

# Interim Report

January - June 2026



avarda

# A Quarter with Record Growth and Strategic Prioritisation

## January - June 2026

Compared to January - June 2025

- Loans to the public amounted to SEK 26,297 million compared to June 2025 the increase in local currencies was 21%
- Operating profit increased by 31% to SEK 500.6 million
- Earnings per share increased by 40% to SEK 6.14
- Adjusted earnings per share increased by 33% to SEK 5.87
- Cost/income ratio improved to 35.0% (37.5)
- Return on equity amounted to 25.8% (21.7)
- Adjusted return on equity amounted to 24.7% (21.9)
- Total capital ratio amounted to 15.7% (16.1) compared to year-end

## April - June 2026

Compared to April - June 2025

- Loans to the public amounted to SEK 26,297 million compared to June 2025 the increase in local currencies was 21%
- Operating profit increased by 31% to SEK 255.9 million
- Earnings per share increased by 33% to SEK 2.97
- Cost/income ratio improved to 34.6% (37.7)
- Return on equity amounted to 24.2% (21.6)

January - June 2026

+30bp

# 8.8

Risk-adjusted margin,  
%

As of 30 June 2026

+30%

# 3.5 540

Customers,  
million

Of which are app-users,  
thousand

January - June 2026

# 1,002

Revenue per customer,  
SEK

## Key Takeaways

- Strong customer engagement during the past year, the number of app-users increased by 30% to 540,163.
- Everyday Finance has an organic loan portfolio growth of 38% to 17,070 MSEK and a significantly improved operating profit of 52% to 339 MSEK.
- Consumer Lending is developing according to plan – the reduced new lending is an active strategic decision in favour of capital allocation to Everyday Finance.

**"The strong performance was primarily driven by high demand in the German credit card market, where previous investments in customer acquisition continue to generate results. Growth accelerated during the quarter and was record-high in June."**

Joakim Jansson, Group CEO

# We Move Customers and Investments Forward - Towards New Opportunities

Avarda Group simplifies how customers across Europe manage their personal finances. We have been listed on Nasdaq Stockholm since 2016. Rooted in our Swedish heritage, we combine a pragmatic and disciplined business mindset, with cutting-edge technology and innovation, always with a strong focus on cost-efficiency and profitability. Our proprietary, scalable platform and infrastructure enable efficient expansion across multiple markets.

**For individual customers**, we provide access to payments, savings and lending, that adapts to their lives and needs.

**For business partners**, we remove friction, helping them stay in control, build consumer loyalty and expand into new markets.

**For investors**, we create a system where value never stands still, ensuring long-term profitability, growth and progress.

We move customers, partners and ourselves forward – towards new opportunities and evolving needs.

**Forward. Avarda.**



## Financial targets

Avarda Group is expected to generate:

- Loan portfolio of SEK 35 billion by H2 2027 at the latest.
- Maintain a return on equity well above 20%.
- Capital ratios of at least 2.5 percentage points above regulatory requirements.

## Reasons to Invest in Avarda

**Avarda is a digital provider of financial services to individuals in Europe. With innovation and technology at the forefront, Avarda is continuously available with customer-tailored payments, savings, and lending solutions, whenever customers need them.**

Through credit cards, payment solutions, and loans, Avarda serves both consumers and business partners by fostering long-term customer relationships rather than focusing on one-off transactions. The business model combines a proprietary, scalable platform with disciplined lending and bank-grade risk management, enabling profitable growth and stable risk-adjusted returns across multiple markets.

- **High-yield lending model** with a focus on stable loan losses and robust risk-adjusted margins
- **Scalable digital platform** enabling profitable growth across European markets
- **Strong exposure to structural growth** within payments and financing
- **Recurring customer relationships** driving lifetime value and predictable revenues
- **Technology-driven scalability** combined with bank-grade risk management and strong capital position

# Highlights Recent Years

## 2026 – Scalable and technology-driven product platform

- Customer-driven growth as the primary value creation engine.
- Risk-adjusted returns demonstrating quality at scale.
- The strategic shift from Consumer Lending to Everyday Finance has been fully realised.
- “Combining platform scalability with bank-grade risk management”.

## 2025 – Profitable growth with disciplined risk management

- Operational leverage through automation and digital processes.
- Development of a shared platform enables scalable infrastructure.
- “A scalable, technology-driven consumer banking model”.

## 2024 – Strengthened European presence

- Strategic focus on active customers and long-term value creation.
- Clear ambition to broaden the narrative beyond traditional lending.
- “From lending growth to customer economics”.

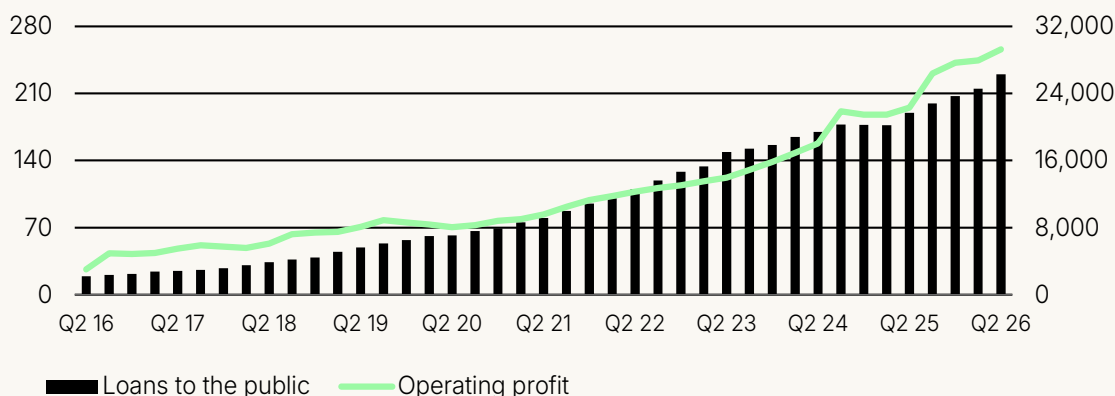
## 2023 – Efficient balance sheet structure and strong capital base

- Increased share of recurring customers.
- Enhanced credit analytics and increased automation.
- “Profitable growth without compromising on risk”.

## 2022 – High-performing niche bank

- Recognised for high return on equity and disciplined credit underwriting.
- Increased resilience in a macroeconomically uncertain environment.
- “Industry-leading profitability in consumer lending”.

### Profitable growth since IPO in 2016 (SEK million)



# Group Key Financials

TSEK	Apr-Jun 2026	Apr-Jun 2025	Δ	Jan-Jun 2026	Jan-Jun 2025	Δ	Jan-Dec 2025
<b>Income statement</b>							
Operating income	896,409	690,104	30%	1,723,216	1,358,599	27%	2,904,504
Operating expenses	-310,346	-259,890	19%	-602,518	-508,930	18%	-1,052,892
Net loan losses	-330,123	-235,123	40%	-620,123	-466,721	33%	-995,804
Operating profit	255,940	195,091	31%	500,575	382,948	31%	855,808
Profit for the period	198,278	151,340	31%	409,047	296,812	38%	667,046
Earnings per share, SEK	2.97	2.24	33%	6.14	4.39	40%	9.92
<b>Balance sheet</b>							
Loans to the public	26,296,888	21,670,512	21%	26,296,888	21,670,512	21%	23,678,282
Deposits from the public	28,342,225	22,395,532	27%	28,342,225	22,395,532	27%	24,856,055
Transaction volume, SEK	14,156,813	10,524,359	35%	26,027,084	19,770,634	32%	45,728,510
<b>Key figures</b>							
Operating income margin, %	14.1	13.2		13.8	13.0		13.2
Net loan loss ratio, %	5.2	4.5		5.0	4.5		4.5
Risk-adjusted margin, %	8.9	8.7		8.8	8.5		8.7
Cost/Income ratio, %	34.6	37.7		35.0	37.5		36.3
Return on equity, %	24.2	21.6		25.8	21.7		23.1
Return on loans to the public, %	3.0	2.8		3.2	2.7		2.9
CET1 capital ratio, %	12.8	14.2		12.8	14.2		13.0
Tier 1 capital ratio, %	14.0	15.5		14.0	15.5		14.2
Total capital ratio, %	15.7	17.4		15.7	17.4		16.1
Employees (FTE)	525	473	11%	511	460	11%	471
<b>Adjusted key financials</b>							
<b>Income statement</b>							
Profit for the period	198,278	151,340	31%	409,047	296,812	38%	667,046
Items affecting comparability <sup>1</sup>	-	-		-21,637	2,251		2,251
Provision for tax surcharge	-	-		4,000	-		-
Adjusted profit for the period	198,278	151,340	31%	391,410	299,063	31%	669,297
Adjusted profit for the period attributable to the shareholders of the Parent Company	192,065	144,863	33%	379,211	286,162	33%	643,459
Adjusted earnings per share, SEK	2.97	2.24	33%	5.87	4.43	33%	9.95
<b>Key figures</b>							
Adjusted return on equity, %	24.2	21.6		24.7	21.9		23.1
Adjusted return on loans to the public, %	3.0	2.8		3.0	2.7		2.9

<sup>1</sup> Adjustments for items affecting comparability are related to transactions according to the Share Purchase Agreement with Alektum Holding AB and Erik Selin Fastigheter AB regarding the divestment of the shares in the former subsidiary Rediem Capital AB.

See separate section with definitions and reconciliation tables, page 44-45.

# A Quarter That Confirms the Strategy

Avarda's development reflects a series of deliberate strategic decisions. Our business logic is straightforward: relationship-based digital financial services create longer lasting customer relationships and generate higher risk-adjusted returns. Over time, this builds significant structural value for the Company. Products within Consumer Lending are often marketed through third-party channels and are typically associated with one-off or infrequent borrower needs, after which the customer relationship tends to end. Within Everyday Finance, by contrast, customers interact with us daily through the app, and each new service enhances customer value, while strengthening the customer relationship and deepening our knowledge of the customers. The broader customer understanding enables better-informed credit decisions and increases lifetime customer value. Against this background, we have for several years systematically shifted the Company's business focus toward Everyday Finance, allocating capital, technology and customer acquisition resources to this segment. The name change to Avarda reflects the strategic shift the Company has undergone, towards an increasing business focus on credit cards and digital payment services.

This year's second quarter marks the first quarter in which the business has been able to operate fully in line with the new strategy. We are deliberately reallocating new lending away from Consumer Lending towards stronger growth within Everyday Finance. The record growth in Everyday Finance during the quarter is a direct result of the strategic shift in business focus, confirming the Company's strategy.

## Strong growth in the second quarter

The strategy delivered strong and profitable growth during the quarter. The loan portfolio increased by 21% in local currencies compared with the corresponding period last year, and by 6% compared with the first quarter of 2026. The strong performance was primarily driven by high demand in the German credit card market, where previous investments in customer acquisition continue to generate results. Growth accelerated during the quarter and was record-high in June. At the same time, our operations are generating economies of scale that are progressively strengthening profitability. Operating profit increased by 31% compared with the second quarter of 2025 and return on equity amounted to 24.2%. Overall, the business continues to develop in line with our financial targets.

## Everyday Finance – Customer-driven growth

The segment is the Group's primary growth engine, and over the past year the loan portfolio has grown by SEK 4.7 billion, corresponding to an increase of 38%. The German portfolio is driving both volume and profitability, reflected in operating profit increasing by 44% compared with the same period last year. The business continues to demonstrate clear scalability,



with significant capacity for further growth. The app is the hub of Everyday Finance and an increasingly important platform for the Bank's customer interactions. As additional services are integrated into the app, the customer relationship is deepened, while opportunities to increase lifetime customer value continue to expand. During the quarter, we welcomed 72,107 new app-users, representing the highest number to date during a single quarter.

## Consumer Lending – Focus on risk-adjusted margin

The second quarter is the first in which the limitation on new lending was fully reflected in our results. The loan portfolio decreased by 2% in local currencies. The decrease is a direct result of our strategic reallocation of resources and growth initiatives towards Everyday Finance, which offers a higher risk-adjusted margin and greater potential to build long-term customer relationships. We intend to offer consumer credit as an integrated service alongside our card offering within Everyday Finance – through the app, to customers we know, leveraging the economics of a relationship-based business model.

## Operating environment and capital

Macroeconomic and geopolitical uncertainty remains, and caution continues to characterise consumption behaviour. Despite this, Avarda continues to perform well, with profitable growth, a strengthening risk-adjusted margin as the reallocation of capital takes effect, and development well in line with our financial targets. The Bank's capital ratios continue to exceed regulatory requirements by a healthy margin, leaving us well positioned to manage continued volatility should market conditions deteriorate. However, the strong growth in the business, combined with a weaker Swedish krona and regulatory deductions for foreseeable dividends, has slightly affected the capital ratios during the quarter. As part of our ongoing capital optimisation, we are evaluating opportunities to strengthen our capital structure.

## Looking ahead

We continue to execute in line with our strategy. We are a European company with operations across several markets. More than two-thirds of our employees are based outside Sweden, and our organisation is characterised by both geographic reach and versatility. This gives us greater opportunities to build relationships with new customers, strengthens our capacity for innovation, and has been instrumental in Avarda's transformation.

*Joakim Jansson, Group CEO*

# Everyday Finance



Everyday Finance is a segment where we build long-term and continuous relationships linked to the customer's daily finances with a customer promise to be available whenever customers need us.

The app is the hub of the customer relationship, and each new service integrated into the app strengthens the relationship while increasing customer value over time. The segment includes credit cards and digital payment solutions, offered through a modern user interface with a high degree of flexibility. The offering is built on Avarda's proprietary platform, where integrated customer journeys and data-driven decision-making enable rapid development and efficient achievement of economies of scale across multiple markets.

At the end of the quarter, the number of active app-users amounted to 540,163, corresponding to a growth of 30% compared with the previous year, the number of app-users is equated with the number of active credit cards. The number of newly issued credit cards during the interim period amounted to 142,507 (103,497). The transaction volume within the segment increased by 38% to SEK 23,449 million (17,009).

### Loan portfolio

The total loan portfolio amounted to SEK 17,070 million (12,395), an increase of 38% in local currencies compared with June 2025. Growth is primarily attributable to the credit card business in Germany. The combined loan portfolios in Germany and Austria increased by 52% to EUR 1,204 million (795) over the past year. The Nordic loan portfolio amounted to SEK 3,528 million (3,149), an increase of 10% in local currencies compared with June 2025. In the newly launched markets of Spain and Italy, the combined loan portfolio amounted to EUR 6 million (3).

### Results

Operating profit amounted to SEK 339.0 million (223.3), an increase of 52%. The improvement was primarily driven by higher income from the growing credit card portfolio in Germany and continued economies of scale in the business model. Operating income increased by 36% to SEK 1,279 million (937.5) and the operating income margin amounted to 16.2% (15.9). The operating expenses increased by 24% to SEK 462.9 million (373.8) and are mainly affected by a higher inflow of customers. Loan losses amounted to SEK 477.6 million (340.4). The loan loss ratio amounted to 6.0% (5.8).

January - June 2026

+38%

# 23,449

Transaction volume, SEK million

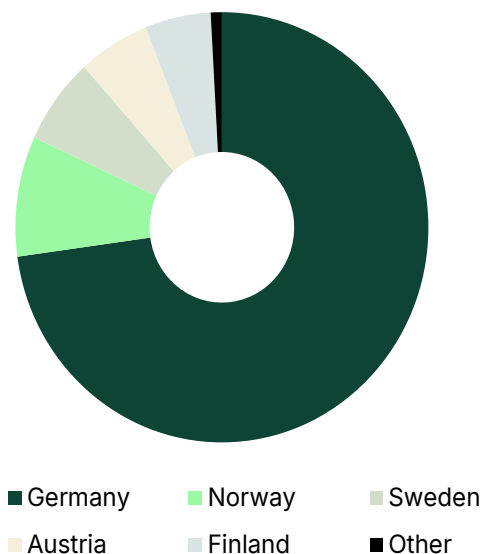
January - June 2026

+38%

# 142,507

Newly issued credit cards

Share of loan portfolio by country



# Consumer Lending



Consumer Lending addresses the customer’s credit needs at a specific point in time. The segment mainly consists of the Bank’s offering of unsecured consumer loans to creditworthy retail customers. The offering is adapted to local market conditions, where the product range varies between different countries.

The Nordic share of the loan portfolio amounted to 61% at the end of the quarter. The loan portfolio outside the Nordic region accounted for 39% of the segment, with the majority in the Baltics. During 2025, lending was also launched in Germany.

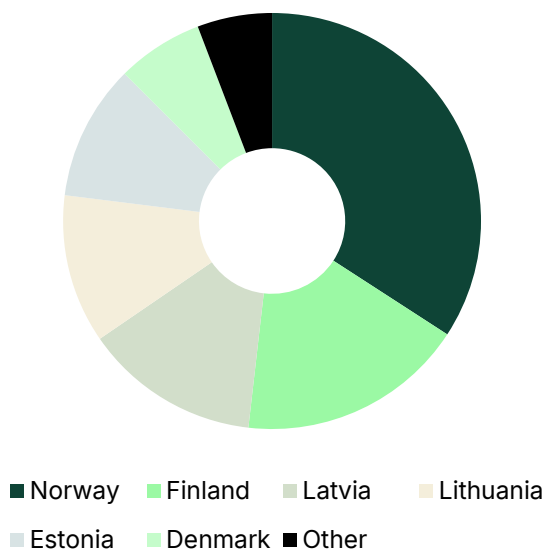
### Loan portfolio

The loan portfolio amounted to SEK 9,227 million (9,276), corresponding to a decrease of 2% in local currencies compared with June 2025. Positive currency effects impacted growth by 1%. New lending decreased by 7% to SEK 2,578 million (2,761) in favour of stronger growth in another segment. The Nordic loan portfolio amounted to SEK 5,648 million (5,793), a decrease of 4% in local currencies compared to June 2025. The loan portfolio in the Baltics increased by 4% to EUR 298 million (287) over the past year.

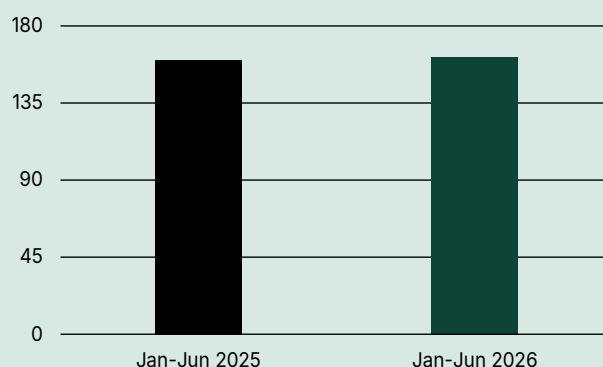
### Results

Operating profit amounted to SEK 161.6 million (159.6), an increase of 1%. Operating income increased by 5% to SEK 443.8 million (421.1), and the operating income margin amounted to 9.7% (9.2). Operating expenses increased by 3% to SEK 139.7 million (135.2), and the cost/income ratio improved to 31.5% (32.1). Loan losses increased by 13% to SEK 142.5 million (126.3), as a result of decreased credit quality in the Nordic region. The loan loss ratio amounted to 3.1% (2.8).

Share of loan portfolio by country



Operating profit (SEK million)



# How We Create Long-Term Customer Value in Everyday Finance

Avarda's credit card is a fee-free card designed for global use, with each customer receiving an individual credit limit. The offering is aimed at a broad customer base, ranging from consumers seeking financial flexibility to everyday users who value simplicity and secure online payments. The card also appeals to frequent travellers who want to avoid foreign exchange fees and benefit from travel insurance.

What we're most proud of is being able to offer our customers a fully digital and frictionless experience that provides simplicity, transparency, and control throughout the entire customer journey. Through efficient credit processes and automated onboarding, customers can gain access to the card within minutes, with full transparency throughout the process.

During the interim period, work on our new platform has been a key driver of product development. The previous country-specific structure is now being replaced by a shared framework, where each enhancement is developed once and launched across all markets from day one. This enables faster innovation, a broader product portfolio, and a stronger digital customer experience. At the same time, it creates a scalable foundation for our continued growth as a European payments platform.



**"What we're most proud of is being able to offer our customers a fully digital and frictionless experience that provides simplicity, transparency, and control throughout the entire customer journey."**

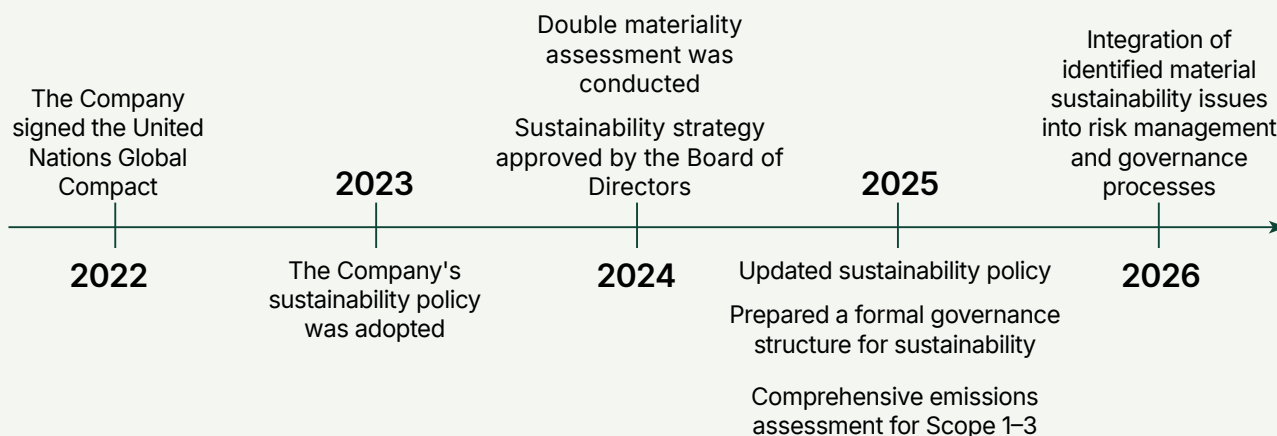
Our marketing strategy is built on a clear digital focus, competitive pricing and the app as our primary customer channel. In the German market, which is still characterised by a more conservative financial culture, transparency and control are particularly important factors. Through customer reviews and feedback from platforms such as Trustpilot, we gain valuable insights. These insights are continuously used to further develop and optimise both the app and the credit card offering based on customer needs, market trends, and the competitive landscape.

*Lisa Eckert  
Head of Acquisition*

## Sustainability - Responsible Lending

In a well-functioning economy, responsible lending plays a vital role by providing individuals with access to essential financial services in a safe, transparent, and sustainable manner. At Avarda Group, we actively work to continuously strengthen our sustainability efforts and thereby support the United Nations Sustainable Development Goals (UN SDGs).

We integrate environmental, social, and governance (ESG) aspects into our business model, risk management, and decision-making processes. This is achieved through responsible lending practices, transparent customer dialogue, and a long-term approach to value creation.



The timeline above presents the most significant sustainability-related initiatives during the period 2022 - 2026.

# Group Performance

## January - June 2026

### Compared to January - June 2025

#### Operating profit

Operating profit increased by 31% to SEK 500.6 million (382.9). The risk-adjusted margin improved to 8.8% (8.5) and, combined with the growing loan portfolio, drove the increase in operating profit. Adjusted earnings per share increased by 33% to SEK 5.87 (4.43) and the adjusted return on equity amounted to 24.7 % (21.9).

#### Operating income

The operating income increased by 27% to SEK 1,723 million (1,359). The increase is related to the growing loan portfolio and geographically it was primarily Germany that had higher operating income. Operating income margin improved to 13.8% (13.0). Revenue per customer amounted to SEK 1,002 (936) on an annualised basis, which was a strong contributing factor to the strengthened operating income margin. The operating income comprises 93% of net interest income and 7% of net fee and commission income.

Interest income increased by 22% to SEK 2,023 million (1,652), which is primarily due to a growing loan portfolio.

Interest expenses increased by 3% to SEK 414.4 million (400.8), which is mainly explained by rising deposit balances.

Net fee and commission income increased by 10% to SEK 116.4 million (105.8). The increase is mainly attributable to higher insurance premiums and higher transaction volumes in the Everyday Finance segment. During the interim period, 43% of the fee and commission income originated from insurance premiums, 27% from reminder fees and 30% from other commission income.

#### Operating expenses

The operating expenses increased by 18% to SEK 602.5 million (508.9). The increase is mainly explained by higher sales-related expenses due to an increase in the number of customers and higher debt collection costs. However, the C/I ratio improved to 35.0% (37.5), mainly due to continued economies of scale in the business.

#### Loan losses

The net loan losses increased by 33% to SEK 620.1 million (466.7) which is mainly explained by the growing loan portfolio in the Everyday Finance. The net loan loss ratio amounted to 5.0% (4.5).

#### Tax expenses

The tax expenses increased by 35% to SEK 113.2 million (83.9). The increase in the tax expenses is primarily related to a higher operating profit.

### Compared to 31 December 2025

(unless otherwise stated)

#### Loans to the public

The loan portfolio amounted to SEK 26,297 million (21,671), an increase in local currencies of 21% compared to June 2025. The growth is primarily driven by the number of customers that increased by 16% to 3.5 million (3.0). Transaction volume increased by 32% to SEK 26,027 million (19,771) compared to the first half of 2025. The increase is driven by the Everyday Finance segment.

Avarda Group's loan portfolio is well-diversified with relatively small exposures in several different geographic markets. At the end of the interim period, the exposure towards the three largest countries was Germany at 48%, Norway at 18% and Finland at 10%.

#### Deposits from the public

Deposits from the public amounted to SEK 28,342 million (22,396), an increase of 27% in local currencies compared to June 2025. At the end of the interim period, deposits were geographically distributed between Germany 66%, the Netherlands 22% and other countries 12%.

The increased deposit balance over the past year is mainly attributable to Germany and the Netherlands. At the end of the quarter, accounts with a fixed term comprised of 43% (44) of Avarda Group's total deposits.

#### Cash and cash equivalents

Cash and cash equivalents increased to SEK 5,717 million (4,660) during the first half of the year. At the end of the interim period, the available liquidity reserve amounted to 19% (17) <sup>1</sup> of deposits from the public.

#### Capital adequacy

The capital ratios have decreased slightly and at the end of the first half-year the CET1 capital ratio was 12.8% (13.0), the Tier 1 capital ratio was 14.0% (14.2) and the total capital ratio was 15.7% (16.1). All capital ratios are impacted by the growth of the loan portfolio during the second quarter and deductions for foreseeable dividend payments included in the capital base.

At the end of the first half-year, Avarda Group's statutory Common Equity Tier 1 capital requirement was 8.8%, the Tier 1 capital requirement was 10.6% and the total capital requirement was 12.9%.

<sup>1</sup> Excluding restricted cash and cash equivalents that are not available on the following day.

# Group Performance

## April - June 2026

---

Compared to April - June 2025

### Operating profit

Operating profit increased by 31% to SEK 255.9 million (195.1). The risk-adjusted margin improved to 8.9% (8.7) and, combined with the growing loan portfolio, drove the increase in operating profit. Earnings per share increased by 33% to SEK 2.97 (2.24) and the return on equity amounted to 24.2% (21.6).

### Operating income

The operating income increased by 30% to SEK 896.4 million (690.1). The increase is related to the growing loan portfolio and geographically it was primarily Germany that had higher operating income. Operating income margin improved to 14.1% (13.2). Revenue per customer amounted to SEK 1,035 on an annualised basis, which was a strong contributing factor to the strengthened operating income margin. The operating income comprises 94% of net interest income and 6% of net fee and commission income.

### Operating expenses

The operating expenses increased by 19% to SEK 310.3 million (259.9). The increase is mainly explained by higher sales-related expenses due to an increase in the number of customers and higher debt collection costs. The C/I ratio improved to 34.6% (37.7), as a result of continued economies of scale in the business.

### Loan losses

The net loan losses increased by 40% to SEK 330.1 million (235.1) which is mainly explained by the growing loan portfolio in the Everyday Finance. The net loan loss ratio amounted to 5.2% (4.5).

### Loans to the public

The loan portfolio amounted to SEK 26,297 million (21,671), an increase in local currencies of 21% compared to June 2025. The growth is primarily driven by the number of customers that increased by 16% to 3.5 million (3.0). Transaction volume increased by 35% to SEK 14,157 million (10,524) compared to the second quarter of 2025. The increase is driven by higher transaction volume in the Everyday Finance segment.

# Other Information



## Overview

Avarda Group simplifies how customers across Europe manage their personal finances. We have been listed on Nasdaq Stockholm since 2016. Rooted in our Swedish heritage, we combine a pragmatic and disciplined business mindset, with cutting-edge technology and innovation, always with a strong focus on cost-efficiency and profitability. Our proprietary, scalable platform and infrastructure enable efficient expansion across multiple markets.

## Accounting policies

The interim report has been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. In addition, the supplementary provisions of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), RFR 1 issued by the Swedish Sustainability and Financial Reporting Board, and the regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25) have been applied.

The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), RFR 2 issued by the Swedish Sustainability and Financial Reporting Board, and the regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25).

Avarda Group's accounting policies, calculation methods and presentation are, in all material respects, unchanged compared with the 2025 annual report. However, during the period, reclassifications have been made within the balance sheet affecting the items Other assets, Prepaid expenses and accrued income, Deposits and borrowings from the public, Other liabilities, and Accrued expenses and deferred income.

## Risks and uncertainties

Various types of risks arise in the Group's operations and these risks may materialise in different ways across the business. The following main risk categories have been identified:

- Credit risks (including credit risks related to the loan portfolio, credit-related concentration risks and counterparty risks)
- Market risks (interest rate, and foreign exchange risks)
- Liquidity risks
- Operational risks (including process risks, IT and systemic risks and external risks)
- Other business risks (including business risks, cyclical risks and reputational risks)

The Group assesses credit risks, liquidity risks and operational risks to be the most significant risks. To limit and control risk-taking within the business, the Board of Directors, which holds ultimate responsibility for internal control, has established policies and instructions governing lending and other activities.

Banking operations are subject to extensive regulations concerning capital adequacy and liquidity requirements, primarily governed by the regulatory package that comprises Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR), which jointly implement the Basel agreement within the European Union (collectively known as the "Basel regulatory framework"). The Basel regulatory framework includes certain capital requirements designed to be variable over time and that are dependent on the presence of cyclical and structural systemic risks. The Company must, at all times, comply with the specified capital and liquidity ratios and maintain adequate capital and access to liquidity. Avarda Group monitors changes to capital and liquidity requirements and takes these into consideration regarding the financial targets.

More information about the Group's credit risks and capital adequacy can be found in notes 2 and 9 and on page 46 in the interim report. For a more detailed description of financial risks and the use of financial instruments, as well as capital adequacy, see notes G3 and G34 of the Annual report 2025.

## Parent Company

The Parent Company Avarda Bank AB (Publ) is headquartered in Borås. Operating income in the Parent Company increased by 12% to SEK 1,517 million (1,355), which is mainly explained by the growing loan portfolio within the Everyday Finance segment. Operating profit increased by 20% to SEK 460.5 million (384.4).

## Geopolitical and macroeconomic uncertainty

The evolving external environment, characterised by both geopolitical tensions and macroeconomic uncertainty, may affect Avarda Group's operations. The geopolitical situation remains uncertain in parts of Europe, which also contributes to more volatile macroeconomic developments. Taken together, these factors may impact both the demand for credit and customers' repayment capacity. It cannot therefore be ruled out that Avarda Group's operations, new lending, and loan losses may be negatively affected going forward by geopolitical and macroeconomic events.

## Significant events during the period

On 20 March 2026, the Company published its annual and sustainability report for 2025.

On 27 March 2026, the British subsidiary, TFBN Services Ltd, was granted authorisation by the supervisory authority (the Financial Conduct Authority) to conduct consumer credit activities and provide payment services in the United Kingdom.

The Annual General Meeting on 5 May resolved on a dividend to shareholders of SEK 5.00 per share. John Brehmer was re-elected as Chairman of the Board, while Jina Zachrisson was elected as a new Board member. Fredrik Oweson had declined re-election. The other Board members were re-elected at the meeting.

## Transactions with related parties

Transactions between Group companies relate to the invoicing of services provided by subsidiaries. Transactions with other related parties in the table below refer to transactions between Avarda Group and companies that, to a large extent, have the same owners as Avarda Group's largest shareholder, TFB Holding AB, with company registration number 556705-2997. All transactions are carried out on market terms.

## The share

Avarda Group was listed on Nasdaq Stockholm in the Mid Cap segment on 14 June 2016. The share was traded up to and including 9 April 2026 under the ticker name TFBANK, with ISIN code SE0025666969. From 10 April, in connection with the name change to Avarda Bank AB, the share is traded under a new ticker: AVARDA, with ISIN code SE0025666969.

As of 30 June 2026, the number of shares amounted to 64,650,000. The closing price as of 30 June 2026 was SEK 179.4, and the number of shareholders amounted to 5,626.

### Ownership of Avarda Bank AB as of 30 June 2026

Shareholder	%
TFB Holding AB	29.28
Tiberon AB	15.62
Erik Selin Fastigheter AB	12.53
Proventus Aktiebolag	4.17
Maud Umberg Weil	3.91
Carnegie Fonder AB	3.53
Nordnet Pensionsförsäkringar AB	3.34
Försäkringsbolaget Avanza Pension	1.31
Amidak AB	1.24
Anders Klein	1.07
Other shareholders	24.00
<b>Total</b>	<b>100.00</b>

Source: Euroclear

### Financial targets

On the 13 April 2025 the Board has adopted the following financial targets:

- **Growth** – Avarda Bank's aim is to achieve a loan portfolio of SEK 35 billion by the second half of 2027.
- **Profitability** – Avarda Bank's aim is to maintain a return on equity well above 20%.
- **Capital structure** – Avarda Bank's aim is that all capital ratios should exceed the regulatory requirement (including Pillar 2 and buffer requirements) by at least 2.5 percentage points.

### Dividend

Avarda Group's dividend policy is to distribute surplus capital in relation to capital targets and the Bank's capital planning.

### The Board of Directors

The Board of Directors in Avarda Bank AB (publ) consists of Chairman John Brehmer and Board members Sara Mindus, Niklas Johansson, Michael Lindengren, Jina Zachrisson and Arti Zeighami.

### Executive Directors

The Executive Directors in Avarda Bank AB (publ) consist of Group CEO Joakim Jansson, Group CFO Mikael Meomuttel and CCO Vilma Sool.

### Employees

The average number of full-time employees (FTEs) in the Group during the period 1 January – 30 June 2026 was 511 (460), of which 47% were women and 53% men.

# Assurance by the Board of Directors and the CEO

The Board of Directors and the CEO certify that the interim report gives a true and fair overview of the development of the operations, financial position and result of the Parent Company and the Group and describes the material risks and uncertainties that the Parent Company and the Group face.

Borås, 9 July 2026

John Brehmer  
Chairman

Niklas Johansson

Michael Lindengren

Sara Mindus

Jina Zachrisson

Arti Zeighami

Joakim Jansson  
Group CEO

## Presentation for investors, analysts and media

A conference call will be held on Friday, 10 July 2026, at 08:15 CEST, during which Group CEO Joakim Jansson and Group CFO Mikael Meomuttel will present the interim report for the second quarter. Following the presentation, there will also be an opportunity to ask questions about the interim report. The presentation will be in English, while the conference call will be conducted in Swedish.

To listen and ask questions, please dial +46 (0)8 5050 0829 and enter the meeting code 988 3030 5075. International investors will also have the opportunity to ask questions in English during the final Q&A session. A recording of the conference call and the presentation materials will be made available afterwards on the Company's website, [group.avarda.com](http://group.avarda.com).

## Financial Calendar

### 14 October 2026

Interim Report,  
January - September 2026

### 20 January 2027

Year-end Report,  
January - December 2026

## For more information, please contact

### Group CEO

Joakim Jansson  
[joakim.jansson@avarda.com](mailto:joakim.jansson@avarda.com)

### Group CFO

Mikael Meomuttel  
[mikael.meomuttel@avarda.com](mailto:mikael.meomuttel@avarda.com)

### Registered office

Lilla Brogatan 6, SE-503 30 Borås  
Phone: +46 33 722 35 00  
[group.avarda.com](http://group.avarda.com)

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

This information is such information that Avarda Bank is required to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication on 10 July 2026 at 07:00 CEST.

# Group Financial Statements



# Income Statement, Consolidated

SEK thousand	Note	Apr-Jun 2026	Apr-Jun 2025	Jan-Jun 2026	Jan-Jun 2025	Jan-Dec 2025
<b>Operating income</b>						
Interest income		1,054,159	832,221	2,023,173	1,651,570	3,487,581
Interest expense		-212,193	-198,229	-414,371	-400,766	-808,621
<b>Net interest income</b>		<b>841,966</b>	<b>633,992</b>	<b>1,608,802</b>	<b>1,250,804</b>	<b>2,678,960</b>
Fee and commission income		127,567	106,886	245,196	212,245	441,994
Fee and commission expense		-69,847	-53,248	-128,817	-106,487	-220,139
<b>Net fee and commission income</b>		<b>57,720</b>	<b>53,638</b>	<b>116,379</b>	<b>105,758</b>	<b>221,855</b>
Net results from financial transactions		-3,277	2,474	-1,965	2,037	3,689
<b>Total operating income</b>		<b>896,409</b>	<b>690,104</b>	<b>1,723,216</b>	<b>1,358,599</b>	<b>2,904,504</b>
<b>Operating expenses</b>						
General administrative expenses		-273,185	-227,834	-532,019	-443,279	-917,765
Depreciation and amortisation of tangible and intangible assets		-16,657	-16,927	-33,809	-34,130	-70,467
Other operating expenses		-20,504	-15,129	-36,690	-31,521	-64,660
<b>Total operating expenses</b>		<b>-310,346</b>	<b>-259,890</b>	<b>-602,518</b>	<b>-508,930</b>	<b>-1,052,892</b>
<b>Profit before loan losses</b>		<b>586,063</b>	<b>430,214</b>	<b>1,120,698</b>	<b>849,669</b>	<b>1,851,612</b>
Net loan losses	4	-330,123	-235,123	-620,123	-466,721	-995,804
<b>Operating profit</b>		<b>255,940</b>	<b>195,091</b>	<b>500,575</b>	<b>382,948</b>	<b>855,808</b>
Items affecting comparability		-	-	21,637	-2,251	-2,251
Income tax for the period		-57,662	-43,751	-113,165	-83,885	-186,511
<b>Profit for the period</b>		<b>198,278</b>	<b>151,340</b>	<b>409,047</b>	<b>296,812</b>	<b>667,046</b>
<i>Profit for the period attributable to:</i>						
Shareholders of the Parent Company		192,065	144,863	396,848	283,911	641,208
Parent Company holders of additional Tier 1 capital instruments		6,213	6,477	12,199	12,901	25,838
<i>Basic earnings per share (SEK)</i>		2.97	2.24	6.14	4.39	9.92
<i>Diluted earnings per share (SEK)</i>		2.97	2.24	6.14	4.39	9.92

# Statement of Other Comprehensive Income, Consolidated

SEK thousand	Apr-Jun 2026	Apr-Jun 2025	Jan-Jun 2026	Jan-Jun 2025	Jan-Dec 2025
Profit for the period	198,278	151,340	409,047	296,812	667,046
Other comprehensive income					
Items that may subsequently be reclassified to the income statement					
Gross exchange rate differences	2,775	-1,211	2,119	-1,329	-6,296
Tax on exchange rate differences in the period	-	-	-	-	-15,668
<b>Other comprehensive income for the period</b>	<b>2,775</b>	<b>-1,211</b>	<b>2,119</b>	<b>-1,329</b>	<b>-21,964</b>
<b>Total comprehensive income for the period</b>	<b>201,053</b>	<b>150,129</b>	<b>411,166</b>	<b>295,483</b>	<b>645,082</b>
<i>Comprehensive income for the period attributable to:</i>					
<i>Shareholders of the Parent Company</i>	<i>194,840</i>	<i>143,652</i>	<i>398,967</i>	<i>282,582</i>	<i>619,244</i>
<i>Parent Company holders of additional Tier 1 capital instruments</i>	<i>6,213</i>	<i>6,477</i>	<i>12,199</i>	<i>12,901</i>	<i>25,838</i>

# Balance Sheet, Consolidated

SEK thousand	Note	30 Jun 2026	31 Dec 2025
<b>Assets</b>			
Cash and balances with central banks		8,937	17,576
Treasury bills eligible for refinancing		4,021,048	2,489,437
Loans to credit institutions		1,762,413	2,236,407
Loans to the public	3,7	26,296,888	23,678,282
Shares		139,398	117,267
Goodwill		20,011	20,011
Intangible assets		74,356	82,703
Tangible assets		102,364	75,182
Other assets		149,033	176,311
Current tax assets		-	4,368
Deferred tax assets		95,227	86,129
Prepaid expenses and accrued income		67,629	90,188
<b>Total assets</b>		<b>32,737,304</b>	<b>29,073,861</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Deposits and borrowings from the public	8	28,342,225	24,856,055
Other liabilities		307,846	228,496
Current tax liabilities		33,285	81,100
Accrued expenses and prepaid income		292,452	220,660
Deferred tax liabilities		13	1,120
Provisions		2,535	3,589
Subordinated liabilities	11	395,195	394,844
<b>Total liabilities</b>		<b>29,373,551</b>	<b>25,785,864</b>
<b>Equity</b>			
Share capital		107,750	107,750
Foreign currency reserve		-17,651	-19,770
Retained earnings including the profit for the period		3,023,654	2,950,017
<b>Total equity attributable to the shareholders of the Parent Company</b>		<b>3,113,753</b>	<b>3,037,997</b>
Tier 1 capital instrument		250,000	250,000
<b>Total equity attributable to the owners of the Parent Company</b>		<b>3,363,753</b>	<b>3,287,997</b>
<b>Total liabilities and equity</b>		<b>32,737,304</b>	<b>29,073,861</b>

# Statement of Changes in Equity, Consolidated

SEK thousand	Share capital <sup>1</sup>	Foreign currency reserve	Retained earnings including the year's results	Tier 1 capital instrument <sup>2</sup>	Total equity
Equity as at 1 Jan 2025	107,500	2,194	2,412,986	250,000	2,772,680
Profit for the year	-	-	667,046	-	667,046
Other comprehensive income for the year	-	-21,964	-	-	-21,964
<i>Total comprehensive income for the year</i>	-	-21,964	667,046	-	645,082
<i>Transactions with owners of the Parent Company</i>					
<i>Contributions from and value transfers to owners of the Parent Company</i>					
Targeted share issue	250	-	-	-	250
Dividend to shareholders	-	-	-107,750	-	-107,750
Interest on Tier 1 capital instrument	-	-	-25,838	-	-25,838
Share based remunerations	-	-	3,573	-	3,573
<i>Total contributions from and value transfers to owners of the Parent Company</i>	250	-	-130,015	-	-129,765
Equity as at 31 Dec 2025	107,750	-19,770	2,950,017	250,000	3,287,997
Equity as at 1 Jan 2026	107,750	-19,770	2,950,017	250,000	3,287,997
Profit for the period	-	-	409,047	-	409,047
Other comprehensive income for the period	-	2,119	-	-	2,119
<i>Total comprehensive income for the period</i>	-	2,119	409,047	-	411,166
<i>Transactions with owners of the Parent Company</i>					
<i>Contributions from and value transfers to owners of the Parent Company</i>					
Dividend to shareholders	-	-	-323,250	-	-323,250
Interest on Tier 1 capital instrument	-	-	-12,199	-	-12,199
Share based remunerations	-	-	39	-	39
<i>Total transactions with owners of the Parent Company</i>	-	-	-335,410	-	-335,410
Equity as at 30 Jun 2026	107,750	-17,651	3,023,654	250,000	3,363,753

<sup>1</sup> Share capital comprises 64,650,000 shares of SEK 1.67 each.

<sup>2</sup> Perpetual bonds, SEK 100 million with interest terms STIBOR 3 months +6.25% and first possible redemption 1 December 2026, and SEK 150 million with interest terms STIBOR 3 months +8.75% and first possible redemption 6 September 2028.

# Cash Flow Statement, Consolidated

SEK thousand	Jan-Jun 2026	Jan-Jun 2025	Jan-Dec 2025
<b>Operating activities</b>			
Operating profit	500,575	382,948	855,808
<i>Adjustment for items not included in cash flow</i>			
Depreciation and amortisation of tangible and intangible assets	33,809	34,130	70,467
Accrued interest income and expense	396	-46,728	-76,630
Other non-cash items	3,344	1,965	-2,043
Paid income tax	-156,612	-147,534	-188,622
<b>Cash flows from operations before changes in working capital</b>	<b>381,512</b>	<b>224,781</b>	<b>658,980</b>
Increase/decrease in loans to the public	-2,618,606	-1,405,054	-3,412,824
Increase/decrease in other short-term receivables	-114,450	4,826	87,259
Increase/decrease in deposits and borrowings from the public	3,486,170	1,003,931	3,658,074
Increase/decrease in other short-term liabilities	147,374	54,168	-115,997
Change in restricted bank deposits	8,001	284	-71,549
<b>Cash flow from operating activities</b>	<b>1,290,001</b>	<b>-117,064</b>	<b>803,943</b>
<b>Investing activities</b>			
Investments in tangible assets	-26,264	-3,366	-7,281
Investments in intangible assets	-12,506	-19,873	-34,566
Changes in investments in associates	21,637	-2,251	-2,251
<b>Cash flow from investing activities</b>	<b>-17,133</b>	<b>-25,490</b>	<b>-44,098</b>
<b>Financing activities</b>			
Paid interest on lease debt	-835	-784	-1,345
Amortisation of lease debt	-10,018	-8,484	-17,619
New share issue	-	-	250
Redemption of Tier 2 capital instrument	-	-	-100,000
Issue of Tier 2 capital instrument	-	-	150,000
Interest on Tier 1 capital instrument	-12,199	-12,901	-25,838
Dividend to shareholders	-323,250	-107,750	-107,750
<b>Cash flow from financing activities</b>	<b>-346,302</b>	<b>-129,919</b>	<b>-102,302</b>
<b>Cash flow for the period</b>	<b>926,566</b>	<b>-272,473</b>	<b>657,543</b>
Cash and cash equivalents at the beginning of period	4,659,646	4,246,859	4,246,859
Exchange rate difference in cash and cash equivalents	130,413	-115,709	-244,756
<b>Cash and cash equivalents at the end of period</b>	<b>5,716,625</b>	<b>3,858,677</b>	<b>4,659,646</b>
<i>Cash flow from operating activities includes interest expenses paid and interest payments received</i>			
Interest expenses paid	-412,371	-447,589	-884,412
Interest payments received	1,911,872	1,591,386	3,390,106
<b>Components of cash and cash equivalents</b>			
Cash and balances with central banks	8,937	18,070	17,576
Treasury bills eligible for refinancing, etc.	4,021,048	2,223,307	2,489,437
Loans to credit institutions	1,762,413	1,629,241	2,236,407
Restricted bank deposits	-75,773	-11,941	-83,774
<b>Total cash and cash equivalents</b>	<b>5,716,625</b>	<b>3,858,677</b>	<b>4,659,646</b>

# Note 1 General Information

Avarda Bank AB, org.nr. 556158-1041, is a limited company with its registered office in Borås, Sweden, which has a licence to conduct banking operations. The Company conducts lending and/or deposit activities to private individuals in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland, the Netherlands and Italy by subsidiary, branch or cross-border banking with the support of the Swedish banking licence.

## Company Structure

Company	Reg.nr
<b>Parent Company</b>	
Avarda Bank AB	556158-1041
<b>Branches</b>	
Avarda Bank AB, branch Finland	2594352-3
Avarda Bank AB, branch Poland	PL9571076774
TF Bank AB, branch Estonia	14304235
Avarda Bank AB, branch Norway	923 194 592
TF Bank AB, branch Latvia	50203334311
TF Bank AB, branch Lithuania	306989111
TF Bank AB, branch Spain	W0298854A
<b>Subsidiaries</b>	
TF Bank Nordic AB	559476-6379
TF Bank Nordic AB NUF, branch Norge	935 301 734
TF Bank Nordic AB, branch Finland	3529515-2
TFB Service GmbH	HRB 208869 B
TFBN Services Ltd	15924773
TFB Holding Ltd	C 112948
TFB Service UAB	304785170
Yieldloop AB	559526-1859
Avarda AS	931 481 169
Credento Bank AB	559530-1945

## Ownership of Avarda Bank AB as at 30 June 2026

Shareholder	%
TFB Holding AB	29.28
Tiberon AB	15.62
Erik Selin Fastigheter AB	12.53
Proventus Aktiebolag	4.17
Maud Umberg Weil	3.91
Carnegie Fonder AB	3.53
Nordnet Pensionsförsäkringar AB	3.34
Försäkringsbolaget Avanza Pension	1.31
Amidak AB	1.24
Anders Klein	1.07
Other shareholders	24.00
<b>Total</b>	<b>100.00</b>

Source: Euroclear

All subsidiaries are 100% owned.

The term "Company/Group" refers to Avarda Bank AB together with its branches and subsidiaries.

## Note 2 Credit Risk

### Financial risk factors

Through its operations, Avarda Group is exposed to a variety of financial risks: credit risk, market risk (including foreign exchange risk and interest rate risk) and liquidity risk, but also operational risk and other operating risks such as business risks, economic risks, and reputational risks. Avarda Group has designed an operating structure to ensure good risk management. The overall risk policy constitutes the Board of Directors and the management's fundamental policy documents regarding risk management which aim to minimise any potential adverse effects on the Company's financial results. The Board establishes written policies with regards to both the overall risk management and for the specific areas.

Credit risk is the risk that a counterparty causes Avarda Group a financial loss by not fulfilling its contractual obligations to the Company. The area includes credit risks attributable to the loan portfolio, credit-related concentration risks and counterparty risks. Credit risk arises primarily through lending to the public and is the most significant risk in Avarda Group. Furthermore, credit risks exist in the form of placements of liquid funds and derivative instruments. Credit risk is monitored closely by the responsible functions. The Board of Directors has ultimate responsibility and has established the framework for the Company's lending activities in a specific credit policy. A credit committee continuously monitors the development of the risk level in each loan portfolio and decides on and implements changes to Avarda Group's lending activities within the established policy, as well as proposing amendments to this policy to the Board of Directors. The development is reported at each regular Board meeting.

Avarda Group's credit approval process maintains high standards regarding ethics, quality and control. The proportion of past due receivables in category 3 is affected by the fact that past due receivables are continuously sold on the markets where the price level is such that the Board deems it favourable for the Company's development and risk profile. The Company's loans to the public consist primarily of unsecured consumer loans. As a result, Avarda Group does not list credit risk exposures in a separate table as there are limited assets pledged as security.

Credit risk may even arise through placement of liquidity and derivative instruments with a positive value. By setting limits for the maximum exposure to each counterparty, the credit risk of liquidity placement becomes limited. According to the Company's financial policy, the maximum amount of Tier 1 capital that may be placed with Avarda Group's permitted counterparties is 15%, with the exception of institutions for which the permitted amount is 85% of Tier 1 capital. Treasury bills, government bonds and balances with central banks, as well as exposure to subsidiaries, are exempted from both limits.

## Note 3 Operating Segments

The business is divided into two operating segments: Everyday Finance and Consumer Lending. In the Everyday Finance segment, Avarda Group offers credit cards and digital payment solutions, and in Consumer Lending, consumer loans are offered without collateral. The target group for all services is creditworthy private individuals.

Apr-Jun 2026 Income statement, SEK thousand	Everyday Finance	Consumer Lending	Group
Net interest income	630,419	211,547	841,966
Net fee and commission income	42,449	15,271	57,720
Net results from financial transactions	-2,034	-1,243	-3,277
<b>Total operating income</b>	<b>670,834</b>	<b>225,575</b>	<b>896,409</b>
General administrative expenses	-206,159	-67,026	-273,185
Depreciation and amortisation of tangible and intangible assets	-13,564	-3,093	-16,657
Other operating expenses	-17,635	-2,869	-20,504
<b>Total operating expenses</b>	<b>-237,358</b>	<b>-72,988</b>	<b>-310,346</b>
<b>Profit before loan losses</b>	<b>433,476</b>	<b>152,587</b>	<b>586,063</b>
Net loan losses	-261,853	-68,270	-330,123
<b>Operating profit</b>	<b>171,623</b>	<b>84,317</b>	<b>255,940</b>

30 Jun 2026 Balance sheet, SEK thousand	Everyday Finance	Consumer Lending	Group
<b>Loans to the public</b>			
Household sector	17,044,691	9,222,629	26,267,320
Corporate sector <sup>1</sup>	25,567	4,001	29,568
<b>Total loans to the public</b>	<b>17,070,258</b>	<b>9,226,630</b>	<b>26,296,888</b>
<b>Household sector</b>			
Stage 1, net	15,882,184	8,469,098	24,351,282
Stage 2, net	464,648	458,685	923,333
Stage 3, net <sup>2</sup>	697,859	294,846	992,705
<b>Total household sector</b>	<b>17,044,691</b>	<b>9,222,629</b>	<b>26,267,320</b>

Apr-Jun 2026 Key figures <sup>3</sup>	Everyday Finance	Consumer Lending	Group
Operating income margin, %	16.6	9.8	14.1
Net loan loss ratio, %	6.5	3.0	5.2
Risk-adjusted margin, %	10.1	6.8	8.9
Cost/Income ratio, %	35.4	32.4	34.6
Return on loans to the public, %	3.3	2.8	3.0
App-users, number	540,163	-	540,163
Transaction volume, SEK thousand	12,951,230	1,205,583	14,156,813

<sup>1</sup> Lending to the corporate sector consists of loans in Stage 1 to counterparties regarding sale of past due receivables.

<sup>2</sup> The Company regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Company's performance and risk profile.

<sup>3</sup> See separate section with definitions and reconciliation tables, pages 44-45.

## Notes

Apr-Jun 2025 Income statement, SEK thousand	Everyday Finance	Consumer Lending	Group
Net interest income	440,145	193,847	633,992
Net fee and commission income	38,347	15,291	53,638
Net results from financial transactions	1,390	1,084	2,474
<b>Total operating income</b>	<b>479,882</b>	<b>210,222</b>	<b>690,104</b>
General administrative expenses	-163,474	-64,360	-227,834
Depreciation and amortisation of tangible and intangible assets	-13,883	-3,044	-16,927
Other operating expenses	-12,477	-2,652	-15,129
<b>Total operating expenses</b>	<b>-189,834</b>	<b>-70,056</b>	<b>-259,890</b>
<b>Profit before loan losses</b>	<b>290,048</b>	<b>140,166</b>	<b>430,214</b>
Net loan losses	-170,835	-64,288	-235,123
<b>Operating profit</b>	<b>119,213</b>	<b>75,878</b>	<b>195,091</b>

30 Jun 2025 Balance sheet, SEK thousand	Everyday Finance	Consumer Lending	Group
<b>Loans to the public</b>			
Household sector	12,188,341	9,011,292	21,199,633
Corporate sector <sup>1</sup>	206,255	264,624	470,879
<b>Total loans to the public</b>	<b>12,394,596</b>	<b>9,275,916</b>	<b>21,670,512</b>
<b>Household sector</b>			
Stage 1, net	11,418,191	8,420,600	19,838,791
Stage 2, net	405,562	457,957	863,519
Stage 3, net <sup>2</sup>	364,588	132,735	497,323
<b>Total household sector</b>	<b>12,188,341</b>	<b>9,011,292</b>	<b>21,199,633</b>

Apr-Jun 2025 Key figures <sup>3</sup>	Everyday Finance	Consumer Lending	Group
Operating income margin, %	16.2	9.2	13.2
Net loan loss ratio, %	5.8	2.8	4.5
Risk-adjusted margin, %	10.4	6.4	8.7
Cost/Income ratio, %	39.6	33.3	37.7
Return on loans to the public, %	3.1	2.6	2.8
App-users, number	414,112	-	414,112
Transaction volume, SEK thousand	9,186,061	1,338,298	10,524,359

<sup>1</sup> Lending to the corporate sector consists of loans in Stage 1 to counterparties regarding sale of past due receivables.

<sup>2</sup> The Company regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Company's performance and risk profile.

<sup>3</sup> See separate section with definitions and reconciliation tables, pages 44-45.

## Notes

Jan-Jun 2026 Income statement, SEK thousand	Everyday Finance	Consumer Lending	Group
Net interest income	1,194,245	414,557	1,608,802
Net fee and commission income	86,445	29,934	116,379
Net results from financial transactions	-1,243	-722	-1,965
<b>Total operating income</b>	<b>1,279,447</b>	<b>443,769</b>	<b>1,723,216</b>
General administrative expenses	-404,068	-127,951	-532,019
Depreciation and amortisation of tangible and intangible assets	-27,861	-5,948	-33,809
Other operating expenses	-30,927	-5,763	-36,690
<b>Total operating expenses</b>	<b>-462,856</b>	<b>-139,662</b>	<b>-602,518</b>
<b>Profit before loan losses</b>	<b>816,591</b>	<b>304,107</b>	<b>1,120,698</b>
Net loan losses	-477,622	-142,501	-620,123
<b>Operating profit</b>	<b>338,969</b>	<b>161,606</b>	<b>500,575</b>

30 Jun 2026 Balance sheet, SEK thousand	Everyday Finance	Consumer Lending	Group
<b>Loans to the public</b>			
Household sector	17,044,691	9,222,629	26,267,320
Corporate sector <sup>1</sup>	25,567	4,001	29,568
<b>Total loans to the public</b>	<b>17,070,258</b>	<b>9,226,630</b>	<b>26,296,888</b>
<b>Household sector</b>			
Stage 1, net	15,882,184	8,469,098	24,351,282
Stage 2, net	464,648	458,685	923,333
Stage 3, net <sup>2</sup>	697,859	294,846	992,705
<b>Total household sector</b>	<b>17,044,691</b>	<b>9,222,629</b>	<b>26,267,320</b>

Jan-Jun 2026 Key figures <sup>3</sup>	Everyday Finance	Consumer Lending	Group
Operating income margin, %	16.2	9.7	13.8
Net loan loss ratio, %	6.0	3.1	5.0
Risk-adjusted margin, %	10.2	6.6	8.8
Cost/Income ratio, %	36.2	31.5	35.0
Return on loans to the public, %	3.3	2.7	3.2
App-users, number	540,163	-	540,163
Transaction volume, SEK thousand	23,449,441	2,577,643	26,027,084

<sup>1</sup> Lending to the corporate sector consists of loans in Stage 1 to counterparties regarding sale of past due receivables.

<sup>2</sup> The Company regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Company's performance and risk profile.

<sup>3</sup> See separate section with definitions and reconciliation tables, pages 44-45.

## Notes

Jan-Jun 2025 Income statement, SEK thousand	Everyday Finance	Consumer Lending	Group
Net interest income	861,192	389,612	1,250,804
Net fee and commission income	75,140	30,618	105,758
Net results from financial transactions	1,150	887	2,037
<b>Total operating income</b>	<b>937,482</b>	<b>421,117</b>	<b>1,358,599</b>
General administrative expenses	-319,819	-123,460	-443,279
Depreciation and amortisation of tangible and intangible assets	-27,739	-6,391	-34,130
Other operating expenses	-26,209	-5,312	-31,521
<b>Total operating expenses</b>	<b>-373,767</b>	<b>-135,163</b>	<b>-508,930</b>
<b>Profit before loan losses</b>	<b>563,715</b>	<b>285,954</b>	<b>849,669</b>
Net loan losses	-340,390	-126,331	-466,721
<b>Operating profit</b>	<b>223,325</b>	<b>159,623</b>	<b>382,948</b>

30 Jun 2025 Balance sheet, SEK thousand	Everyday Finance	Consumer Lending	Group
<b>Loans to the public</b>			
Household sector	12,188,341	9,011,292	21,199,633
Corporate sector <sup>1</sup>	206,255	264,624	470,879
<b>Total loans to the public</b>	<b>12,394,596</b>	<b>9,275,916</b>	<b>21,670,512</b>
<b>Household sector</b>			
Stage 1, net	11,418,191	8,420,600	19,838,791
Stage 2, net	405,562	457,957	863,519
Stage 3, net <sup>2</sup>	364,588	132,735	497,323
<b>Total household sector</b>	<b>12,188,341</b>	<b>9,011,292</b>	<b>21,199,633</b>

Jan-Jun 2025 Key figures <sup>3</sup>	Everyday Finance	Consumer Lending	Group
Operating income margin, %	15.9	9.2	13.0
Net loan loss ratio, %	5.8	2.8	4.5
Risk-adjusted margin, %	10.1	6.4	8.5
Cost/Income ratio, %	39.9	32.1	37.5
Return on loans to the public, %	2.9	2.7	2.7
App-users, number	414,112	-	414,112
Transaction volume, SEK thousand	17,009,456	2,761,178	19,770,634

<sup>1</sup> Lending to the corporate sector consists of loans in Stage 1 to counterparties regarding sale of past due receivables.

<sup>2</sup> The Company regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Company's performance and risk profile.

<sup>3</sup> See separate section with definitions and reconciliation tables, pages 44-45.

## Notes

Jan-Dec 2025 Income statement, SEK thousand	Everyday Finance	Consumer Lending	Group
Net interest income	1,886,011	792,949	2,678,960
Net fee and commission income	158,688	63,167	221,855
Net results from financial transactions	2,140	1,549	3,689
<b>Total operating income</b>	<b>2,046,839</b>	<b>857,665</b>	<b>2,904,504</b>
General administrative expenses	-664,674	-253,091	-917,765
Depreciation and amortisation of tangible and intangible assets	-58,498	-11,969	-70,467
Other operating expenses	-53,835	-10,825	-64,660
<b>Total operating expenses</b>	<b>-777,007</b>	<b>-275,885</b>	<b>-1,052,892</b>
<b>Profit before loan losses</b>	<b>1,269,832</b>	<b>581,780</b>	<b>1,851,612</b>
Net loan losses	-752,090	-243,714	-995,804
<b>Operating profit</b>	<b>517,742</b>	<b>338,066</b>	<b>855,808</b>

31 Dec 2025 Balance sheet, SEK thousand	Everyday Finance	Consumer Lending	Group
<b>Loans to the public</b>			
Household sector	14,327,554	8,925,694	23,253,248
Corporate sector <sup>1</sup>	228,864	196,170	425,034
<b>Total loans to the public</b>	<b>14,556,418</b>	<b>9,121,864</b>	<b>23,678,282</b>
<b>Household sector</b>			
Stage 1, net	13,330,532	8,281,790	21,612,322
Stage 2, net	437,335	429,732	867,067
Stage 3, net <sup>2</sup>	559,687	214,172	773,859
<b>Total household sector</b>	<b>14,327,554</b>	<b>8,925,694</b>	<b>23,253,248</b>

Jan-Dec 2025 Key figures <sup>3</sup>	Everyday Finance	Consumer Lending	Group
Operating income margin, %	15.9	9.4	13.2
Net loan loss ratio, %	5.8	2.7	4.5
Risk-adjusted margin, %	10.1	6.7	8.7
Cost/Income ratio, %	38.0	32.2	36.3
Return on loans to the public, %	3.0	2.8	2.9
App-users, number	466,282	-	466,282
Transaction volume, SEK thousand	40,192,284	5,536,226	45,728,510

## Note 4 Net Loan Losses

SEK thousand	Apr-Jun 2026	Apr-Jun 2025	Jan-Jun 2026	Jan-Jun 2025	Jan-Dec 2025
Change in provision for sold past due receivables	-239,021	-23,854	-263,086	-72,554	-109,272
Realised loan losses	-42,739	-8,785	-70,580	-11,677	-28,404
Recovered from previous realised loan losses	229	93	335	191	1,225
Change in provision for expected loan losses, Stage 1-3	-48,592	-202,577	-286,792	-382,681	-859,353
<b>Net loan losses</b>	<b>-330,123</b>	<b>-235,123</b>	<b>-620,123</b>	<b>-466,721</b>	<b>-995,804</b>

Loan losses are attributable to Loans to the public and measured at amortised cost.

<sup>1</sup> Lending to the corporate sector consists of loans in Stage 1 to counterparties regarding the sale of past due receivables.

<sup>2</sup> The Company regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Company's performance and risk profile.

<sup>3</sup> See separate section with definitions and reconciliation tables, pages 44-45.

## Note 5 Classification of Financial Assets and Liabilities

30 Jun 2026 SEK thousand	Financial instruments at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Derivatives used for hedge accounting	Non-financial assets and liabilities	Total
	Compulsory					
<b>Assets</b>						
Cash and balances with central banks	-	-	8,937	-	-	8,937
Treasury bills eligible for refinancing	-	-	4,021,048	-	-	4,021,048
Loans to credit institutions	-	-	1,762,413	-	-	1,762,413
Loans to the public	-	-	26,296,888	-	-	26,296,888
Shares	139,398	-	-	-	-	139,398
Derivatives	63,875	-	-	1,265	-	65,140
Other assets	-	-	-	-	443,480	443,480
<b>Total assets</b>	<b>203,273</b>	<b>-</b>	<b>32,089,286</b>	<b>1,265</b>	<b>443,480</b>	<b>32,737,304</b>
<b>Liabilities</b>						
Deposits and borrowings from the public	-	-	28,342,225	-	-	28,342,225
Subordinated liabilities	-	-	395,195	-	-	395,195
Derivatives	-	-	-	-	-	-
Other liabilities	-	-	-	-	636,131	636,131
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>28,737,420</b>	<b>-</b>	<b>636,131</b>	<b>29,373,551</b>

31 Dec 2025 SEK thousand	Financial instruments at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Derivatives used for hedge accounting	Non-financial assets and liabilities	Total
	Compulsory					
<b>Assets</b>						
Cash and balances with central banks	-	-	17,576	-	-	17,576
Treasury bills eligible for refinancing	-	-	2,489,437	-	-	2,489,437
Loans to credit institutions	-	-	2,236,407	-	-	2,236,407
Loans to the public	-	-	23,678,282	-	-	23,678,282
Shares	117,267	-	-	-	-	117,267
Derivatives	52,874	-	-	-	-	52,874
Other assets	-	-	-	-	482,018	482,018
<b>Total assets</b>	<b>170,141</b>	<b>-</b>	<b>28,421,702</b>	<b>-</b>	<b>482,018</b>	<b>29,073,861</b>
<b>Liabilities</b>						
Deposits and borrowings from the public	-	-	24,856,055	-	-	24,856,055
Subordinated liabilities	-	-	394,844	-	-	394,844
Derivatives	48,435	-	-	92	-	48,527
Other liabilities	-	-	-	-	486,438	486,438
<b>Total liabilities</b>	<b>48,435</b>	<b>-</b>	<b>25,250,899</b>	<b>92</b>	<b>486,438</b>	<b>25,785,864</b>

# Note 6 Financial Assets and Liabilities Measured at Fair Value

## Fair value

For financial instruments measured at fair value in the balance sheet, disclosures are required on fair value measurement by level according to the fair value hierarchy below:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Other observable inputs for assets or liabilities are quoted market prices included in Level 1, either directly, i.e. in the form of quoted prices, or indirectly, i.e. derived from quoted prices (Level 2).
- Data for assets or liabilities which are not based on observable market data (non-observable inputs) (Level 3).

The Group also provides information regarding the fair value of certain assets for information purposes.

30 Jun 2026 SEK thousand	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and balances with central banks	-	8,937	-	8,937
Treasury bills eligible for refinancing	4,021,141	-	-	4,021,141
Loans to credit institutions	-	1,762,413	-	1,762,413
Loans to the public	-	-	26,296,888	26,296,888
Shares	-	139,398	-	139,398
Derivatives	-	65,140	-	65,140
<b>Total assets</b>	<b>4,021,141</b>	<b>1,975,888</b>	<b>26,296,888</b>	<b>32,293,917</b>
<b>Liabilities</b>				
Deposits and borrowings from the public	-	-	28,342,225	28,342,225
Subordinated liabilities	-	395,195	-	395,195
Derivatives	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>395,195</b>	<b>28,342,225</b>	<b>28,737,420</b>

31 Dec 2025 SEK thousand	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and balances with central banks	-	17,576	-	17,576
Treasury bills eligible for refinancing	2,489,169	-	-	2,489,169
Loans to credit institutions	-	2,236,407	-	2,236,407
Loans to the public	-	-	23,678,282	23,678,282
Shares	-	117,267	-	117,267
Derivatives	-	52,874	-	52,874
<b>Total assets</b>	<b>2,489,169</b>	<b>2,424,124</b>	<b>23,678,282</b>	<b>28,591,575</b>
<b>Liabilities</b>				
Deposits and borrowings from the public	-	-	24,856,055	24,856,055
Subordinated liabilities	-	394,844	-	394,844
Derivatives	-	48,527	-	48,527
<b>Total liabilities</b>	<b>-</b>	<b>443,371</b>	<b>24,856,055</b>	<b>25,299,426</b>

## Notes

The fair value of financial instruments not traded in an active market (e.g. OTC derivatives) is determined using various valuation techniques. These valuation techniques use observable market data where available and rely as little as possible on entity-specific estimates.

Specific valuation techniques used to measure financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Fair value of currency swap contracts is determined using exchange rates at the balance sheet date.

Loans to the public consist predominantly of receivables bearing variable interest rates and with relatively short maturities. Against this background, the carrying amount is considered to represent a reasonable approximation of the assets' fair value at the end of the reporting period.

30 Jun 2026 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/ Fair value loss (-)
<b>Assets</b>			
Cash and balances with central banks	8,937	8,937	-
Treasury bills eligible for refinancing	4,021,048	4,021,141	93
Loans to credit institutions	1,762,413	1,762,413	-
Loans to the public	26,296,888	26,296,888	-
Shares	139,398	139,398	-
Derivatives	65,140	65,140	-
<b>Total assets</b>	<b>32,293,824</b>	<b>32,293,917</b>	<b>93</b>
<b>Liabilities</b>			
Deposits from the public	28,342,225	28,342,225	-
Subordinated liabilities	395,195	395,195	-
Derivatives	-	-	-
<b>Total liabilities</b>	<b>28,737,420</b>	<b>28,737,420</b>	<b>-</b>

31 Dec 2025 SEK thousand	Carrying amount	Fair value	Fair value gain (+)/ Fair value loss (-)
<b>Assets</b>			
Cash and balances with central banks	17,576	17,576	-
Treasury bills eligible for refinancing	2,489,437	2,489,169	-268
Loans to credit institutions	2,236,407	2,236,407	-
Loans to the public	23,678,282	23,678,282	-
Shares	117,267	117,267	-
Derivatives	52,874	52,874	-
<b>Total assets</b>	<b>28,591,843</b>	<b>28,591,575</b>	<b>-268</b>
<b>Liabilities</b>			
Deposits from the public	24,856,055	24,856,055	-
Subordinated liabilities	394,844	394,844	-
Derivatives	48,527	48,527	-
<b>Total liabilities</b>	<b>25,299,426</b>	<b>25,299,426</b>	<b>-</b>

# Note 7 Loans to the Public

SEK thousand	30 Jun 2026	31 Dec 2025
Loans to the household sector	26,267,320	23,253,248
Loans to the corporate sector <sup>1</sup>	29,568	425,034
<b>Total loans to the public</b>	<b>26,296,888</b>	<b>23,678,282</b>
<b>Loans to the household sector, gross</b>		
Stage 1, gross	24,813,670	22,059,400
Stage 2, gross	1,242,417	1,109,745
Stage 3, gross <sup>2</sup>	2,152,611	1,637,391
<b>Total loans to the household sector, gross</b>	<b>28,208,698</b>	<b>24,806,536</b>
<b>Provisions for expected loan losses, household sector</b>		
Stage 1	-462,388	-447,078
Stage 2	-319,084	-242,678
Stage 3 <sup>2</sup>	-1,159,906	-863,532
<b>Total provisions for expected loan losses, household sector</b>	<b>-1,941,378</b>	<b>-1,553,288</b>
<b>Loans to the household sector, net</b>		
Stage 1, net	24,351,282	21,612,322
Stage 2, net	923,333	867,067
Stage 3, net <sup>2</sup>	992,705	773,859
<b>Total loans to the household sector, net</b>	<b>26,267,320</b>	<b>23,253,248</b>
<b>Loans to the corporate sector</b>		
Loans, net	29,568	425,034
<b>Total loans to the corporate sector, net</b>	<b>29,568</b>	<b>425,034</b>
<i>Geographic distribution of net loans</i>		
Germany	12,643,339	9,989,603
Norway	4,701,563	4,448,229
Finland	2,507,419	2,765,592
Sweden	1,361,520	1,834,039
Latvia	1,261,220	1,206,803
Lithuania	1,070,245	1,067,036
Estonia	995,276	962,077
Austria	955,206	705,694
Denmark	619,962	499,540
Poland	74,973	108,241
Spain	59,095	75,605
Italy	47,070	15,823
<b>Total loans to the public</b>	<b>26,296,888</b>	<b>23,678,282</b>

## Change in provision for net loan losses

SEK thousand	30 Jun 2026	31 Dec 2025
<b>Opening balance</b>	<b>-1,553,288</b>	<b>-798,192</b>
Change in provision for sold loans	-263,086	-109,272
Reversal of provision for sold loans	263,086	109,272
Change in provision for expected loan losses in Stage 1	-1,208	-101,764
Change in provision for expected loan losses in Stage 2	-67,393	-29,848
Change in provision for expected loan losses in Stage 3	-224,411	-728,388
Exchange rate differences	-95,078	104,904
<b>Closing balance</b>	<b>-1,941,378</b>	<b>-1,553,288</b>

<sup>1</sup> Lending to the corporate sector consists of loans in Stage 1 to counterparties regarding sale of past due receivables.

<sup>2</sup> The Company regularly sells past due receivables in markets where the Board of Directors considers the price level to be favourable for the Company's performance and risk profile.

## Note 8 Deposits and Borrowings from the Public

SEK thousand	30 Jun 2026	31 Dec 2025
Germany	18,565,208	17,551,177
Netherlands	6,248,111	4,861,195
Ireland	1,807,165	840,053
Spain	1,188,909	1,031,658
Finland	262,595	286,491
Sweden	167,847	170,667
Norway	102,390	114,814
<b>Total deposits and borrowings from the public</b>	<b>28,342,225</b>	<b>24,856,055</b>

Deposits from the public only occur in the household sector and 98% (99) is covered by a deposit guarantee scheme. Deposits in Finland are payable on demand. Other countries' deposits are payable on demand and on maturity. Deposits with maturity amount to 43% (44) of total deposits from the public.

### Changes in deposits and borrowings from the public

SEK thousand	30 Jun 2026	31 Dec 2025
Opening balance	24,856,055	21,197,981
Change	2,782,134	5,173,182
Exchange rate differences	704,036	-1,515,108
<b>Closing balance</b>	<b>28,342,225</b>	<b>24,856,055</b>

# Note 9 Capital Adequacy

## Background

Information about the Company's capital adequacy in this document includes information in accordance with Chapter 6, Sections 3-4 of the Swedish Financial Supervisory Authority's (Swedish FSA) regulations and general guidelines (FFFS 2008:25) on the annual accounts of credit institutions and investment firms and related information contained in Part Eight of Regulation (EU) No 575/2013 and Chapter 8, Section 1 of the Swedish FSA's regulations and general guidelines on regulatory requirements and capital buffers (FFFS 2014:12). Avarada Bank AB is the responsible institution and is under the supervision of the Swedish FSA. As a result, the Company is subject to the rules governing credit institutions in Sweden. Avarada Bank AB is a listed company and as such, the stock exchange rules are also applicable. Avarada Bank is classified as a small and non-complex institution in accordance with article 4.1.145 of Regulation (EU) No 575/2013. The Company's statutory capital requirements are governed by the Swedish Act on Special Supervision of Credit Institutions and Investment Firms Act (2014:968), Regulation (EU) No 575/2013, the Act on Capital Buffers (2014:966) and the Swedish FSA's regulations and general recommendations on regulatory requirements and capital buffers (FFFS 2014:12).

## Own funds

Avarada Group's own funds consist of equity attributable to the shareholders and issued bonds. Shareholders' equity after regulatory adjustments constitutes common equity Tier 1 capital. Issued bonds constitute Additional Tier 1 capital or Tier 2 capital. The bonds are subordinated to the Company's other creditors and bonds that constitute Additional Tier 1 capital can under certain conditions be converted into share capital. The Swedish FSA approved the Group's application to include the interim profit in the capital base on 12 March 2026.

## Risk exposure amount

The Group's risk exposure amount mainly consists of credit risk and operational risk. The risk exposure amount for credit risk is calculated according to the standardised method and the Company's exposures are weighted based on various percentages specified in Regulation (EU) No. 575/2013. The risk exposure amount for operational risk is calculated using the alternative standardised method in accordance with paragraph 4, Article 314, Regulation (EU) No. 575/2013.

## Capital requirements and Pillar 2 Guidance

The regulatory capital requirement in Pillar 1 means that total own funds must amount to at least 8 % of the risk-weighted exposure amount for credit risk, credit valuation adjustment risk, market risk, and operational risk. After that, additional capital requirements are added for the risks that are not covered via Pillar 1, which include, for example, concentration risk, foreign exchange risk, and interest rate risk. The capital requirements for these risks are covered via Pillar 2. In addition to this, additional capital is allocated for a capital conservation buffer of 2.5% of the risk-weighted exposure amount as well as an institution-specific countercyclical capital buffer that is weighted based on geographical exposures. As of 30 June 2026, Avarada Group's countercyclical buffer requirement of 1.2% is related to 2.5% for exposures in Norway and Denmark, 2.0% for exposures in Sweden, 1.5% for exposures in Estonia, 1.0% for exposures in Latvia, Lithuania and Poland, and 0.75% for exposures in Germany as well as 0.5% for exposures in Spain. The Swedish FSA decided on special own funds requirements and Pillar 2 guidance on 19 March 2025. The Group's previously internally assessed capital requirement has been established, and the Swedish FSA has decided on a Pillar 2 guidance of 0% of the total risk-weighted exposure amount and 0.5% of the total exposure amount for the leverage ratio.

## Internally assessed capital requirement

At least annually, Avarada Group carries out a process to assess whether the Company's capital and liquidity forecast during the coming three-year period is sufficient to manage the risks to which the Company is, or may become, exposed. The process is carried out in accordance with Article 73 of the EU directive EU/2013/36 and is called the internal capital and liquidity assessment process (ICAAP).

## The Group's capital situation<sup>1</sup>

SEK thousand	30 Jun 2026	31 Dec 2025
Common Equity Tier 1 capital (CET1)	2,859,025	2,670,000
Tier 1 capital instruments	250,000	250,000
Tier 2 capital instruments	395,195	394,844
<b>Own funds</b>	<b>3,504,220</b>	<b>3,314,844</b>
<b>Risk exposure amount</b>	<b>22,270,151</b>	<b>20,601,319</b>
- of which: credit risk	20,868,084	19,209,888
- of which: credit valuation adjustment risk	85,051	74,415
- of which: operational risk	1,317,016	1,317,016
<b>Capital ratios</b>		
CET1 capital ratio, %	12.8	13.0
Tier 1 capital ratio, %	14.0	14.2
Total capital ratio, %	15.7	16.1

<sup>1</sup> In accordance with (EU) 2021/637 Avarada Bank discloses the information about capital adequacy and other information as per the template "EU KM1" on page 46.

## Notes

### The Group's capital requirements and Pillar 2 guidance

SEK thousand	30 Jun 2026		31 Dec 2025	
	Amount	Percent <sup>1</sup>	Amount	Percent <sup>1</sup>
<b>Capital requirement under Pillar 1</b>				
CET1 capital	1,002,157	4.5	927,059	4.5
Tier 1 capital	1,336,209	6.0	1,236,079	6.0
Total capital	1,781,612	8.0	1,648,106	8.0
<b>Capital requirement under Pillar 2</b>				
CET1 capital	154,082	0.7	142,536	0.7
Tier 1 capital	205,442	0.9	190,048	0.9
Total capital	273,923	1.2	253,397	1.2
- of which, concentration risk	211,566	1.0	195,713	1.0
- of which, market risk	62,356	0.3	57,684	0.3
<b>Total capital requirement under Pillar 1 and Pillar 2</b>				
CET1 capital	1,156,238	5.2	1,069,595	5.2
Tier 1 capital	1,541,651	6.9	1,426,127	6.9
Total capital	2,055,535	9.2	1,901,503	9.2
<b>Institution-specific buffer requirement</b>				
Total buffer requirement	812,861	3.7	758,129	3.7
- of which, capital conservation buffer	556,754	2.5	515,033	2.5
- of which, countercyclical buffer	256,107	1.2	243,096	1.2
<b>Total capital requirement including buffer requirement</b>				
CET1 capital	1,969,099	8.8	1,827,724	8.9
Tier 1 capital	2,354,512	10.6	2,184,256	10.6
Total capital	2,868,396	12.9	2,659,631	12.9
<b>Pillar 2 Guidance</b>				
CET1 capital	0	0.0	0	0.0
<b>Total need for capital including Pillar 2 Guidance</b>				
CET1 capital	1,969,099	8.8	1,827,724	8.9
Tier 1 capital	2,354,512	10.6	2,184,256	10.6
Total capital	2,868,396	12.9	2,659,631	12.9

<sup>1</sup> Capital requirements expressed as a percentage of the risk exposure amount.

## Notes

### The Group's own funds

SEK thousand	30 Jun 2026	31 Dec 2025
<b>CET1 capital</b>		
Share capital	107,750	107,750
Other reserves	-17,651	-19,770
Retained earnings including profit for the period reviewed by the auditor	3,023,654	2,950,017
<b>CET1 capital before regulatory adjustments</b>	<b>3,113,753</b>	<b>3,037,997</b>
Regulatory adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends <sup>1</sup>	-198,224	-323,250
- Intangible assets <sup>2</sup>	-25,190	-11,893
- Goodwill	-20,011	-20,011
- Insufficient coverage for non-performing exposures <sup>3</sup>	-11,303	-12,843
<b>Total regulatory adjustments to CET1 capital</b>	<b>-254,728</b>	<b>-367,997</b>
<b>Total CET1 capital</b>	<b>2,859,025</b>	<b>2,670,000</b>
<b>Tier 1 capital instruments</b>		
Perpetual subordinated loan	250,000	250,000
<b>Tier 2 capital instruments</b>		
Fixed term subordinated loans	395,195	394,844
<b>Own funds</b>	<b>3,504,220</b>	<b>3,314,844</b>

### The Group's specification of risk exposure amount and capital requirement

SEK thousand	30 Jun 2026		31 Dec 2025	
	Risk exposure amount	Capital requirement 8 %	Risk exposure amount	Capital requirement 8 %
<b>Credit risk under the standardised approach</b>				
Corporate exposures	29,568	2,365	420,843	33,667
Household exposures	18,934,424	1,514,754	16,839,859	1,347,189
Exposures secured by mortgages on immovable property	5,743	459	6,087	487
Exposures in default	981,403	78,512	773,859	61,909
Exposures to institutions	399,912	31,993	492,305	39,384
Equity exposures	181,218	14,497	293,084	23,447
Other items	335,816	26,865	383,851	30,708
<b>Total</b>	<b>20,868,084</b>	<b>1,669,447</b>	<b>19,209,888</b>	<b>1,536,791</b>
<b>Credit valuation adjustment</b>				
Simplified approach	85,051	6,804	74,415	5,953
<b>Total</b>	<b>85,051</b>	<b>6,804</b>	<b>74,415</b>	<b>5,953</b>
<b>Market risk</b>				
Foreign exchange risk	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operational risk</b>				
Alternative Standardised Approach	1,317,016	105,361	1,317,016	105,361
<b>Total</b>	<b>1,317,016</b>	<b>105,361</b>	<b>1,317,016</b>	<b>105,361</b>
<b>Total risk exposure amount and total capital requirement</b>	<b>22,270,151</b>	<b>1,781,612</b>	<b>20,601,319</b>	<b>1,648,105</b>

<sup>1</sup> Deduction of dividends has been made in accordance with the Board of Directors' proposal to the Annual General Meeting and the dividend policy for interim results.

<sup>2</sup> Deduction according to Commission Delegated Regulation (EU) 2020/2176.

<sup>3</sup> Deduction according to Regulation (EU) No 2019/630.

# Note 10 Liquidity Coverage

## Background

Information about the Company's liquidity coverage in this document includes information in accordance with Chapter 5, Section 9 of the Swedish FSA's regulations and general guidelines (FFFS 2010:7) on publication of information on liquidity risk. Information on regulatory liquidity requirements in this document refers to information set out in Part Six of Regulation (EU) No 575/2013.

## Liquidity reserve

In accordance with FFFS 2010:7, a responsible institution is required to keep a separate reserve of high-quality liquid assets that can be used to secure short-term solvency in the event of the loss or deterioration of access to normally available funding sources. Avarða Bank's available liquidity reserve consists of treasury bills, government bonds, cash at central banks and loans to credit institutions. Only amounts that are available the following day are counted in the available liquidity reserve.

## Sources of financing

The Group's main source of financing is deposits from the public. Deposits are only from the household sector and 98% (99) is covered by a government deposit guarantee scheme. The other sources of financing are subordinated debt, additional Tier 1 capital instruments and equity attributable to the shareholders.

## The Group's liquidity position

SEK thousand	30 Jun 2026	31 Dec 2025
<b>Liquidity reserve<sup>1</sup></b>		
Treasury bills eligible for refinancing - EU-commission <sup>2</sup>	1,534,255	806,639
Treasury bills eligible for refinancing - Finland <sup>2</sup>	879,759	215,104
Treasury bills and government securities eligible for refinancing - Norway <sup>2</sup>	671,164	764,682
Treasury bills eligible for refinancing - Sweden <sup>2</sup>	495,060	272,804
Treasury bills eligible for refinancing - Netherlands <sup>2</sup>	440,810	430,208
<b>Total liquidity reserve</b>	<b>4,021,048</b>	<b>2,489,437</b>
<b>Other available liquidity reserve</b>		
Cash and balances with central banks <sup>3</sup>	8,937	6,096
Loans to credit institutions <sup>3</sup>	1,264,345	1,834,953
<b>Total other available liquidity reserve</b>	<b>1,273,282</b>	<b>1,841,049</b>
<b>Total available liquidity reserve</b>	<b>5,294,330</b>	<b>4,330,486</b>
<b>Sources of financing</b>		
Deposits from the public	28,342,225	24,856,055
Subordinated liabilities	395,195	394,844
Tier 1 capital instrument	250,000	250,000
Equity attributable to shareholders	3,113,753	3,037,997
<b>Total sources of financing</b>	<b>32,101,173</b>	<b>28,538,896</b>
<b>Key figures</b>		
Available liquidity reserve / Deposits from the public	19	17
Liquidity coverage ratio, %	208	222
Net stable funding ratio, %	119	115
<b>Regulatory liquidity requirements</b>		
<b>Key figures</b>		
Liquidity coverage ratio, %	100	100
Net stable funding ratio, %	100	100

<sup>1</sup> According to definition in FFFS 2010:7.

<sup>2</sup> Remaining term is up to 12 months.

<sup>3</sup> Excluding restricted cash and cash equivalents that are not available the next day.

## Note 11 Subordinated Liabilities

SEK thousand	30 Jun 2026	31 Dec 2025
Fixed-term subordinated liabilities	395,195	394,844
<b>Total</b>	<b>395,195</b>	<b>394,844</b>

Subordinated loans are subordinated to other liabilities. The table below shows the terms for each bond. The prospectuses are available on the Company's website, [group.avarda.com](http://group.avarda.com).

Issuing date	Nominal amount (SEK thousand)	Interest rate terms	Maturity date
28 February 2023	150,000	STIBOR 3 months +6.50%	28 February 2033
18 September 2024	100,000	STIBOR 3 months +4.00%	18 September 2034
27 November 2025	150,000	STIBOR 3 months +3.50%	27 February 2036

## Note 12 Pledged Assets, Contingent Liabilities and Commitments

SEK thousand	30 Jun 2026	31 Dec 2025
<b>Pledged assets</b>		
Restricted bank deposits <sup>1</sup>	75,773	83,774
<b>Total</b>	<b>75,773</b>	<b>83,774</b>

SEK thousand	30 Jun 2026	31 Dec 2025
<b>Commitments</b>		
Unutilised credit limits	17,424,645	13,999,381
<b>Total</b>	<b>17,424,645</b>	<b>13,999,381</b>

According to the Board's assessment, Avarda Bank AB has no contingent liabilities.

<sup>1</sup> Restricted bank deposits refers to minimum reserve requirements at central banks in Sweden, Finland and Poland.

## Note 13 Transactions with Related Parties

Transactions between Group companies refer to invoicing of services rendered in subsidiaries. Transactions with other related parties in the table below refer to transactions between Avarda Group and companies that largely have the same owner as Avarda Bank AB's largest owner TFB Holding AB, corporate identity number 556705-2997, or where Avarda Bank AB owns a minor stake. All transactions are priced according to the market.

SEK thousand	Apr-Jun 2026	Apr-Jun 2025	Jan-Jun 2026	Jan-Jun 2025	Jan-Dec 2025
<i>The following transactions have been made between companies within the Group:</i>					
General administrative expenses	-3,460	-1,348	-6,290	-3,156	-7,112
<b>Total</b>	<b>-3,460</b>	<b>-1,348</b>	<b>-6,290</b>	<b>-3,156</b>	<b>-7,112</b>
<i>The following transactions have been made with other related parties:</i>					
Interest income (transaction costs)	-9,238	-9,555	-17,701	-18,297	-34,615
Fee and commission income	706	371	1,463	1,098	2,045
General administrative expenses	-382	-502	-809	-922	-1,434
Net loan losses	-	-	-	-23,552	-23,552
<b>Total</b>	<b>-8,914</b>	<b>-9,686</b>	<b>-17,047</b>	<b>-41,673</b>	<b>-57,556</b>
<i>Acquisition of assets and liabilities from other related parties:</i>					
Everyday Finance	148,514	138,919	255,283	252,972	459,777
<b>Total</b>	<b>148,514</b>	<b>138,919</b>	<b>255,283</b>	<b>252,972</b>	<b>459,777</b>
<i>Sale of assets and liabilities to other related parties:</i>					
Non-performing loans	-	-	-	87,559	87,559
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,559</b>	<b>87,559</b>

SEK thousand	30 Jun 2026	31 Dec 2025
<i>Assets and liabilities at the end of the period as a result of transactions with other related parties:</i>		
Other assets	561	405
Other liabilities	1,002	931

# Financial Statements

## January - June 2026

### General information

Avarda Bank AB, org.nr. 556158-1041, is a limited company with its registered office in Borås, Sweden, which has a license to conduct banking operations. The Company conducts lending and/or deposit activities to private individuals in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland, the Netherlands and Italy by subsidiary, branch or cross-border banking with the support of the Swedish banking license.

### Compared to January - June 2025

#### Operating profit

Operating profit increased by 20% to SEK 460.5 million (384.4). The result has been positively affected by an improved scalability in the business model.

#### Operating income

The operating income increased by 12% to SEK 1,517 million (1,355). The increase is mainly explained by higher interest income due to the growing loan portfolio.

#### Operating expenses

The operating expenses increased by 5% to SEK 530.0 million (503.6). The increase is mainly explained by higher sales-related expenses due to an increase in the number of customers and higher debt collection costs.

#### Loan losses

The net loan losses increased by 13% to SEK 526.9 million (466.7). The increase is primarily explained by the growing loan portfolio.

#### Tax expense

The tax expenses increased to SEK 98.8 million (83.8). The increased tax expense is attributable to a higher operating profit.

### Compared to 31 December 2025

#### Loans to the public

Loans to the public increased by 14% and amounted to SEK 20,662 million (18,074), which is primarily driven by an increase in the number of customers.

#### Deposits from the public

Deposits from the public increased by 12% to SEK 27,337 million (24,300).

#### Loans to credit institutions

Loans to credit institutions amounted to SEK 5,696 million (6,721) at the end of the quarter. The Company's lending primarily includes a credit facility to its subsidiary TF Bank Nordic AB and accounts without fixed terms at several Nordic banks.

#### Shares in subsidiaries

Shares in subsidiaries amounted to SEK 872 million (859) at the end of the quarter and have been affected by new share issues in the subsidiary TFBN Services Ltd.

#### Capital adequacy

The capital ratios have decreased during the first half-year and at the end of the first half-year 2026 the Parent Company's total capital ratio was 18.0% (18.8), the Tier 1 capital ratio was 15.9% (16.5) and the Common Equity Tier 1 capital ratio was 14.6% (15.1).

# Income Statement

SEK thousand	Apr-Jun 2026	Apr-Jun 2025	Jan-Jun 2026	Jan-Jun 2025	Jan-Dec 2025
<b>Operating income</b>					
Interest income	943,151	832,136	1,808,222	1,651,476	3,452,826
Interest expense	-206,263	-197,842	-403,861	-401,857	-808,084
<b>Net interest income</b>	<b>736,888</b>	<b>634,294</b>	<b>1,404,361</b>	<b>1,249,619</b>	<b>2,644,742</b>
Fee and commission income	108,876	106,886	208,905	212,245	435,984
Fee and commission expense	-64,682	-53,248	-118,980	-106,487	-218,663
<b>Net fee and commission income</b>	<b>44,194</b>	<b>53,638</b>	<b>89,925</b>	<b>105,758</b>	<b>217,321</b>
Net results from financial transactions	-2,553	2,827	23,106	-624	703
<b>Total operating income</b>	<b>778,529</b>	<b>690,759</b>	<b>1,517,392</b>	<b>1,354,753</b>	<b>2,862,766</b>
<b>Operating expenses</b>					
General administrative expenses	-239,855	-223,163	-467,678	-444,170	-900,867
Depreciation and amortisation of tangible and intangible assets	-12,149	-13,991	-25,635	-27,937	-57,549
Other operating expenses	-20,503	-15,129	-36,689	-31,521	-64,660
<b>Total operating expenses</b>	<b>-272,507</b>	<b>-252,283</b>	<b>-530,002</b>	<b>-503,628</b>	<b>-1,023,076</b>
<b>Profit before loan losses</b>	<b>506,022</b>	<b>438,476</b>	<b>987,390</b>	<b>851,125</b>	<b>1,839,690</b>
Net loan losses	-283,121	-235,123	-526,878	-466,721	-983,410
<b>Operating profit</b>	<b>222,901</b>	<b>203,353</b>	<b>460,512</b>	<b>384,404</b>	<b>856,280</b>
Appropriations	-	-	-	-	-18,500
Income tax for the period	-50,108	-43,692	-98,805	-83,765	-181,795
<b>Profit for the period</b>	<b>172,793</b>	<b>159,661</b>	<b>361,707</b>	<b>300,639</b>	<b>655,985</b>

## Statement of Other Comprehensive Income

SEK thousand	Apr-Jun 2026	Apr-Jun 2025	Jan-Jun 2026	Jan-Jun 2025	Jan-Dec 2025
<b>Profit for the period</b>	<b>172,793</b>	<b>159,661</b>	<b>361,707</b>	<b>300,639</b>	<b>655,985</b>
<b>Other comprehensive income</b>					
<b>Items that may subsequently be reclassified to the income statement</b>					
Gross exchange rate differences	1,910	-2,158	-931	-660	-4,385
Tax on exchange rate differences in the period	-	-	-	-	-15,668
<b>Other comprehensive income for the period</b>	<b>1,910</b>	<b>-2,158</b>	<b>-931</b>	<b>-660</b>	<b>-20,053</b>
<b>Total comprehensive income for the period</b>	<b>174,703</b>	<b>157,503</b>	<b>360,776</b>	<b>299,979</b>	<b>635,932</b>

# Balance Sheet

SEK thousand	30 Jun 2026	31 Dec 2025
<b>Assets</b>		
Cash and balances with central banks	8,937	17,576
Treasury bills eligible for refinancing	3,751,370	2,177,053
Loans to credit institutions	5,696,343	6,720,692
Loans to the public	20,662,073	18,074,416
Shares	139,398	117,267
Shares in subsidiaries	871,532	859,365
Goodwill	17,995	20,465
Intangible assets	74,356	82,703
Tangible assets	9,557	7,219
Other assets	146,968	169,472
Deferred tax assets	87,794	80,451
Prepaid expenses and accrued income	75,626	79,597
<b>Total assets</b>	<b>31,541,949</b>	<b>28,406,276</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Deposits and borrowings from the public	27,337,135	24,300,167
Other liabilities	211,220	154,930
Current tax liabilities	22,967	78,544
Accrued expenses and prepaid income	264,525	188,662
Provisions	-	3,589
Subordinated liabilities	395,195	394,844
<b>Total liabilities</b>	<b>28,231,042</b>	<b>25,120,736</b>
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	107,750	107,750
Statutory reserve	1,000	1,000
Development costs fund	74,356	82,703
<b>Total restricted equity</b>	<b>183,106</b>	<b>191,453</b>
<b>Non-restricted equity</b>		
Tier 1 capital instrument	250,000	250,000
Foreign currency reserve	-22,211	-21,280
Retained earnings	2,538,305	2,209,382
Profit for the period	361,707	655,985
<b>Total non-restricted equity</b>	<b>3,127,801</b>	<b>3,094,087</b>
<b>Total equity</b>	<b>3,310,907</b>	<b>3,285,540</b>
<b>Total liabilities and equity</b>	<b>31,541,949</b>	<b>28,406,276</b>

# Note 14 Capital Adequacy

## The Parent Company's capital situation

SEK thousand	30 Jun 2026	31 Dec 2025
Common Equity Tier 1 capital (CET1)	2,808,195	2,667,594
Tier 1 capital instruments	250,000	250,000
Tier 2 capital instruments	395,195	394,844
<b>Own funds</b>	<b>3,453,390</b>	<b>3,312,438</b>
<b>Risk exposure amount</b>	<b>19,181,362</b>	<b>17,651,029</b>
- of which: credit risk	18,149,994	16,630,664
- of which: credit valuation adjustment risk	78,152	67,149
- of which: operational risk	953,216	953,216
<b>Capital ratios</b>		
CET1 capital ratio, %	14.6	15.1
Tier 1 capital ratio, %	15.9	16.5
Total capital ratio, %	18.0	18.8

## The Parent Company's capital requirements and Pillar 2 guidance

SEK thousand	30 Jun 2026		31 Dec 2025	
	Amount	Percent <sup>1</sup>	Amount	Percent <sup>1</sup>
<b>Capital requirement under Pillar 1</b>				
CET1 capital	863,161	4.5	794,296	4.5
Tier 1 capital	1,150,882	6.0	1,059,062	6.0
Total capital	1,534,509	8.0	1,412,082	8.0
<b>Capital requirement under Pillar 2</b>				
CET1 capital	132,711	0.7	122,123	0.7
Tier 1 capital	176,948	0.9	162,831	0.9
Total capital	235,931	1.2	217,108	1.2
- of which, concentration risk	182,223	1.0	167,685	1.0
- of which, market risk	53,708	0.3	49,423	0.3
<b>Total capital requirement under Pillar 1 and Pillar 2</b>				
CET1 capital	995,872	5.2	916,420	5.2
Tier 1 capital	1,327,830	6.9	1,221,893	6.9
Total capital	1,770,440	9.2	1,629,190	9.2
<b>Institution-specific buffer requirement</b>				
Total buffer requirement	686,693	3.6	642,498	3.6
- of which, capital conservation buffer	479,534	2.5	441,276	2.5
- of which, countercyclical buffer	207,159	1.1	201,222	1.1
<b>Total capital requirement including buffer requirement</b>				
CET1 capital	1,682,565	8.8	1,558,917	8.8
Tier 1 capital	2,014,523	10.5	1,864,390	10.6
Total capital	2,457,133	12.8	2,271,688	12.9
<b>Pillar 2 Guidance</b>				
CET1 capital	0	0.0	0	0.0
<b>Total need for capital including Pillar 2 Guidance</b>				
CET1 capital	1,682,565	8.8	1,558,917	8.8
Tier 1 capital	2,014,523	10.5	1,864,390	10.6
Total capital	2,457,133	12.8	2,271,688	12.9

<sup>1</sup> Capital requirements expressed as a percentage of the risk exposure amount.

## Notes

### The Parent Company's own funds

SEK thousand	30 Jun 2026	31 Dec 2025
<b>CET1 capital</b>		
Share capital	107,750	107,750
Other reserves	53,145	68,393
Retained earnings including profit for the period reviewed by the auditor	2,900,012	2,859,397
<b>CET1 capital before regulatory adjustments</b>	<b>3,060,907</b>	<b>3,035,540</b>
Adjustments to CET1 capital:		
- Deduction of foreseeable costs and dividends <sup>1</sup>	-198,224	-323,250
- Intangible assets <sup>2</sup>	-25,190	-11,893
- Goodwill	-17,995	-20,465
- Insufficient coverage for non-performing exposures <sup>3</sup>	-11,303	-12,338
<b>Total regulatory adjustments to CET1 capital</b>	<b>-252,712</b>	<b>-367,946</b>
<b>Total CET1 capital</b>	<b>2,808,195</b>	<b>2,667,594</b>
<b>Tier 1 capital instruments</b>		
Perpetual subordinated loan	250,000	250,000
<b>Tier 2 capital instruments</b>		
Fixed term subordinated loans	395,195	394,844
<b>Own funds</b>	<b>3,453,390</b>	<b>3,312,438</b>

### The Parent Company's specification of risk exposure amount and capital requirement

SEK thousand	30 Jun 2026		31 Dec 2025	
	Risk exposure amount	Capital requirement 8 %	Risk exposure amount	Capital requirement 8 %
<b>Credit risk under the standardised approach</b>				
Corporate exposures	28,491	2,279	387,549	31,004
Household exposures	14,884,257	1,190,741	12,774,563	1,021,965
Exposures secured by mortgages on immovable property	5,743	459	6,087	487
Exposures in default	747,888	59,831	623,681	49,894
Exposures to institutions	1,181,924	94,554	1,382,497	110,600
Equity exposures	1,052,750	84,220	1,152,447	92,196
Other items	248,941	19,915	303,840	24,307
<b>Total</b>	<b>18,149,994</b>	<b>1,452,000</b>	<b>16,630,664</b>	<b>1,330,453</b>
<b>Credit valuation adjustment</b>				
Simplified approach	78,152	6,252	67,149	5,372
<b>Total</b>	<b>78,152</b>	<b>6,252</b>	<b>67,149</b>	<b>5,372</b>
<b>Market risk</b>				
Foreign exchange risk	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operational risk</b>				
Alternative Standardised Approach	953,216	76,257	953,216	76,257
<b>Total</b>	<b>953,216</b>	<b>76,257</b>	<b>953,216</b>	<b>76,257</b>
<b>Total risk exposure amount and total capital requirement</b>	<b>19,181,362</b>	<b>1,534,509</b>	<b>17,651,029</b>	<b>1,412,082</b>

<sup>1</sup> Deduction of dividends has been made in accordance with the Board of Directors' proposal to the Annual General Meeting and the dividend policy for interim results.

<sup>2</sup> Deduction according to Commission Delegated Regulation (EU) 2020/2176.

<sup>3</sup> Deduction according to Regulation (EU) No 2019/630.

# Note 15 Liquidity Coverage

## The Parent Company's liquidity position

SEK thousand	30 Jun 2026	31 Dec 2025
<b>Liquidity reserve<sup>1</sup></b>		
Treasury bills eligible for refinancing - EU-commission <sup>2</sup>	1,313,868	593,869
Treasury bills eligible for refinancing - Finland <sup>2</sup>	879,759	215,104
Treasury bills and government securities eligible for refinancing - Norway <sup>2</sup>	671,164	764,682
Treasury bills eligible for refinancing - Sweden <sup>2</sup>	445,769	173,190
Treasury bills eligible for refinancing - Netherlands <sup>2</sup>	440,810	430,208
<b>Total liquidity reserve</b>	<b>3,751,370</b>	<b>2,177,053</b>
<b>Other available liquidity reserve</b>		
Cash and balances with central banks <sup>3</sup>	8,937	6,096
Loans to credit institutions <sup>3</sup>	1,083,666	1,694,047
<b>Total other available liquidity reserve</b>	<b>1,092,603</b>	<b>1,700,143</b>
<b>Total available liquidity reserve</b>	<b>4,843,973</b>	<b>3,877,196</b>
<b>Sources of financing</b>		
Deposits from the public	27,337,135	24,300,167
Subordinated liabilities	395,195	394,844
Tier 1 capital instrument	250,000	250,000
Equity attributable to shareholders	3,060,907	3,035,540
<b>Total sources of financing</b>	<b>31,043,237</b>	<b>27,980,551</b>
<b>Key figures</b>		
Available liquidity reserve / Deposits from the public	18	16
Liquidity coverage ratio, %	165	152
Net stable funding ratio, %	118	112
<b>Regulatory liquidity requirements</b>		
	<b>30 Jun 2026</b>	<b>31 Dec 2025</b>
<b>Key figures</b>		
Liquidity coverage ratio, %	100	100
Net stable funding ratio, %	100	100

<sup>1</sup> According to definition in FFFS 2010:7.

<sup>2</sup> Remaining term is up to 12 months.

<sup>3</sup> Excluding restricted cash and cash equivalents that are not available the next day.

# Definitions

*Avarda Group uses Alternative Performance Measures that are not defined in the applicable financial reporting framework (IFRS). The Alternative Performance Measures are used to increase understanding of the Group's financial performance among readers of the financial statements. Alternative Performance Measures may be calculated in different ways and do not need to be comparable with similar key ratios used by other companies. Avarda Group definitions of the Alternative Performance Measures are shown below.*

## **Adjusted earnings per share**

Adjusted earnings for the period attributable to the Parent Company's shareholders divided by the average number of outstanding shares.

## **Adjusted return on equity**

Adjusted profit for the period attributable to Parent Company's shareholders divided by average equity attributable to Parent Company's shareholders.

## **Adjusted return on loans to the public**

Adjusted earnings for the period attributable to Parent Company shareholders divided by average loans to the public.

## **CET1 capital ratio**

CET1 capital as a percentage of total risk exposure amount.

## **Cost/income (C/I) ratio**

Operating expenses divided by operating income.

## **Revenue per customer**

Total operating income divided by the average number of customers during the period.

## **Earnings per share**

Profit for the period attributable to the shareholders of the Parent Company divided by the average number of outstanding shares.

## **Employees (FTE)**

Average number of full-time employees.

## **Liquidity coverage ratio**

Total high-quality liquid assets divided by total net liquidity outflows.

## **Net loan loss ratio**

Net loan losses for the period divided by average loans to the public.

## **New lending**

New loans (the cash flow) in the period.

## **Net stable funding ratio**

Total available stable funding divided by total stable funding requirements.

## **Number of active credit cards**

All issued cards at the last day of the period with balance above zero or transaction in last twelve months prior to reporting date.

## **Number of app-users**

Number of app-users is equated with the number of active credit cards.

## **Operating income margin**

Total operating income for the period divided by average loans to the public.

## **Return on equity**

Profit for the period attributable to the shareholders of the Parent Company as a percentage of average equity attributable to the shareholders of the Parent Company.

## **Return on loans to the public**

Profit for the period attributable to the shareholders of the Parent Company divided by average loans to the public. For the segments, profit is calculated using a standard deduction for interest on Tier 1 capital instruments and a standard tax rate.

## **Risk-adjusted margin**

Operating income margin subtracted by net loan loss ratio.

## **Tier 1 capital ratio**

Tier 1 capital, i.e. CET1 capital and Additional Tier 1 capital, as a percentage of total risk exposure amount.

## **Total capital ratio**

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

## **Transaction volume**

The sum of all purchases made through Avarda Group's platform as well as new lending within the Consumer Lending segment.

# Reconciliation Tables

Key figures <sup>1</sup>

SEK thousand	Apr-Jun 2026	Apr-Jun 2025	Jan-Jun 2026	Jan-Jun 2025	Jan-Dec 2025
<b>Income statement</b>					
<i>Earnings per share, SEK</i>	2.97	2.24	6.14	4.39	9.92
Profit for the period attributable to the shareholders of the Parent Company	192,065	144,863	396,848	283,911	641,208
Average number of outstanding shares, thousands	64,650	64,650	64,650	64,650	64,638
<b>Key figures <sup>2</sup></b>					
<i>Operating income margin, %</i>	14.1	13.2	13.8	13.0	13.2
Total operating income, annualised	3,585,636	2,760,416	3,446,432	2,717,198	2,904,504
Average loans to the public	25,422,893	20,945,446	24,987,585	20,967,985	21,971,870
<i>Net loan loss ratio, %</i>	5.2	4.5	5.0	4.5	4.5
Net loan losses, annualised	1,320,492	940,492	1,240,246	933,442	995,804
Average loans to the public	25,422,893	20,945,446	24,987,585	20,967,985	21,971,870
<i>Cost/Income ratio, %</i>	34.6	37.7	35.0	37.5	36.3
Total operating expenses	310,346	259,890	602,518	508,930	1,052,892
Total operating income	896,409	690,104	1,723,216	1,358,599	2,904,504
<i>Return on equity, %</i>	24.2	21.6	25.8	21.7	23.1
Profit for the period attributable to the shareholders of the Parent Company, annualised	768,260	579,452	793,696	567,822	641,208
Average equity attributable to the shareholders of the Parent Company	3,178,145	2,680,905	3,075,875	2,611,010	2,780,339
<i>Return on loans to the public, %</i>	3.0	2.8	3.2	2.7	2.9
Profit for the period attributable to the shareholders of the Parent Company, annualised	768,260	579,452	793,696	567,822	641,208
Average loans to the public	25,422,893	20,945,446	24,987,585	20,967,985	21,971,870
<i>Revenue per customer</i>	1,035	918	1,002	936	938
Total operating income, annualised	3,585,636	2,760,416	3,446,432	2,717,198	2,904,504
Total number of customers, thousands	3,464	3,008	3,440	2,903	3,097
<b>Adjusted income statement <sup>3</sup></b>					
<i>Adjusted earnings per share, SEK</i>	2.97	2.24	5.87	4.43	9.95
Adjusted profit for the period attributable to the shareholders of the Parent Company	192,065	144,863	379,211	286,162	643,459
Average number of outstanding shares, thousands	64,650	64,650	64,650	64,650	64,638
<b>Adjusted key figures <sup>3</sup></b>					
<i>Adjusted return on equity, %</i>	24.2	21.6	24.7	21.9	23.1
Adjusted profit for the period attributable to the shareholders of the Parent Company, annualised	768,260	579,452	758,422	572,324	643,459
Average equity attributable to the shareholders of the Parent Company	3,178,145	2,680,905	3,075,875	2,611,010	2,780,339
<i>Adjusted return on loans to the public, %</i>	3.0	2.8	3.0	2.7	2.9
Adjusted profit for the period attributable to the shareholders of the Parent Company, annualised	768,260	579,452	758,422	572,324	643,459
Average loans to the public	25,422,893	20,945,446	24,987,585	20,967,985	21,971,870

<sup>1</sup> The annualised figure has been calculated by multiplying the quarterly figure by four and the interim figure by two. The average has been calculated as opening balance plus closing balance, divided by two.

<sup>2</sup> Calculation of capital ratios is shown in Note 9.

<sup>3</sup> Adjustments for items affecting comparability are related to transactions according to the Share Purchase Agreement with Alektum Holding AB and Erik Selin Fastigheter AB regarding the divestment of the shares in the former subsidiary Rediem Capital AB.

# Regulatory Key Metrics

Template "EU KM1 – Key metrics template" is disclosed below as per the technical standards in the Commission implementing regulation 2021/637.

SEK thousand	30 Jun 2026	31 Dec 2025
<b>Available own funds</b>		
1 Common Equity Tier 1 capital (CET1)	2,859,025	2,670,000
2 Tier 1 capital	3,109,025	2,920,000
3 Total capital	3,504,220	3,314,844
<b>Risk-weighted exposure amount</b>		
4 Total risk exposure amount	22,270,151	20,601,319
<b>Capital ratios (% of risk-weighted exposure amount)</b>		
5 Common Equity Tier 1 ratio, %	12.8	13.0
6 Tier 1 ratio, %	14.0	14.2
7 Total capital ratio, %	15.7	16.1
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (% of risk-weighted exposure amount)</b>		
EU 7a Additional own funds requirements to address risks other than the risk of excessive leverage, %	1.2	1.2
EU 7b - of which, to be made up of CET1 capital, %	0.7	0.7
EU 7c - of which, to be made up of Tier 1 capital, %	0.9	0.9
EU 7d Total SREP own funds requirements, %	9.2	9.2
<b>Combined buffer and overall capital requirement (% of risk-weighted exposure amount)</b>		
8 Capital conservation buffer, %	2.5	2.5
EU 8a Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State, %	N/A	N/A
9 Institution specific countercyclical capital buffer, %	1.2	1.2
EU 9a Systemic risk buffer, %	N/A	N/A
10 Global Systemically Important Institution buffer, %	N/A	N/A
EU 10a Other Systemically Important Institution buffer, %	N/A	N/A
11 Combined buffer requirement, %	3.7	3.7
EU 11a Overall capital requirements, %	12.9	12.9
12 CET1 available after meeting the total SREP own funds requirements, %	6.5	6.9
<b>Leverage ratio</b>		
13 Total exposure measure	34,509,211	30,447,061
14 Leverage ratio, %	9.0	9.6
<b>Additional own funds requirements to address risks of excessive leverage (% of leverage ratio total exposure amount)</b>		
EU 14a Additional own funds requirements to address the risk of excessive leverage, %	N/A	N/A
EU 14b - of which, to be made up of CET1 capital, %	N/A	N/A
EU 14c Total SREP leverage ratio requirements, %	3.0	3.0
<b>Leverage ratio buffer and overall leverage ratio requirement (% of total exposure measure)</b>		
EU 14d Leverage ratio buffer requirement, %	N/A	N/A
EU 14e Overall leverage ratio requirements, %	3.0	3.0
<b>Liquidity coverage ratio</b>		
15 Total high-quality liquid assets (Weighted value – average)	4,029,985	2,495,533
EU 16a Cash outflows – Total weighted value	3,492,491	3,307,619
EU 16b Cash inflows – Total weighted value	1,555,917	2,184,023
16 Total net cash outflows (adjusted value)	1,936,574	1,123,596
17 Liquidity coverage ratio, %	208	222
<b>Net stable funding ratio</b>		
18 Total available stable funding	23,186,121	21,045,436
19 Total required stable funding	19,537,328	18,340,719
20 Net stable funding ratio, %	119	115

Avarda Bank AB (publ)  
PO Box 947, 501 10 Borås, Sweden  
Tel: +46 33 722 35 00  
Email: [ir@avarda.com](mailto:ir@avarda.com)

[group.avarda.com](http://group.avarda.com)

# avarda