC

GROUP	31-03-2022	31-12-2021
SEK MILLION		
Loans to the public, gross	12,433.3	11,927.5
of which are Stage 1	10,263.0	9,945.9
of which are Stage 2	506.6	466.4
of which are Stage 3	1,663.7	1,515.2
Total provisions	-957.6	-850.9
of which are Stage 1	-96.4	-95.5
of which are Stage 2	-60.0	-55.2
of which are Stage 3	-801.2	-700.2
Loans to the public, net	11,475.7	11,076.6

GROUP	Stage 1	Stage 2	Stage 3	Total
SEK MILLION				
Loans to the public, gross 1 January 2022	9,945.1	466.4	1,515.2	11,927.5
New, acquired and removed financial assets, net	509.1	10.5	-85.3	434.3
Movement to stage 1	111.8	-104.3	-7.5	-
Movement to stage 2	-295.3	302.8	-7.5	-
Movement to stage 3	-64.0	-171.7	235.7	-
Reassessment due to change in credit risk	-	-	-	-
Write-offs	-	-	-	-
Recovered financial assets	-	-	-	-
Exchange rate adjustments	55.5	2.9	13.1	71.5
Other	-	-	-	-
Loans to the public, gross 31 March 2022	10,263.0	506.6	1,663.7	12,433.3

GROUP	Stage 1	Stage 2	Stage 3	Total
SEK MILLION				
Provisions 1 January 2022	95.5	55.2	700.2	850.9
New, acquired and removed financial assets, net	7.1	2.2	30.3	39.6
Movement to stage 1	3.6	-10.2	-2.9	-9.5
Movement to stage 2	-7.6	37.7	-3.2	26.9
Movement to stage 3	-3.1	-25.7	82.1	53.3
Reassessment due to change in credit risk	0.2	0.6	-11.1	-10.3
Write-offs	-	-	-	-
Recovered financial assets	-	-	-	-
Exchange rate adjustments	0.7	0.2	5.8	6.7
Other	-	-	-	-
Provisions 31 March 2022	96.4	60.0	801.2	957.6

GROUP	Stage 1	Stage 2	Stage 3	TOTAL
SEK MILLION				
Loans to the public, gross 1 January 2021	8,962.3	517.9	1,149.7	10,629.9
New, acquired and removed financial assets, net	1,565.8	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	-	-	-	-
Write-offs	-	-	-	-
Recovered financial assets	-	-	-	-
Exchange rate adjustments	94.1	5.1	22.7	121.9
Other	-	-	-	-
Loans to the public, gross 31 December 2021	9,945.9	466.4	1,515.2	11,927.5

GROUP	Stage 1	Stage 2	Stage 3	TOTAL
SEK MILLION				
Provisions 1 January 2021	111.7	62.9	476.2	650.8
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	-	-	-	-
Provisions 31 December 2021	95.5	55.2	700.2	850.9

8 LOANS TO THE PUBLIC, CONT.

PARENT COMPANY	31-03-2022	31-12-2021
SEK MILLION		
Loans to the public, gross	12,430.6	11,924.1
of which are Stage 1	10,260.4	9,942.5
of which are Stage 2	506.6	466.4
of which are Stage 3	1,663.6	1,515.2
Total provisions	-957.6	-850.9
of which are Stage 1	-96.4	-95.5
of which are Stage 2	-60.0	-55.2
of which are Stage 3	-801.2	-700.2
Loans to the public, net	11,473.0	11,073.2

PARENT COMPANY	Stage 1	Stage 2	Stage 3	Total
SEK MILLION				
Loans to the public, gross 1 January 2022	9,942.5	466.4	1,515.1	11,924.1
New, acquired and removed financial assets, net	510.2	10.5	-85.3	435.4
Movement to stage 1	111.8	-104.3	-7.5	-
Movement to stage 2	-295.3	302.8	-7.5	-
Movement to stage 3	-64.0	-171.7	235.7	-
Reassessment due to change in credit risk	-	-	-	-
Write-offs	-	-	-	-
Recovered financial assets	-	-	-	-
Exchange rate adjustments	55.5	2.9	13.1	71.5
Other	-	-	-	-
Loans to the public, gross 31 March 2022	10,260.4	506.6	1,663.6	12,430.6

PARENT COMPANY	Stage 1	Stage 2	Stage 3	Total
SEK MILLION				
Provisions 1 January 2022	95.5	55.2	700.2	850.9
New, acquired and removed financial assets, net	7.1	2.2	30.3	39.6
Movement to stage 1	3.6	-10.2	-2.9	-9.5
Movement to stage 2	-7.6	37.7	-3.2	26.9
Movement to stage 3	-3.1	-25.7	82.1	53.3
Reassessment due to change in credit risk	0.2	0.6	-11.1	-10.3
Write-offs	-	-	-	-
Recovered financial assets	-	-	-	-
Exchange rate adjustments	0.7	0.2	5.8	6.7
Other	-	-	-	-
Provisions 31 March 2022	96.4	60.0	801.2	957.6

PARENT COMPANY	Stage 1	Stage 2	Stage 3	TOTAL
SEK MILLION				
Loans to the public, gross 1 January 2021	8,961.0	517.9	1,149.7	10,628.6
New, acquired and removed financial assets, net	1,563.8	29.4	-419.5	1,172.5
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	-	-	-	-
Loans to the public, gross 31 December 2021	9,942.5	466.4	1,515.2	11,924.1

PARENT COMPANY	Stage 1	Stage 2	Stage 3	TOTAL
SEK MILLION				
Provisions 1 January 2021	111.7	62.9	476.2	650.8
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	-	-	-	-
Provisions 31 December 2021	95.5	55.2	700.2	850.9

9 DEPOSITS FROM THE PUBLIC

GROUP & PARENT COMPANY	31-03-2022	31-12-2021
SEK million		
Deposits from the public		
SEK	4,642.6	4,133.6
Foreign currency	7,402.6	7,758.9
Total	12,045.2	11,892.6

10 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

31-03-2022 GROUP	Financial assets & liabilities valued at fair value through the profit and loss account	Financial assets valued at fair value through the statement of total result	Financial assets & liabilities valued at amortised cost	TOTAL REPORTED VALUE	TOTAL FAIR VALUE
SEK million					
Financial assets					
Cash and balances with central banks	-	-	381.7	381.7	381.7
Collateralised government bonds	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	11,475.7
Other assets	-	-	76.5	76.5	76.5
Total assets	161.8	-	13,779.0	13,940.8	13,940.8
Financial liabilities					
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
Total liabilities	18.0	-	12,399.8	12,417.8	12,417.8
31-12-2021 GROUP					
SEK million					
Financial assets					
Cash and balances with central banks	-	-	327.2	327.2	327.2
Collateralised government bonds	156.2	-	537.0	693.2	693.2
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
Total assets	156.2	-	13,329.6	13,813.0	13,813.0
Financial liabilities					
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
Total liabilities	24.9	-	12,291.5	12,316.4	12,316.4

10 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES, CONT.

31-03-2022 PARENT COMPANY	Financial assets & liabilities valued at fair value through the profit and loss account	Financial assets valued at fair value through the statement of total result	Financial assets & liabilities valued at amortised cost	TOTAL REPORTED VALUE	TOTAL FAIR VALUE
SEK million					
Financial assets					
Cash and balances with central banks	-	-	381.7	381.7	381.7
Collateralised government bonds	161.8	-	543.5	705.3	705.3
Loans to credit institutions	-	-	1,292.3	1,292.3	1,292.3
Loans to the public	-	-	11,473.0	11,473.0	11,473.0
Shares in subsidiaries	2.0	-	-	-	2.0
Other assets	-	-	75.4	75.4	75.4
Total assets	163.8	-	13,765.9	13,927.7	13,927.7

Financial liabilities					
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	-	-	88.5	88.5	88.5
Total liabilities	18.0	-	12,381.1	12,399.1	12,399.1

31-12-2021 PARENT COMPANY	Financial assets & liabilities valued at fair value through the profit and loss account	Financial assets valued at fair value through the statement of total result	Financial assets & liabilities valued at amortised cost	TOTAL REPORTED VALUE	TOTAL FAIR VALUE
SEK million					
Financial assets					
Cash and balances with central banks	-	-	327.2	327.2	327.2
Collateralised government bonds	156.2	-	537.0	693.2	693.2
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
Total assets	158.2	-	13,641.6	13,799.8	13,799.8

Financial liabilities					
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
Total liabilities	24.9	-	12,268.6	12,293.5	12,293.5

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Observable data for the asset or liability other 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 company holds derivative instruments and a fund containing high-quality assets valued at fair value. Purchases in funds took place during the period of SEK 0.0 million (0.0).

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. Models based on discounted cash flows are

mainly used. In individual cases, the calculations can also be based on own assumptions or assessments, i.e. level 3.

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.

31-03-2022 GROUP & PARENT COMPANY	Level 1	Level 2	Level 3	Total
SEK MILLION				
Assets				
Collateralised government bonds	161.8	-	-	161.8
Total assets	161.8	-	-	161.8
Liabilities				
Derivatives	-	18.0	-	18.0
Total liabilities	-	18.0	-	18.0

31-12-2021 GROUP & PARENT COMPANY	Level 1	Level 2	Level 3	Total
SEK MILLION				
Assets				
Collateralised government bonds	156.2	-	-	156.2
Total assets	156.2	-	-	156.2
Liabilities				
Derivatives	-	24.9	-	24.9
Total liabilities	-	24.9	-	24.9

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 Swedish 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 Swedish 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.

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 Swedish Financial Supervisory Authority regula-

tions (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 March 2022, the internally assessed capital requirement amounted to SEK 146.1 million (138.3) for Avida Finans AB. The internally assessed capital requirement in a Consolidated situation amounted to SEK 146.6 million (138.5). 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	Q1 2022		31-12-2021		Q1 2021	
Risk exposure amount	10,743.1		10,875.7		9,810.6	
Total own funds requirements	1,288.9	12.00%	1,294.0	11.90%	1,211.1	12.34%
Total own funds	1,633.5	15.21%	1,603.6	14.74%	1,637.9	16.70%
Own funds requirements	Q1 2022		31-12-2021		Q1 2021	
Own funds requirements (Pillar 1)	859.4	8.00%	870.0	8.00%	784.9	8.00%
Special Own funds requirement (Pillar 2)	146.1	1.36%	138.3	1.27%	166.4	1.70%
Combined buffer requirement	283.4	2.64%	285.7	2.63%	259.8	2.65%
Pillar 2 guide	-	-	-	-	-	-
Total own funds requirements	1,288.9	12.00%	1,294.0	11.90%	1,211.1	12.34%

12 CAPITAL ADEQUACY, CONT.

AVIDA FINANS AB

SEK MILLION

Capital context	Q1 2022		31-12-2021		Q1 2021	
Common Equity Tier 1 capital after any deductions	1,189.1	11.07%	1,159.7	10.66%	1,195.6	12.19%
Additional Tier 1 capital after any deductions	197.0	1.83%	196.7	1.81%	195.7	1.99%
Tier 2 capital after any deductions	247.4	2.30%	247.2	2.27%	246.6	2.51%
Own funds	1,633.5	15.21%	1,603.6	14.74%	1,637.9	16.70%

	Q1 2022		31-12-2021		Q1 2021	
	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Risk exposure amount (REA) and capital base requirements	10,743.1	859.4	10,875.7	870.0	9,810.6	784.9
of which: own funds requirements for credit risk	9,429.3	754.3	9,586.5	766.9	8,750.7	700.1
of which: own funds requirements for market risk	34.6	2.8	9.9	0.8	10.3	0.8
of which: own funds requirements for operational risk	1,279.2	102.3	1,279.2	102.3	1,049.5	84.0
Transitional adjustment	-	-	-	-	-	-
Common equity Tier 1 capital / Common equity Tier 1 capital ratio	1,189.1	11.07%	1,159.7	10.66%	1,195.6	12.19%
Tier 1 capital / Tier 1 capital ratio	1,386.1	12.90%	1,356.4	12.47%	1,391.3	14.18%
Total own funds / Total capital ratio	1,633.5	15.21%	1,603.6	14.74%	1,637.9	16.70%
Total equity Tier 1 capital requirements including buffer requirements	766.8	7.14%	775.1	7.13%	701.2	7.15%
of which: Capital conservation buffer	268.6	2.50%	271.9	2.50%	245.3	2.50%
of which: Counter-cyclical buffer	14.8	0.14%	13.8	0.13%	14.5	0.15%
Common equity Tier 1 capital available to use as a buffer	705.7	6.57%	670.3	6.16%	754.1	7.69%

OWN FUNDS	Q1 2022	31-12-2021	Q1 2021
Common Equity Tier 1 capital			
Capital instruments and associated share premium reserve	934.4	934.4	934.4
Other contributed capital	-	-	-
Retained earnings and reserves	220.6	165.8	181.5
Regulatory adjustments:			
- Intangible assets	10.3	8.6	8.2
- Net profit due to capitalisation of future income	-	-	-
- Adjustments relating to unrealised gains	-	-	-
- Deferred tax assets	0.6	0.7	-
- Other	-	-	-
Reversal transitional rules to IFRS 9	45.0	68.8	89.0
Total Common Equity Tier 1 capital	1,189.1	1,159.7	1,196.7

Additional Tier 1 capital			
Perpetual subordinated loans	197.0	196.7	195.7
Deduction from primary and supplementary capital (half of this)	-	-	-
Total other Tier 1 capital	197.0	196.7	195.7

Tier 2 capital			
Time-bound subordinated loans	247.4	247.2	246.6
Deduction according to limitation rule	-	-	-
Total supplementary capital	247.4	247.2	246.6
Total own funds	1,633.5	1,603.6	1,639.0

12 CAPITAL ADEQUACY, CONT.

AVIDA FINANS AB						
SEK MILLION						
Specification of risk exposure amount (REA) and capital base requirements	Q1 2022		31-12-2021		Q1 2021	
	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Credit risk according to the standard method						
Exposures to central banks and local authorities	3.9	0.3	3.8	0.3	2.3	0.2
Institution exposures	268.6	21.5	334.2	26.7	393.5	31.5
Corporate exposures	2,038.7	163.1	1,958.6	156.7	1,513.8	121.1
Retail exposures	6,233.0	498.6	6,484.8	518.8	6,006.1	480.5
Exposures secured by immovable property	-	-	0.3	-	20.3	1.6
Exposures in default	844.8	67.6	748.1	59.8	746.1	59.7
Equity exposures	2.0	0.2	2.0	0.2	-	-
Other items	38.2	3.1	54.8	4.4	10.3	0.8
Total risk exposure amount and capital requirements	9,429.2	754.3	9,586.6	766.9	8,692.4	695.4
Market risk						
Foreign exchange rate risk	34.6	2.8	9.9	0.8	10.3	0.8
Total risk exposure amount and capital requirements	34.6	2.8	9.9	0.8	10.3	0.8
Operational risk						
Basic indicator approach	1,279.2	102.3	1,279.2	102.3	1,049.5	84.0
Total risk exposure amount and capital requirements	1,279.2	102.3	1,279.2	102.3	1,049.5	84.0
Total risk exposure amount and capital requirements	10,743.0	859.4	10,875.7	870.1	9,752.2	780.2
ADDITIONAL CAPITAL REQUIREMENTS PILLAR 2						
Credit concentration risk	103.6		97.0		94.4	
Interest rate risk in banking book	37.7		36.5		34.1	
Other additional capital requirements	4.8		4.8		37.9	
Total additional capital requirements Pillar 2	146.1		138.3		166.4	
LEVERAGE RATIO						
Exposure measures for calculation of leverage ratio	14,291.3.6		14,130.2		13,433.4	
Tier 1 capital	1,386.1		1,356.4		1,391.3	
Leverage ratio, %	9.70%		9.60%		10.36%	
TOTAL OWN FUNDS REQUIREMENT (INCLUDING PILLAR 2)						
Common Equity Tier 1 capital requirements	849.0	7.90%	852.9	7.84%	794.9	8.10%
Tier 1 capital requirements	1,037.5	9.66%	1,041.9	9.58%	973.3	9.92%
Total Capital	1,288.9	12.00%	1,294.0	11.90%	1,211.1	12.34%

If Avida had not applied transitional rules for IFRS 9: Common Equity Tier 1 capital 10.46%, Tier 1 capital 12.34%, Total 14.60%.

12 CAPITAL ADEQUACY, CONT.

AVIDA CONSOLIDATED SITUATION						
SEK million						
Capital adequacy	Q1 2022		31-12-2021		Q1 2021	
Risk exposure amount	10,787.6		10,903.3		9,843.9	
Total own funds requirements	1,294.2	12.00%	1,297.3	11.90%	1,214.6	12.34%
Total own funds	1,643.7	15.24%	1,610.9	14.77%	1,645.2	16.71%
Own funds requirements	Q1 2022		31-12-2021		Q1 2021	
Own funds requirements (Pillar 1)	863.1	8.00%	872.3	8.00%	787.5	8.00%
Special Own funds requirement (Pillar 2) *1	146.6	1.36%	138.5	1.27%	166.4	1.69%
Combined buffer requirement	284.5	2.64%	286.5	2.63%	260.7	2.65%
Pillar 2 guide*2	-	-	-	-	-	-
Total own funds requirements	1,294.2	12.00%	1,297.3	11.90%	1,214.6	12.34%
Capital context	Q1 2022		31-12-2021		Q1 2021	
Common Equity Tier 1 capital after any deductions	1,199.3	11.12%	1,167.0	10.70%	1,202.9	12.22%
Additional Tier 1 capital after any deductions	197.0	1.83%	196.7	1.80%	195.7	1.99%
Tier 2 capital after any deductions	247.4	2.29%	247.2	2.27%	246.6	2.51%
Own funds	1,643.7	15.24%	1,610.9	14.77%	1,645.2	16.71%
	Q1 2022		31-12-2021		Q1 2021	
	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Risk exposure amount (REA) and capital base requirements	10,787.6	863.1	10,903.3	872.3	9,843.9	787.5
of which: own funds requirements for credit risk	9,452.1	756.2	9,592.5	767.4	8,759.9	700.8
of which: own funds requirements for market risk	34.6	2.8	9.9	0.8	10.3	0.8
of which: own funds requirements for operational risk	1,300.9	104.1	1,300.9	104.1	1,073.6	85.9
Transitional adjustment	-	-	-	-	-	-
Common equity Tier 1 capital / Common equity Tier 1 capital ratio	1,199.3	11.12%	1,167.0	10.70%	1,202.9	12.22%
Tier 1 capital / Tier 1 capital ratio	1,396.3	12.94%	1,363.7	12.51%	1,398.6	14.21%
Total own funds / Total capital ratio	1,643.7	15.24%	1,610.9	14.77%	1,645.2	16.71%
Total equity Tier 1 capital requirements including buffer requirements	769.9	7.14%	777.1	7.13%	703.7	7.15%
of which: Capital conservation buffer	269.7	2.50%	272.6	2.50%	246.1	2.50%
of which: Counter-cyclical buffer	14.8	0.14%	13.9	0.13%	14.6	0.15%
Common equity Tier 1 capital available to use as a buffer	713.9	6.62%	676.4	6.20%	759.9	7.72%

12 CAPITAL ADEQUACY, CONT.

AVIDA CONSOLIDATED SITUATION			
SEK million			
CAPITAL ADEQUACY	Q1 2022	31-12-2021	Q1 2021
Common Equity Tier 1 capital			
Capital instruments and associated share premium reserve	936.3	936.3	936.2
Other contributed capital	-	-	-
Retained earnings and reserves	229.0	171.4	187.1
Regulatory adjustments:			
- Intangible assets	10.4	8.8	8.3
- Net profit due to capitalisation of future income	-	-	-
- Adjustments relating to unrealised gains	-	-	-
- Deferred tax assets	0.6	0.7	-
- Other	-	-	-
Reversal transitional rules to IFRS 9	45.0	68.8	89.0
Total Common Equity Tier 1 capital	1,199.3	1,167.0	1,204.0
Additional Tier 1 capital			
Perpetual subordinated loans	197.0	196.7	195.7
Deduction from primary and supplementary capital (half of this)	-	-	-
Total other Tier 1 capital	197.0	196.7	195.7
Tier 2 capital			
Time-bound subordinated loans	247.4	247.2	246.6
Deduction according to limitation rule	-	-	-
Total supplementary capital	247.4	247.2	246.6
Total own funds	1,643.7	1,610.9	1,646.3

12 CAPITAL ADEQUACY, CONT.

AVIDA CONSOLIDATED SITUATION						
SEK million						
	Q1 2022		31-12-2021		Q1 2021	
Specification of risk exposure amount (REA) and capital base requirements	REA	Capital requirements	REA	Capital requirements	REA	Capital requirements
Credit risk according to the standard method						
Exposures to central banks and local authorities	3.9	0.3	3.8	0.3	2.3	0.2
Institution exposures	270.4	21.6	336.6	26.9	395.9	31.7
Corporate exposures	2,038.7	163.1	1,958.6	156.7	1,513.8	121.1
Retail exposures	6,233.1	498.6	6,486.3	518.9	6,006.5	480.5
Exposures secured by immovable property	-	-	0.3	0.0	20.3	1.6
Defaulted exposures	844.8	67.6	748.1	59.8	746.1	59.7
Other items	61.2	4.9	59.0	4.7	75.0	6.0
Total risk exposure amount and capital requirements	9,452.1	756.2	9,592.7	767.4	8,759.9	700.8
Market risk						
Foreign exchange rate risk	34.6	2.8	9.9	0.8	10.3	0.8
Total risk exposure amount and capital requirements	34.6	2.8	9.9	0.8	10.3	0.8
Operational risk						
Basic indicator approach	1,300.9	104.1	1,300.9	104.1	1,073.6	85.9
Total risk exposure amount and capital requirements	1,300.9	104.1	1,300.9	104.1	1,073.6	85.9
Total risk exposure amount and capital requirements	10,787.6	863.0	10,903.5	872.3	9,843.8	787.5
ADDITIONAL CAPITAL REQUIREMENTS PILLAR 2						
Credit concentration risk	104.1		97.2		94.4	
Interest rate risk in banking book	37.7		36.5		34.1	
Other additional capital requirements	4.8		4.8		37.9	
Total additional capital requirements Pillar 2	146.6		138.5		166.4	
LEVERAGE RATIO						
Exposure measures for calculation of leverage ratio	14,348.1		14,172.9		13,379.7	
Tier 1 Leverage ratio	1,396.3		1,363.7		1,398.6	
Leverage ratio, %	9.73%		9.62%		10.45%	
TOTAL OWN FUNDS REQUIREMENT (INCLUDING PILLAR 2)						
Common Equity Tier 1 capital requirements	852.5	7.90%	855.1	7.84%	797.3	8.10%
Tier 1 capital requirements	1,041.8	9.66%	1,044.6	9.58%	976.1	9.92%
Total Capital	1,294.2	12.00%	1,297.3	11.90%	1,214.6	12.34%

If Avida had not applied transitional rules for IFRS 9: Common Equity Tier 1 capital 10.54%, Tier 1 capital 12.36%, Total 14.66%.

13 RELATED PARTY TRANSACTIONS

Avida Finans AB (publ), Corp. ID 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

Avida Finans AB has during the quarter sold services to the subsidiary Avida Inkasso AS (Corp. ID no. 913778367) to an amount of SEK 0.0 (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 0.5 (0.5) 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 0.0 (0.5) million to the subsidiary Avida Inkasso AS.

14 SIGNIFICANT SUBSEQUENT EVENTS DURING THE PERIOD

No significant events have taken place between the balance sheet date and the date for the publication of this report.

Definitions

ALTERNATIVE PERFORMANCE MEASURES¹

RETURN ON EQUITY

Net profit divided with average adjusted equity

CALCULATION: $(19.5 / 1,374.3 * 100)$

C/I RATIO

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

CALCULATION: $(82.3 / 207.0)$

OWN FUNDS

The sum of Tier 1 capital and supplementary capital minus deductions under the Capital Adequacy Regulation (EU)

No 575/2013 Article 36

COMMON EQUITY TIER 1 CAPITAL RATIO

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

CALCULATION: $(1,189.7 / 10,743.1 * 100)$

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: $(900.5 / 533.3)$

TIER 1 CAPITAL RATIO

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

CALCULATION: $(1,386.1 / 10,743.1 * 100)$

PROVISION RATIO

Provisions made at the end of the period for future potential credit losses in relation to loans to the public (gross) at the end of the period

CALCULATION: $(945.8 / 12,430.5 * 100)$

RISK EXPOSURE AMOUNT

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

NET INTEREST INCOME

Total interest income minus interest expenses

CALCULATION: $(238.3 - 35.1)$

SOLIDITY

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

CALCULATION: $(1,374.3 / 13,837.1 * 100)$

TOTAL CAPITAL RATIO

The own funds divided by the total risk-weighted exposure amount

CALCULATION: $(1,633.5 / 10,743.1 * 100)$

TOTAL PRE-TAX PROFIT/LOSS

Total comprehensive income including components that have been or may be subsequently reclassified to the income statement

PROFIT MARGIN

Profit before allocations and tax divided by operating income

CALCULATION: $(26.2 / 207.0 * 100)$

CREDIT LOSSES

Credit losses net in relation to average loans to the public

CALCULATION: $(98.5 / 11,276.2 * 365 / 90 * 100)$

¹) 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.

Board of directors 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, 20 May 2022

Varun Khanna, Chairman of the Board

Tine Wollebekk CEO

Daniel Knottenbelt, Member

Celina Midelfart, Member

Geir Olsen, Member

Vaibhav Piplapure, Member

Teresa Robson-Capps, Member

Publication of financial information

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

FINANCIAL CALENDAR 2022

25 AUGUST
24 NOVEMBER
23 FEBRUARY 2023

Q2 - INTIRIM REPORT JANUARY-JUNE 2022
Q3 - INTERIM REPORT JANUARY-SEPTEMBER 2022
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

The logo for AIDA, featuring the word "AIDA" in a bold, orange, sans-serif font. The letters are closely spaced and have a slight shadow effect.

AIDA

Magnus Ladulåsgatan 65
118 27 Stockholm
avidafinance.com
info@avida.se