Interim report January – June 2023

Bluestep Bank AB (publ)

“We are a challenger in the Nordic mortgage market and a modern alternative to traditional banks.”

Content

The first half year in brief

The period extends from 1 January - 30 June 2023 (comparative figures for the corresponding period last year).

Performance and financial position

- Lending to the public increased by 8% to MSEK 20,458 (MSEK 18,981). Adjusted for currency effects the increase was 6%.
- New lending amounted to MSEK 2,868 (MSEK 3,351). Adjusted for currency effects the decrease was 12%, as EUR strengthened against SEK compared to the previous year.
- Net interest income amounted to MSEK 461 (MSEK 442), an increase of 4%.
- Operating profit amounted to MSEK 198 (MSEK 130). The operating profit was also positively impacted by gains on financial transactions and negatively impacted by increased credit loss provisions. The comparitive period was affected by non-recurring items related to the strategic review initiated by the owners of the Group.
- Net credit losses amounted to MSEK -16 (MSEK 0), equivalent to a credit loss level of 0.15% (0.00%).
- The return on equity for the period was 17.8% (12.1%).
- The Common Equity Tier 1 ("CET1") ratio was 17.7% (17.0%), which is well above the targeted level of 16%.

Financing

- The Group's long-term strategy is to have a well-diversified funding structure, mainly comprising of retail deposits from the public and the issuance of covered and senior unsecured bonds.
- During the first half of 2023, one of Bluestep Bank's outstanding covered bonds, amounting to MSEK 1,900 was repaid. At the end of the period, the Group had an outstanding volume of covered bonds amounting to MSEK 4,000 under Bluestep Bank's MTCN-programme.
- At the end of the period, the Group had an outstanding volume of MSEK 1,550 and MNOK 550 in senior unsecured bonds under Bluestep Bank's MTN-programme.
- Deposits from the public amounted to MSEK 14,082 (MSEK 10,919).

Strategic development and significant events

- The first half-year of 2023 has been characterised by a continuous challenging macroeconomic landscape with persistent high inflation, interest rates that are still rising and geopolitical uncertainty due to the conflict in Ukraine. Nevertheless, Bluestep Bank has through comprehensive risk mitigation strategies and identification of emerging opportunities successfully navigated these headwinds. The Bank is closely monitoring the situation and implements measures as needed.
- Both Bluestep Bank's growth initiatives, focusing on the equity release product in Sweden and mortgages in Finland increased in volume during the period and reached MSEK 1,163 (MSEK 817), and MSEK 625 (MSEK 359) respectively.
- In June, Bluestep Bank entered into an agreement to acquire Bank2 ASA, a Norwegian specialist mortgage bank.
- As a consequence of the build-up of the common Nordic Back Office, the Bank divested the subsidiary, Bluestep Servicing AB, during the period.
- Following the notification to the Swedish Financial Supervisory Authority ("SFSA") and the German Federal Financial Supervisory Authority ("BaFin") in 2022, Bluestep Bank will start offering deposit products in EUR to customers residing in Germany. This will provide further diversification to the Group's funding.

Key Figures

MSEK	H1 2023	H1 2022	Δ	FY 2022
Lending to the public	20,458	18,981	8%	20,346
Deposits from the public	14,082	10,919	29%	13,239
Net interest income	461	442	4%	921
Operating expenses	275	289	-5%	568
Operating profit	198	130	52%	310
C/I, % [1,2]	56%	69%	-13%	63%
Credit losses, %[1,2,3]	0.15%	0.00%	0.15%	0.14%
Return on Equity, %[1,2,3]	17.8%	12.1%	1.9%	13.9%
CET1 ratio, %[1]	17.7%	17.0%	-4.2%	17.2%

[1] The change is stated in percentage points
[2] See page 37 for definitions of alternative performance measures
[3] Key figures related to H1 are annualised to full-year values

Resilience and strong performance prevail despite obstacles

Progress and achievements despite ongoing challenges

The first half of 2023 has been an extraordinary period for our company, filled with achievements and progress. As we reflect on this time, we acknowledge the diverse range of challenges presented by the macroeconomic climate. Ongoing conflicts and rising interest rates have had a profound impact on global markets. Nevertheless, we are proud to say that our resilience and strong performance have prevailed over these obstacles.

The macroeconomic landscape during this period has been fraught with unprecedented challenges, particularly due to geopolitical tensions such as the war in Ukraine. The repercussions of these uncertain conditions have reverberated across the globe, triggering economic disruptions on a scale rarely seen. As a result, financial markets have experienced substantial volatility, requiring swift adaptations by companies seeking to remain competitive.

> ”The first half of 2023 stands as a testament to our ability to thrive within a challenging macroeconomic environment.”

> ”We attribute our growth to the dedication and resilience of all our employees, who have remained the cornerstone of our accomplishments.”

While our business has not been immune to the effects of these challenges, we have proactively managed the situation with careful precision. Notably, the decline in housing prices has influenced our operations. However, through the implementation of comprehensive risk mitigation strategies and the astute identification of emerging opportunities, we have navigated these headwinds. Our ability to maintain a positive development trajectory amidst adverse market conditions underscores our agility and adaptability.

Driving transformation and an unwavering commitment to growth

Our unwavering commitment to long-term success compels us to drive transformation within our organization. We have embraced a multitude of initiatives that prioritize digital onboarding and enhance the customer journey.

We are currently investing in and placing a strong emphasis on digital technologies to streamline our processes, bolster operational efficiency, and most importantly, provide our customers with a smooth and positive experience. We understand that achieving sustained growth and cultivating enduring relationships depends on our ability to consistently deliver a superior customer experience.

Our dedication to growth remains unyielding despite the formidable challenges we face. We have expanded our market presence and skillfully capitalized on emerging opportunities, guided by an offensive mindset, and fortified by our extensive expertise. Through a relentless pursuit of excellence, we continuously identify and seize new avenues for growth.

A milestone for Bluestep Bank

A significant milestone that marked the first half of the year was the successful acquisition of Bank2. This strategic move aligns with our growth strategy and underscores our mission of promoting financial inclusion. The acquisition has solidified our position in the Nordics, empowering us to deliver enhanced value and services to our customers. Furthermore, the collaboration with the talented team at Bank2 presents us with exciting opportunities to drive continued success and further advance our mission. We attribute our growth to the dedication and resilience of all our employees, who have remained the cornerstone of our accomplishments.

In conclusion, the first half of 2023 stands as a testament to our ability to thrive within a challenging macroeconomic environment. Despite the multitude of headwinds, we have sustained growth, driven transformative changes, and elevated the customer experience. Our strategic initiatives have firmly positioned us for continued success. As we look ahead, our optimism remains resolute. The recovery outlook looks better unveiling new opportunities for us to leverage our strengths and accelerate our growth.

Björn Lander,
Chief Executive Officer

This is Bluestep Bank

Bluestep Bank is a challenger in the mortgage market and a modern alternative to traditional banks, choosing to see the potential in each and every one of our customers. Since 2005, we have enabled financial empowerment of tens of thousands of people, allowing entrance to the housing market, and the possibility of regaining control of their finances. In a worsening macroeconomic climate, more people risk being excluded from traditional banks due to shrinking margins in the everyday economy. At Bluestep Bank, we choose to see potential to expand our customer base in both our purchase and refinancing offering. Through inclusive yet sustainable and responsible lending, we play an important role for those excluded by traditional banks.

Our business

Bluestep Bank is a specialised mortgage bank, working to increase financial inclusion and enable financial empowerment of more people. We focus our efforts on helping those who for various reasons are excluded from the traditional banking sector. Instead of solely relying on automated processes, we trust everyone's potential and choose to see possibilities instead of obstacles. While our business has not been immune to the effects of the past year's macroeconomic landscape, we have proactively managed the situation with careful precision. The recent decline in housing prices has influenced our operations, requiring operational adjustments.

Bluestep Bank was established as a challenger in the Swedish market in 2005, and today we are the leading specialist mortgage lender in the Nordics, offering our services in Sweden, Norway, and Finland. Bluestep Bank Sweden also offers an equity release product for those over 60 years of age who own their home, enabling more people to maintain a desired living standard.

Our role in society

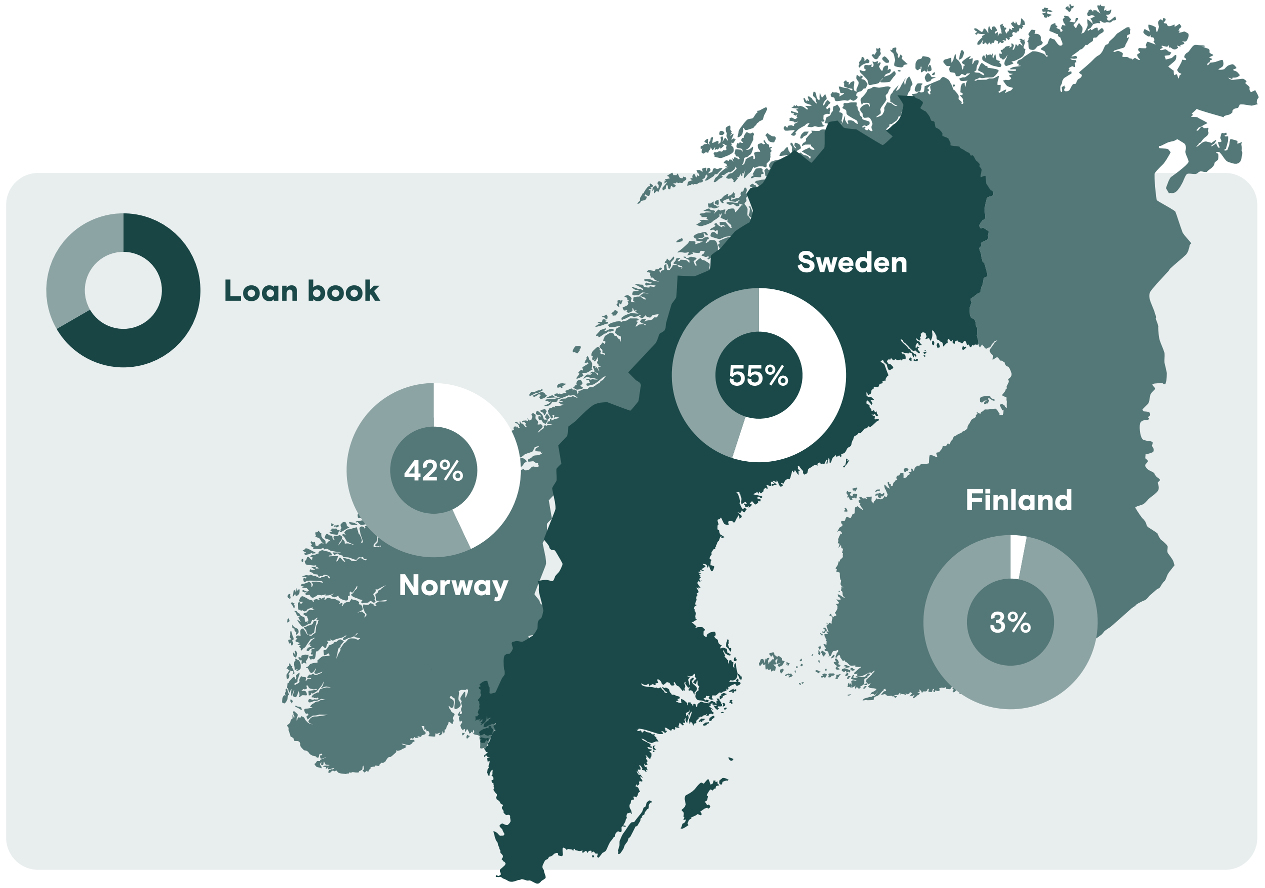
In today's financial market, Bluestep Bank is more relevant than perhaps ever before. All our customers have different needs and preconditions, what unites them is the exclusion they experience from traditional banks. A lot of things are different today compared to only a decade ago. Forms of employment have evolved, and permanent employment is neither a possibility nor a desire for many in the younger generations entering today's job market. Freelancing, the growth of the gig economy and the shortage of housing in combination with the continued rise of interest rates are all contributing to a generation facing difficulties in starting their adult lives in the most basic way – through leaving the parent's nest.

The modern financial market has also introduced new types of credits and loans, making it easier than ever to end up with expensive credits and thereby facing late payments and possibly payment remarks. Previous financial decisions can threaten financial security as well as the opportunity to purchase a home. We want to offer the possibility for people in difficult circumstances to use their home as a security for consolidating expensive credits and to thereby lower their monthly cost, improve their financial situation and over time regain control of their finances. With the recent shrinking financial margins for many households, we see increased demand for our refinancing offering – demonstrating Bluestep Bank's resilience in a more difficult market.

Our customers

Our customers are always at the core of everything we do. Our customer base consists of people wanting to purchase a home, but lack permanent employment, have historic payment remarks, or have a limited credit history. Many also consolidate their debts into their mortgage, making it possible to significantly lower their monthly interest payments and capital repayments.

Bluestep Bank is subject to the same rules and regulations as the traditional banks, and although we have the objective to support as many people as we can, we must carry out a thorough, fair, and individual assessment of each applicant. We will always be in the forefront of responsible and fair lending and take pride in our extensive and personalized application process. We always want to ensure that every individual can improve their financial situation, both in the long term and in the short term. That is the added value we promise to all our customers. By adopting digital technologies, we have streamlined our processes, bolstered operational efficiency, and most importantly, provided our customers with a smooth and positive experience. We recognize that sustained growth and the cultivation of enduring relationships hinge upon the delivery of a superior customer experience. That is our customer value proposition.



Administration report

Bluestep Bank AB (publ) (the "Bank", also called "Parent"), org no 556717-5129 with registered offices in Stockholm, Sweden, hereby presents the interim accounts and group accounts for the period from 1 January 2023 — 30 June 2023. The Group is comprised of the Bank and the wholly-owned subsidiaries: Bluestep Finans Funding No 1 AB ("BFF1"), org no 556791-6928 with registered offices in Stockholm, Sweden, Bluestep Mortgage Securities No 2 Designated Activity Company ("Step 2"), org no 522186 with registered offices in Dublin, Ireland, Bluestep Mortgage Securities No 3 Designated Activity Company ("Step 3"), org no 550839 with registered offices in Dublin, Ireland and Bluestep Mortgage Securities No 4 Designated Activity Company ("Step 4"), org no 596111 with registered offices in Dublin, Ireland. All financial information is provided for the Group if not otherwise stated, while the regulatory information refers to the legal entity Bluestep Bank AB (publ) or the consolidated situation which Bluestep reports to the Swedish Financial Supervisory Authority ("SFSA"). The consolidated situation consists of Bluestep Holding AB ("BHAB"), the Bank, BFF1, Step 2, Step 3 and Step 4. Bluestep Servicing AB, org no 556955-3927, registered in Stockholm, was divested as of June 30, 2023.

The Group's results

The period refers to 1 January - 30 June 2023 (compared to same period the previous year).

Operating profit

The Group's operating profit for the period amounted to MSEK 198 (MSEK 130). The increase in the net interest income, combined with a positive impact from gains on financial transactions relating to derivatives, resulted in total operating income of MSEK 488 (MSEK 419). The comparative period included non-recurring costs relating to the strategic review process, thus lower general administration expenses for the current period, compared to the prior period. The underlying profit is considered stable as reflected for the period reported on. Credit losses increased, as expected, for the current period.

Net interest income

The Group's net interest income for the period increased by 4% to MSEK 461 (MSEK 442). New lending volumes and increased interest rates contributed to the increased interest income. Higher market interest rates have led to increased interest expenses compared to the comparative period. Another factor impacting the net interest income is the effect of the strategic plan to focus on business with a lower risk, resulting in lower interest income.

Operating expenses

The Group's expenses for the period amounted to MSEK 275 (MSEK 289). The operating expenses are impacted by costs for the growth initiatives for the equity release product in Sweden and the expansion of the operations in Finland. The comparative figures are also affected by non-recurring items of MSEK 25 associated with the strategic review initiated by the owners of the Group. C/I before credit losses decreased to 56% (69%).

Employees

The average number of employees in the Group during the first half-year were 268 (271), of which 63 (65) were employed by the Norwegian branch and 27 (20) were employed by the Finnish branch.

Credit losses

Net credit losses for the period amounted to MSEK 16 (MSEK 0). This corresponds to a credit loss level of 0.15% (0.00%). Actual losses were higher than previous period. Provisions also increased, mainly due to a decline in housing prices which lead to an increase in LGD, and increases in interest rates which lead to an increase in stage 2 provisions. An additional driver for the increase in provisions during the period is an increased number of loans in arrears. No management overlay was deemed necessary as at the reporting date. The overlay amounting to MSEK 4.9 from year-end has also been released. For more information on credit losses, see Note 3 "Credit losses".

Tax

Tax expenses amounted to MSEK 46 (MSEK 30) for the period, which corresponds to an effective tax rate of 23.1% (23.2%). The deviation from the nominal tax rate of 20.6% is mainly due to temporary non-taxable exchange rate effects.

Net profit

Net profit for the period amounted to MSEK 121 (MSEK 100).

Financial position

Per 30 June 2023 (compared to same date the previous year).

Lending

The Group's total lending to the public increased by 8% and amounted to MSEK 20,458 (MSEK 18,981). Adjusted for currency effects, the increase was 6%. The Swedish mortgage portfolio, including the equity release product, accounts for 55% of the total lending to the public, the Norwegian mortgages for 42% and the Finnish mortgages for 3%.

Capital adequacy

The capital adequacy disclosures should be read on the basis that the Bank is classified as a "small and non-complex institution" in accordance with point 145 of Article 4(1) of the CRR.

The common equity tier 1 capital ("CET1") amounted to MSEK 1,731 (MSEK 1,493) for the Consolidated situation, and MSEK 1,738 (MSEK 1,516) for the Parent. This is equivalent to a CET1 capital ratio of 17.7% (17.0%) for the Consolidated situation and 17.9% (17.4%) for the Parent. The CET1 capital ratio is the same as the total capital ratio, as no additional Tier1 capital (AT1) or subordinated debt (T2) has been issued.

The Consolidated situation has a buffer to the target CET1 ratio of 16%.

For further information on capital adequacy, see Note 6 "Capital adequacy analysis".

Return on equity

Return on equity amounted to 17.8% (12.1%) for the first half of 2023. The increase is mainly due to increased profits and that paid dividends are included in the comparative figures.

Financing

At end of period, the Group's sources of financing consisted of equity, deposits from the public in Sweden and Norway, covered bonds and senior unsecured bonds. Retail deposits from the public has increased during the period, in part due to favorable financing conditions, while some bond financing has been redeemed. The Group's long-term strategy of a well-diversified funding structure, focused on deposits from the public and covered bonds remains unchanged.

Funding

The Group's outstanding nominal volume of senior unsecured bonds amounted to MSEK 1,550 (MSEK 2,050) and MNOK 550 (MNOK 550). The outstanding nominal volume of covered bonds amounted to MSEK 4,000 (MSEK 5,900).

Deposits

Total deposits from the public amounted to MSEK 14,082 (MSEK 10,919). Deposits in the Norwegian Branch amounted to MSEK 6,968 (MSEK 5,817).

The deposit products are covered by the Swedish government deposit guarantee, which amounts to SEK 1,050,000. In Norway, the deposit products are also covered by the Norwegian deposit guarantee, which amounts to NOK 2,000,000 via the Norwegian Banks' Guarantee Fund.

Credit rating

Bluestep Bank's credit rating (long-term deposit rating from Moody´s) is A3 with stable outlook since June 2020. Bluestep Bank's covered bonds have a credit rating of Aa1 from Moody's.

Liquidity reserve

At the end of the period, the Group's liquidity reserve amounted to MSEK 1,797 (MSEK 2,473), of which MSEK 794 (MSEK 1,167) was placed with credit institutions, MSEK 142 (MSEK 474) was placed with central banks, MSEK 202 (MSEK 205) was invested in Swedish and Norwegian covered bonds and MSEK 659 (MSEK 628) was invested in bonds issued by the Swedish, Norwegian and German governments or municipalities. All bond investments had credit ratings of AAA / Aaa.

The liquidity coverage ratio ("LCR") in the consolidated situation amounted to 333% (538%) at the end of the period. The Net Stable Funding Ratio ("NSFR") was 136% (124%). Both the LCR and NSFR exceed the internally applied limits as well as regulatory requirements.

Key figures

Group	H1 2023	H2 2022	H1 2022	H2 2021	H1 2021
Operating profit, MSEK	198.4	179.6	130.3	143.7	181.5
Gross revenue / Lending portfolio, %[1,2]	8.0%	6.8%	6.0%	6.1%	6.5%
Net interest income / Lending portfolio, %[1,2]	5.0%	4.9%	4.7%	5.0%	5.0%
Credit losses, %[1,2]	0.15%	0.28%	0.00%	0.07%	0.00%
CET1, MSEK	1,730.8	1,642.1	1,492.8	1,390.1	1,762.6
CET1 ratio, %	17.7%	17.2%	17.0%	16.4%	21.9%
Return on Equity, %[1,2]	17.8%	17.0%	12.1%	12.3%	15.9%
Return on Assets, %[2]	1.8%	1.5%	1.2%	1.4%	1.8%
Liquidity reserve, MSEK	1,797.4	3,041.0	2,473.4	2,334.0	2,485.2
Deposits from the public, MSEK	14,081.8	13,239.1	10,919.2	10,426.0	11,073.6
External funding, MSEK	6,233.1	8,158.9	8,630.5	8,521.1	6,733.3
Lending portfolio, MSEK	20,457.7	20,346.3	18,980.7	18,333.1	17,071.0
Leverage ratio, %	7.6%	6.9%	6.9%	6.6%	8.8%
Average number of employees	268	269	271	271	279

[1] *See page 37 for definitions of alternative performance measures*
[2] *Key figures are annualised to full-year values*

Risk and capital management

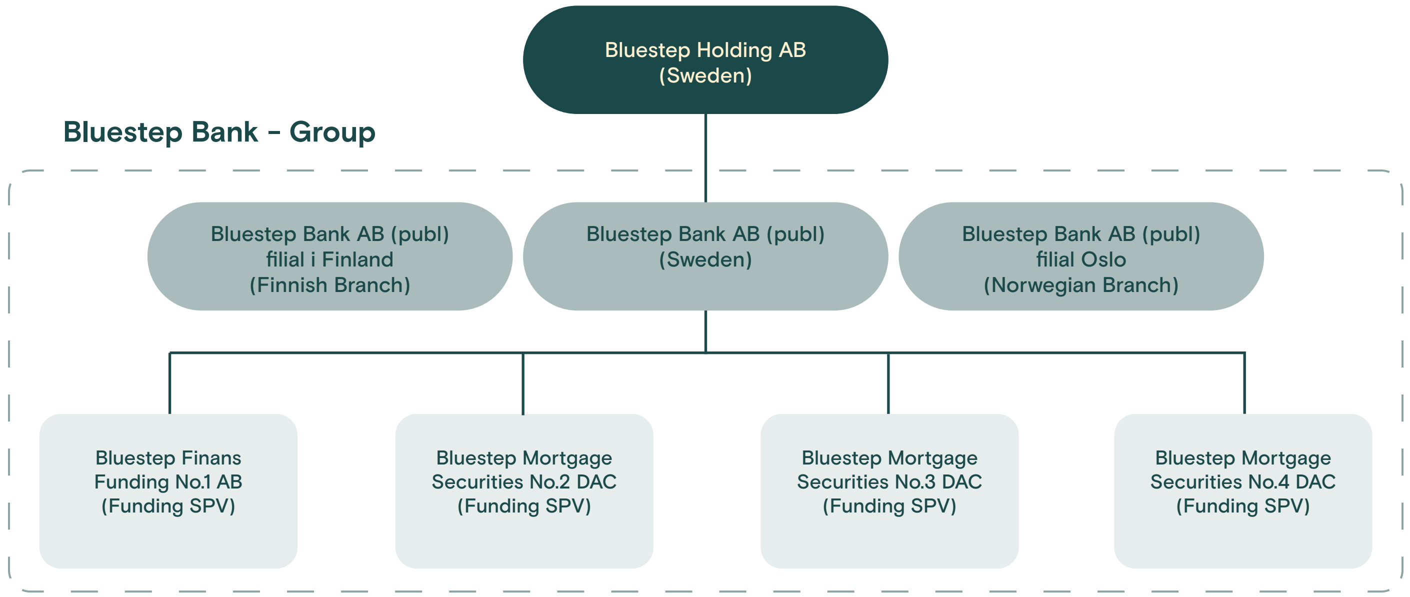
Risk Management

The Bank's risk management aims to ensure that risk-taking is consistent with set risk management strategies and risk appetite, and to achieve an appropriate balance between risk and return. The Bank is exposed to a number of risks, such as strategic risk, business risk, operational risk (covering information security risk), credit risk, market risk, liquidity risk, financing risk, environmental, social and governance-related risk, regulatory risk and reputational risk. Identified risks are assessed qualitatively based on probability and impact of economic loss, negative change in earnings or material change in risk profile, and quantitatively by calculating capital requirements where relevant. The risks are limited and mitigated through set risk appetite and risk tolerances, approved policies and instructions, implemented procedures and routines, as well as mitigating measures, which makes it possible to make well-informed decisions for risk-taking and to ensure awareness and understanding of risk management within the Bank. The risk governance is performed from an organisational perspective as well as from a perspective with three lines of defence, and the risk management framework is governed by the Risk Management Policy and Instruction approved by the Board of Directors.

Capital Management

The capital management is integrated into the strategic planning, the risk management framework, and the performance of the Internal Capital and Liquidity Adequacy Assessment Process ("ICLAAP"). Through the capital management, sufficient capitalisation, appropriate composition of own funds from a loss absorption and cost perspective, efficient use of capital, and efficient capital planning, is ensured. This provides support for achieving set goals, target results, maintaining financial strength and continuity, maintaining sufficient liquidity to meet commitments, and to protect the Bank's brand and reputation. The Bank's capital management framework is governed by the Capital Management Policy approved by the Board of Directors.

For further information on risk and capital management, see Note 6 "Capital adequacy analysis" in this report, the 2022 Annual Report and the periodic information on risk management, capital adequacy and liquidity published on www.bluestepbank.com.



The subsidiaries Step 2, Step 3 and Step 4 are currently under liquidation.

Organisation and operations

Bluestep Bank AB (publ) is a public limited liability bank company under the supervision of the SFSA and classified as a small and non-complex institution. The Bank's head office is located at Sveavägen 163, SE-104 35 Stockholm, Sweden.

The Bank operates in Sweden, Norway and Finland. The Group is the Nordics' largest specialist residential mortgage lender in its niche and the core business is to engage in mortgage lending activities which are mainly funded by equity, deposits from the public and issuance of covered bonds and senior unsecured bonds.

The Bank's operations in Norway and Finland are run through the respective branches. The Bank is a leading credit provider in the specialist mortgage market in Norway and strengthened its role in the Nordic region by establishing a branch and issuing mortgages in Finland during 2020. The Norwegian business is primarily funded through deposits from the public in Norway, issuance of senior unsecured bonds and internal loans from the Bank. The Finnish Branch is funded through internal loans from the Bank.

Significant events during the first half-year 2023

In February 2023, the Board of Directors of the Bank held an Extraordinary General Meeting and decided on a distribution of profits to Bluestep Holding AB (100% owner of the Bank). The dividend distribution amounted to MSEK 37 and was taken into account in the capital adequacy figures as of December 2022.

In June 2023, the Bank entered into an agreement to acquire Bank2 ASA, a Norwegian specialist mortgage bank and refinancing service provider. Closing of the transaction is conditional on regulatory approval and is currently expected to occur during the second half of 2023.

As a consequence of the build-up of the common Nordic Back Office, Bluestep Bank also divested the dormant subsidiary, Bluestep Servicing AB, during June 2023.

Significant events and other information after the end of the period

Following the notification to the SFSA and the German Federal Financial Supervisory Authority ("BaFin"), Bluestep Bank has during July 2023 started offering deposit products in EUR to customers residing in Germany. This is providing further diversification to the Group's funding. The new funding source has also materially increased the Bank's liquidity reserves after the reporting date.

Income statement

Group

MSEK	Note	Jan-Jun 2023	Jan-Jun 2022	FY 2022
Operating income				
Interest income calculated using the effective interest method		765.6	544.9	1,199.5
Other interest income		49.4	18.1	50.5
Interest expense		-353.7	-121.1	-328.9
Net interest income		**461.3**	**441.9**	**921.2**
Net gains/losses on financial transactions		22.6	-27.0	-23.6
Other operating income		4.6	4.4	8.6
Total operating income		**488.5**	**419.3**	**906.2**
Operating expense				
General administration expenses		-239.7	-262.3	-510.1
Depreciation of tangible and intangible assets		-35.0	-26.9	-58.1
Total operating expenses		**-274.7**	**-289.2**	**-568.2**
Profit before credit losses		**213.8**	**130.1**	**338.0**
Credit losses, net	3	-15.5	0.2	-28.1
Operating profit		**198.4**	**130.3**	**309.9**
Paid group contributions		-32.0	-	-12.0
Tax expense		-45.9	-30.2	-56.1
NET PROFIT FOR THE PERIOD		**120.5**	**100.1**	**241.8**
Net profit for the period attributable to shareholders		120.5	100.1	241.8

Statement of comprehensive income

Group

MSEK	Jan-Jun 2023	Jan-Jun 2022	FY 2022
Net profit for the period	**120.5**	**100.1**	**241.8**
Items that may be reclassified to the income statement			
Translation differences of foreign operations	-37.2	-3.2	8.4
Tax due to translation differences of foreign operations	7.7	0.7	-17.4
Total other comprehensive income	**-29.5**	**-2.5**	**-9.0**
COMPREHENSIVE PROFIT FOR THE PERIOD	**90.9**	**97.6**	**232.8**
Comprehensive profit for the period attributable to shareholders	90.9	97.6	232.8

Balance sheet

Group

MSEK	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
Assets				
Cash and balances at central banks		141.6	474.0	501.7
Lending to credit institutions		794.4	1,166.6	1,697.0
Lending to the public	4	20,457.7	18,980.7	20,346.3
Value change of interest-hedged items in portfolio hedging		-328.0	-327.8	-334.9
Derivatives		369.6	348.9	337.8
Bonds and other interest-bearing securities		540.2	511.3	521.0
Government debt securities		321.2	321.5	321.3
Intangible assets		137.2	120.4	126.7
Tangible fixed assets		40.1	36.2	42.3
Other assets		74.9	55.9	49.2
Prepaid expenses and accrued income		72,4	26.4	54.1
Tax assets		66.5	70.7	87.9
TOTAL ASSETS		**22,687.9**	**21,784.7**	**23,750.6**
Liabilities and provisions				
Issued bonds		6,233.1	8,630.5	8,158.9
Deposits from the public		14,081.8	10,919.2	13,239.1
Derivatives		48.3	20.9	44.6
Tax liabilities		4.3	36.9	56.9
Deferred tax		1.0	0.6	1.3
Other liabilities		455.5	492.1	455.6
Accrued expenses and prepaid income		68.1	76.3	52.5
Provisions		-	1.7	-
Total liabilities and provisions		**20,892.2**	**20,178.1**	**22,008.8**
Equity				
Share capital		100.0	100.0	100.0
Translation reserve		-36.4	-0.4	-6.8
Shareholder's contribution		563.7	563.7	563.7
Retained earnings		1,047.9	843.1	843.1
Profit for the period		120.5	100.1	241.8
Total equity		**1,795.7**	**1,606.6**	**1,741.8**
TOTAL EQUITY AND LIABILITIES		**22,687.9**	**21,784.7**	**23,750.6**

Changes in equity

Group

	Shareholders' equity				
MSEK	Share capital	Translation reserve	Shareholders' contribution	Retained earnings incl. profit for the year	Total equity
Opening balance 1 Jan 2022	**100.0**	**2.1**	**563.7**	**1,143.1**	**1,809.0**
Dividend to shareholders				-300.0	**-300.0**
Profit for the period				100.1	**100.1**
Other comprehensive income					
Translation differences of foreign operations		-3.2			**-3.2**
Tax due to translation differences of foreign operations		0.7			**0.7**
Closing balance 30 Jun 2022	**100.0**	**-0.4**	**563.7**	**943.2**	**1,606.6**
Opening balance 1 Jan 2022	**100.0**	**2.1**	**563.7**	**1,143.1**	**1,809.0**
Dividend to shareholders				-300.0	**-300.0**
Profit for the year				241.8	**241.8**
Other comprehensive income					
Translation differences of foreign operations		8.4			**8.4**
Tax due to translation differences of foreign operations		-17.4			**-17.4**
Closing balance 31 Dec 2022	**100.0**	**-6.8**	**563.7**	**1,084.9**	**1,741.8**
Opening balance 1 Jan 2023	**100.0**	**-6.8**	**563.7**	**1,084.9**	**1,741.8**
Dividend to shareholders				-37.0	**-37.0**
Profit for the period				120.5	**120.5**
Other comprehensive income					
Translation differences of foreign operations		-37.2			**-37.2**
Tax due to translation differences of foreign operations		7.7			**7.7**
Closing balance 30 Jun 2023	**100.0**	**-36.4**	**563.7**	**1,168.4**	**1,795.7**

Cash flow statement

Group

MSEK	Note	Jan- Jun 2023	Jan-Jun 2022	FY 2022
Operating activities				
Operating profit		198.4	130.3	309.9
Adjustments for items not included in cash flow		-110.1	29.6	138.0
Tax paid		-77.3	-47.8	-70.3
Cash flow from current operations before changes to operating capital		**11.0**	**112.1**	**377.7**
Cash flow from changes to operating capital				
Increase (-)/decrease (+) of lending to the public		-143.5	-374.3	-1,783.9
Increase (-)/decrease (+) of short term receivables		-32.3	-292.1	-295.4
Increase (-)/decrease (+) in bonds and other interest-bearing securities		-21.1	-23.7	-31.6
Increase (-)/decrease (+) government debt securities		1.2	11.0	12.2
Increase (+)/decrease (-) of deposits from the public		1,000.1	529.5	2,826.6
Increase (+)/decrease (-) in issued bonds		-1,900.0	116.7	-384.0
Increase (+)/decrease (-) of short term liabilities		12.9	388.5	354.4
Cash flow from operating activities		**-1,071.8**	**467.8**	**1,075.9**
Cash flow from investing activities		**-43.3**	**-27.8**	**-71.3**
Cash flow from financing activities		**-118.0**	**-300.0**	**-300.0**
NET CASH FLOW FOR THE YEAR		**-1,233.1**	**140.0**	**704.5**
Liquid funds beginning of year		**2,198.7**	**1,503.1**	**1,503.1**
Currency difference in liquidity		**-29.5**	**-2.5**	**-9.0**
LIQUID FUNDS END OF YEAR		**936.1**	**1,640.6**	**2,198.7**
of which cash and balances at central banks		*141.6*	*474.0*	*501.7*
of which lending to credit institutions		*794.4*	*1,166.6*	*1,697.0*
Cash flow includes interest receipts of		**822.1**	**563.7**	**1,312.9**
Cash flow includes interest payments of		**-196.3**	**-84.7**	**-315.4**

Income statement

Parent

MSEK	Note	Jan-Jun 2023	Jan-Jun 2022	FY 2022
Operating income				
Interest income calculated using the effective interest method		765.5	544.9	1,199.4
Other interest income		49.4	23.5	55.9
Interest expense		-353.4	-130.4	-337.8
Net interest income		**461.5**	**438.0**	**917.6**
Dividends from subsidiaries		19.9	-	-
Received group contributions		-	-	1.4
Net gains/losses on financial transactions		24.2	-26.8	-23.4
Other operating income		4.6	5.3	9.5
Total operating income		**510.2**	**416.5**	**905.1**
Operating expense				
General administration expenses		-245.7	-269.6	-529.3
Depreciation of tangible and intangible assets		-27.0	-19.2	-41.4
Total operating expenses		**-272.7**	**-288.8**	**-570.7**
Profit before credit losses		**237.5**	**127.7**	**334.3**
Credit losses, net	3	-15.5	0.2	-28.1
Operating profit		**222.1**	**127.9**	**306.3**
Paid group contributions		-32.0	-	-12.0
Tax expense		-46.1	-30.0	-56.1
NET PROFIT FOR THE PERIOD		**143.9**	**97.9**	**238.2**

Statement of comprehensive income

Parent

MSEK	Jan-Jun 2023	Jan-Jun 2022	FY 2022
Net profit for the period	**143.9**	**97.9**	**238.2**
Items that may be reclassified to the income statement			
Translation differences of foreign operations	-37.2	-1.9	8.0
Tax due to translation differences of foreign operations	7.7	0.4	-17.3
Total other comprehensive income	**-29.5**	**-1.5**	**-9.3**
COMPREHENSIVE PROFIT FOR THE PERIOD	**114.4**	**96.4**	**229.0**

Balance sheet

Parent

MSEK	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
Assets				
Cash and balances at central banks		141.6	474.0	501.7
Lending to credit institutions		791.6	1,150.0	1,684.4
Lending to the public	4	20,457.7	18,980.7	20,346.3
Value change of interest-hedged items in portfolio hedging		-328.0	-327.8	-334.9
Derivatives		369.6	348.9	337.8
Bonds and other interest-bearing securities		540.2	511.3	521.0
Government debt securities		321.2	321.5	321.3
Shares and participation in associated companies		0.1	0.2	0.2
Intangible assets		137.2	117.0	122.7
Tangible fixed assets		17.0	6.7	14.7
Other assets		74.9	56.4	50.7
Prepaid expenses and accrued income		72.4	26.3	54.1
Tax assets		66.4	63.3	79.6
TOTAL ASSETS		**22,662.0**	**21,728.6**	**23,699.7**
Liabilities				
Liabilities to credit institutions		0.5	1.1	0.9
Issued bonds		6,233.1	8,630.5	8,158.9
Deposits from the public		14,081.8	10,919.2	13,239.1
Derivatives		48.3	20.9	44.6
Tax liabilities		4.3	36.9	56.9
Other liabilities		437.6	466.3	436.5
Accrued expenses and prepaid income		67.4	74.5	51.2
Total liabilities		**20,873.0**	**20,149.5**	**21,988.1**
Equity				
Share capital		100.0	100.0	100.0
Fund for development expenses		44.6	35.2	39.8
Translation reserve		-34.6	2.7	-5.1
Retained earnings		1,535.1	1,343.3	1,338.7
Profit for the period		143.9	97.9	238.2
Total equity		**1,789.0**	**1,579.1**	**1,711.6**
TOTAL EQUITY AND LIABILITIES		**22,662.0**	**21,728.6**	**23,699.7**

Changes in equity

Parent

MSEK	Restricted equity: Share capital	Restricted equity: Fund for development expenses	Non-restricted equity: Translation reserve	Non-restricted equity: Retained earnings incl. profit for the year	Total equity
Opening balance 1 Jan 2022	**100.0**	**29.2**	**4.2**	**1,649.3**	**1,782.7**
Dividend to shareholders				-300.0	**-300.0**
Profit for the period				97.9	**97.9**
Other comprehensive income					
Translation differences of foreign operations			-1.9		**-1.9**
Tax due to translation differences of foreign operations			0.4		**0.4**
The period's own accumulated intangible assets		5.9		-5.9	**-**
Closing balance 30 Jun 2022	**100.0**	**35.2**	**2.7**	**1,441.3**	**1,579.1**
Opening balance 1 Jan 2022	**100.0**	**29.2**	**4.2**	**1,649.3**	**1,782.7**
Dividend to shareholders				-300.0	**-300.0**
Profit for the year				238.2	**238.2**
Other comprehensive income					
Translation differences of foreign operations			8.0		**8.0**
Tax due to translation differences of foreign operations			-17.3		**-17.3**
The year's own accumulated intangible assets		10.5		-10.5	**-**
Closing balance 31 Dec 2022	**100.0**	**39.8**	**-5.1**	**1,576.9**	**1,711.6**
Opening balance 1 Jan 2023	**100.0**	**39.8**	**-5.1**	**1,576.9**	**1,711.6**
Dividend to shareholders				-37.0	**-37.0**
Profit for the period				143.9	**143.9**
Other comprehensive income					
Translation differences of foreign operations			-37.2		**-37.2**
Tax due to translation differences of foreign operations			7.7		**7.7**
The period's own accumulated intangible assets		4.8		-4.8	**-**
Closing balance 30 Jun 2023	**100.0**	**44.6**	**-34.6**	**1,679.0**	**1,789.0**

The share capital consists of two common stock of the same kind with quotient value of MSEK 50.0. All shares have equal voting power. Dividend per share amounted to MSEK 18.5 (MSEK 150.0).

Cash flow statement

Parent

MSEK	Note	Jan-Jun 2023	Jan-Jun 2022	FY 2022
Operating activities				
Operating profit		222.1	127.9	306.3
Adjustments for items not included in cash flow		-151.0	22.8	27.8
Tax paid		-85.5	-44.7	-67.1
Cash flow from current operations before changes to operating capital		**-14.4**	**106.0**	**267.0**
Cash flow from changes to operating capital				
Increase (-)/decrease (+) of lending to the public		-143.5	-374.3	-1,783.9
Increase (-)/decrease (+) of short term receivables		-27.8	-311.2	-219.7
Increase (-)/decrease (+) in bonds and other interest-bearing securities		-21.1	-23.7	-31.6
Increase (-)/decrease (+) government debt securities		1.2	11.0	12.2
Increase (+)/decrease (-) of deposits from the public		1,000.1	529.5	2,826.6
Increase (+)/decrease (-) in issued bonds		-1,900.0	608.7	107.9
Increase (+)/decrease (-) of short term liabilities		14.4	390.5	363.4
Cash flow from operating activities		**-1,091.2**	**936.5**	**1,542.4**
Cash flow from investing activities		**-43.8**	**-26.2**	**-62.0**
Cash flow from financing activities		**-88.4**	**-628.2**	**-628.5**
NET CASH FLOW FOR THE YEAR		**-1,223.3**	**282.1**	**851.9**
Liquid funds beginning of period		**2,186.1**	**1,343.5**	**1,343.5**
Currency difference in liquidity		**-29.5**	**-1.5**	**-9.3**
LIQUID FUNDS END OF YEAR		**933.2**	**1,624.1**	**2,186.1**
of which cash and balances at central banks		*141.6*	*474.0*	*501.7*
of which lending to credit institutions		*791.6*	*1,150.0*	*1,684.4*
Cash flow includes interest receipts of		**822.0**	**569.1**	**1,318.2**
Cash flow includes interest payments of		**-195.9**	**-94.0**	**-324.3**

Notes to the financial statements

All amounts in the notes are in millions of Swedish kronor (MSEK) and represent carrying amounts unless indicated otherwise. Figures in parentheses refer to the same period for the prior year.

Content

Note 1. Accounting policies

This Interim report is prepared according to IAS 34, Interim Financial Reporting. The accounting principles and calculation methods described in the Annual report for 2022, Note 1, are applied. This interim report has not been subject to review by Bluestep Bank's auditor.

The financial reports and the consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and interpretations of them and the regulations and general advice issued by the SFSA, FFFS 2008:25. The consolidated financial statements also apply recommendation RFR 1 Complementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, the pronouncements of the Swedish Financial Reporting Board, and the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL 1995:1559).

The accounting principles for the Parent company are prepared according to the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL 1995:1559), and SFSA regulations and general advice on the Annual Report of banks and securities companies (FFFS 2008:25) in accordance with all amended regulations, and the council of Financial Reporting Recommendation RFR 2, Accounting for Legal Entities.

Significant regulatory changes

There have been no significant regulatory changes or changed accounting principles affecting the Bank's financial statements during the period.

Note 2. Operating segments

The operating segment report is based on the Group's accounting principles, organisation and management accounts. OECD transfer pricing guidelines are applied for invoicing and allocation of cross-border services.

The executive decision maker in the organisation is the Chief Executive Officer. The Head of Operations in Sweden, Norway and Finland all report to the Nordic Chief Commercial Officer, who reports to Chief Executive Officer.

Each Head of Operation is responsible for their respective mortgage segment and govern their operations based on clearly stated objectives regarding development of new lending, loan portfolio, income and expenses, and their respective KPIs.

Furthermore, the operations strive towards improved quality and cost-effectiveness by increasing process efficiency.

The mortgage business is divided into Mortgages Sweden, Mortgages Norway and Mortgages Finland. Mortgages Norway and Finland are operated through each Branch.

Balance sheet 30 Jun 2023	Group					
MSEK	**Mortgages Sweden**	**Mortgages Norway**	**Mortgages Finland**	**Other operations**	**Eliminations**	**Total**
Lending to credit institutions	286,5	432,8	75.1	–	–	**794.4**
Lending to the public	11,237.5	8,595.7	624.5	–	–	**20,457.7**
Deposits from the public	7,114.2	6,967.5	–	–	–	**14,081.8**

Balance sheet 30 Jun 2022

	Group					
MSEK	Mortgages Sweden	Mortgages Norway	Mortgages Finland	Other operations	Eliminations	Total
Lending to credit institutions	732.6	390.1	43.8	-	-	**1,166.6**
Lending to the public	10,771.6	7,849.9	359.2	-	-	**18,980.7**
Deposits from the public	5,101.8	5,817.4	-	-	-	**10,919.2**

Balance sheet 31 Dec 2022

	Group					
MSEK	Mortgages Sweden	Mortgages Norway	Mortgages Finland	Other operations	Eliminations	Total
Lending to credit institutions	1,063.0	600.3	33.7	-	-	**1,697.0**
Lending to the public	11,118.7	8,716.5	511.1	-	-	**20,346.3**
Deposits from the public	6,568.0	6,671.1	-	-	-	**13,239.1**

Income statement H1 2023

	Group					
MSEK	Mortgages Sweden	Mortgages Norway	Mortgages Finland	Other operations	Eliminations	Total
Interest income	494.2	334.0	26.8	-	-40.1	815.0
of which interest income within group	*40.1*	*-*	*-*	*-*	-40.1	
Interest expense	-230.4	-148.6	-14.7	-	40.1	-353.7
of which interest expense within group	*0.0*	*-26.3*	*-13.8*	*-*	40.1	
Net interest income	**263.8**	**185.4**	**12.1**	**-**	**-0.0**	**461.3**
Total operating income	**271.1**	**185.4**	**32.0**	**-**	**-19.9**	**488.5**
Total operating expenses	**-136.0**	**-100.5**	**-38.3**	**19.9**	**19.9**	**-274.7**
Profit before credit losses	**135.1**	**85.0**	**-6.3**	**-19.9**	**0.0**	**213.8**
Credit losses, net	-11.3	-2.7	-1.5	-	-	-15.5
OPERATING PROFIT	**123.8**	**82.3**	**-7.8**	**-**	**0.0**	**198.4**

Income statement H1 2022

	Group					
MSEK	Mortgages Sweden	Mortgages Norway	Mortgages Finland	Other operations	Eliminations	Total
Interest income	285.9	279.9	9.0	-	-11.8	563.0
of which interest income within group	*11.8*	*-*	*-*	*-*		
Interest expense	-68.4	-63.2	-1.2	-	11.8	-121.1
of which interest expense within group	*-*	*-10.7*	*-1.0*	*-*		
Net interest income	**217.4**	**216.7**	**7.8**	**-**	**-0.0**	**441.9**
Total operating income	**198.5**	**215.3**	**7.8**	**0**	**-2.3**	**419.3**
Total operating expenses	**-134.2**	**-106.0**	**-26.1**	**-25.2**	**2.3**	**-289.2**
Profit before credit losses	**64.3**	**109.2**	**-18.3**	**-25.2**	**0.0**	**130.1**
Credit losses, net	-1.4	-2.4	-0.2	4.2	-	0.2
OPERATING PROFIT	**63.0**	**106.9**	**-18.5**	**-21.0**	**0.0**	**130.3**

Income statement FY 2022

	Group					
MSEK	Mortgages Sweden	Mortgages Norway	Mortgages Finland	Other operations	Eliminations	Total
Interest income	658.7	599.6	23.5	-	-31.8	1,250.1
of which interest income within group	*31.8*	*-*	*-*	*-*		
Interest expense	-194.2	-161.7	-4.8	-	31.8	-328.9
of which interest expense within group	*-*	*-27.6*	*-4.2*	*-*		
Net interest income	**464.5**	**438.0**	**18.8**	**-**	**-0.0**	**921.2**
Total operating income	**449.6**	**440.1**	**18.9**	**0**	**-2.4**	**906.2**
Total operating expenses	**-264.0**	**-208.3**	**-62.3**	**-35.9**	**2.4**	**-568.2**
Profit before credit losses	**185.6**	**231.8**	**-43.5**	**-35.9**	**-0.0**	**338.0**
Credit losses, net	-17.7	-10.8	-1.6	2.1	-	-28.1
OPERATING PROFIT	**167.9**	**220.9**	**-45.1**	**-33.8**	**-0.0**	**309.9**

Note 3. Credit losses

Provisions are calculated using quantitative models based on inputs and assumptions made by management. The Bank does not calculate provisions for off balance items, i.e. loan commitments, as there is no irrevocable commitment in these contracts and therefore they have no impairment requirements.

Provisions in stage 2 increased mainly due to increases in interest rates. The decline in housing prices affected the LGD and therefore lead to an increase in provisions in general. An additional driver for the increase in provisions during the period is an increased number of loans in arrears, which increases the average PD and stage migration resulting in increased provisions.

The following points could have a major impact on the level of provisions:

- determining a significant increase in credit risk.
- valuation of both expected credit losses due to default in the next twelve months and expected credit losses during the remaining maturity of the asset.

Credit impairments

	Group & Parent		
MSEK	Jan-Jun 2023	Jan-Jun 2022	FY 2022
Stage 1 - net impairment	0.6	**0.5**	**-1.2**
Stage 2 - net impairment	-3.4	**0.2**	**-11.1**
Stage 3 - impairment/recoveries for the period	-9.4	**-6.0**	**-16.0**
Write-offs			
Actual losses during the period	-12.0	-6.4	-15.9
Release of allowances in Stage 3	6.0	4.6	7.2
Recoveries from previous write-offs	2.7	7.4	8.9
Total write-offs	-3.3	**5.6**	**0.3**
Total credit losses, net	-15.5	**0.2**	**-28.1**

Note 4. Lending to the public

MSEK	Group & Parent 30 Jun 2023	30 Jun 2022	31 Dec 2022
Measured at amortised cost			
Mortgages Sweden	10,074.3	9,955.1	10,107.4
Mortgages Norway	8,595.7	7,849.9	8,716.5
Mortgages Finland	624.5	359.2	511.1
Measured at fair value			
Mortgages Sweden	1,163.1	816.5	1,011.4
Total lending to the public	**20,457.7**	**18,980.7**	**20,346.3**

The tables below provide a breakdown of lending to the public at amortised cost, provisions per stage and movements during the period.

30 Jun 2023

	Group & Parent								
	Reported value gross				Provisions				Reported value net
MSEK	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
Mortgages Sweden	8,788.1	1,154.1	174.6	**10,116.8**	-4.8	-20.9	-16.8	**-42.5**	**10,074.3**
Mortgages Norway	7,064.7	1,328.9	221.4	**8 614.9**	-1.4	-11.8	-6.0	**-19.2**	**8,595.7**
Mortgages Finland	534.8	75.8	17.7	**628.4**	-0.2	-2.0	-1.6	**-3.8**	**624.5**
Total	**16,387.7**	**2,558.8**	**413.7**	**19,360.1**	**-6.5**	**-34.6**	**-24.4**	**-65.5**	**19,294.6**

30 Jun 2022

	Group & Parent								
	Reported value gross				Provisions				Reported value net
MSEK	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
Mortgages Sweden	9,074.4	779.2	126.3	**9,979.9**	-3.6	-12.7	-8.5	**-24.7**	**9,955.1**
Mortgages Norway	6,979.8	709.3	174.6	**7,863.6**	-1.9	-7.2	-4.7	**-13.8**	**7,849.9**
Mortgages Finland	344.2	12.0	3.7	**359.9**	-0.1	-0.2	-0.3	**-0.7**	**359.2**
Total	**16,398.4**	**1,500.5**	**304.5**	**18,203.4**	**-5.6**	**-20.1**	**-13.5**	**-39.2**	**18,164.2**

31 Dec 2022

	Group & Parent								
	Reported value gross				Provisions				Reported value net
MSEK	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
Mortgages Sweden	9,059.8	933.9	152.7	**10,146.4**	-5.0	-19.9	-14.1	**-39.1**	**10,107.4**
Mortgages Norway	7,553.0	976.7	205.6	**8,735.3**	-1.9	-11.2	-5.7	**-18.8**	**8,716.5**
Mortgages Finland	472.4	26.3	14.5	**513.2**	-0.2	-0.6	-1.3	**-2.2**	**511.1**
Total	**17,085.3**	**1,936.9**	**372.8**	**19,394.9**	**-7.2**	**-31.7**	**-21.1**	**-60.0**	**19,334.9**

	Group & Parent			
MSEK	Stage 1	Stage 2	Stage 3	Total
Reported value gross 1 Jan 2023	17,110.6	1,911.6	372.8	**19,394.9**
Reported value gross 30 Jun 2023	16,387.7	2,558.8	413.7	**19,360.1**
Provisions 1 Jan 2023	-7.2	-31.7	-21.1	**-60.0**
New financial assets	-1.4	-1.0	–	**-2.4**
Change in PD/LGD/EAD	0.4	0.8	-0.4	**0.8**
Change due to expert credit judgement	–	–	–	**–**
Transfers between stages	1.0	-7.0	-9.0	**-15.0**
-Transfer from stage 1 to 2	1.2	-14.7	–	**-13.5**
-Transfer from stage 1 to 3	0.1	–	-4.1	**-4.0**
-Transfer from stage 2 to 1	-0.3	4.8	–	**4.4**
-Transfer from stage 2 to 3	–	4.3	-9.2	**-4.9**
-Transfer from stage 3 to 1	–	–	–	**–**
-Transfer from stage 3 to 2	–	-1.3	4.3	**2.9**
Changes in exchange rates	0.1	0.4	0.2	**0.7**
Removed financial assets	0.6	3.8	5.9	**10.4**
Provisions 30 Jun 2023	-6.5	-34.6	-24.4	**-65.5**
Opening balance 1 Jan 2023	17,103.4	1,879.9	351.7	**19,334.9**
Closing balance 30 Jun 2023	16,381.2	2,524.1	389.3	**19,294.6**

	Group & Parent			
MSEK	Stage 1	Stage 2	Stage 3	Total
Reported value gross 1 Jan 2022	**15,705.2**	**1,824.3**	**299.6**	**17,829.1**
Reported value gross 30 Jun 2022	**16,398.4**	**1,500.5**	**304.5**	**18,203.4**
Provisions 1 Jan 2022	**-6.0**	**-20.3**	**-12.0**	**-38.3**
New financial assets	-1.3	-1.5	-0.1	**-3.0**
Change in PD/LGD/EAD	1.2	0.6	0.1	**1.9**
Change due to expert credit judgement	-0.3	-3.7	-0.9	**-5.0**
Transfers between stages	**0.1**	**1.3**	**-5.1**	**-3.6**
-Transfer from stage 1 to 2	0.4	-5.1	–	**-4.7**
-Transfer from stage 1 to 3	0.0	–	-1.1	**-1.1**
-Transfer from stage 2 to 1	-0.3	4.2	–	**3.9**
-Transfer from stage 2 to 3	–	2.5	-5.2	**-2.7**
-Transfer from stage 3 to 1	-0.0	–	0.2	**0.2**
-Transfer from stage 3 to 2	–	-0.3	1.1	**0.7**
Changes in exchange rates	-0.0	-0.0	-0.0	**-0.1**
Removed financial assets	0.7	3.6	4.6	**8.9**
Provisions 30 Jun 2022	**-5.6**	**-20.1**	**-13.5**	**-39.2**
Opening balance 1 Jan 2022	**15,699.2**	**1,804.0**	**287.6**	**17,790.8**
Closing balance 30 Jun 2022	**16,392.9**	**1,480.4**	**291.0**	**18,164.2**

	Group & Parent			
MSEK	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Reported value gross 1 Jan 2022	**15,705.2**	**1,824.3**	**299.6**	**17,829.1**
Reported value gross 31 Dec 2022	**17,085.3**	**1,936.9**	**372.8**	**19,394.9**
Provisions 1 Jan 2022	**-6.0**	**-20.3**	**-12.0**	**-38.3**
New financial assets	-2.9	-8.6	-3.7	**-15.1**
Change in PD/LGD/EAD	0.4	-1.9	-0.5	**-1.9**
Change due to expert credit judgement	-0.2	-1.0	-	**-1.2**
Transfers between stages	**0.3**	**-5.5**	**-11.9**	**-17.1**
-Transfer from stage 1 to 2	0.6	-12.4	-	**-11.8**
-Transfer from stage 1 to 3	0.1	-	-5.3	**-5.2**
-Transfer from stage 2 to 1	-0.4	4.3	-	**3.9**
-Transfer from stage 2 to 3	-	3.1	-7.9	**-4.8**
-Transfer from stage 3 to 1	-0.0	-	0.2	**0.2**
-Transfer from stage 3 to 2	-	-0.5	1.2	**0.7**
Changes in exchange rates	-0.1	-0.4	-0.3	**-0.7**
Removed financial assets	1.3	5.9	7.2	**14.4**
Provisions 31 Dec 2022	**-7.2**	**-31.7**	**-21.1**	**-60.0**
Opening balance 1 Jan 2022	**15,699.2**	**1,804.0**	**287.6**	**17,790.8**
Closing balance 31 Dec 2022	**17,078.1**	**1,905.2**	**351.7**	**19,334.9**

Note 5. Fair value measurements

Financial assets at fair value

The Group's financial assets and liabilities are measured both at fair value through profit or loss and at amortised cost. The method for determining the fair value of derivatives is described in the Annual Report for 2022, Note 1. All derivative contracts measured at fair value are entered into for the purpose to hedge interest rate- and currency risks that arise in the normal course of business and all interest-bearing securities are included in the liquidity portfolio.

The methods for determining the value of all financial assets and liabilities within the Group adhere to a hierarchy. This hierarchy reflects observable prices or other information used in the valuation methods. An assessment is made each quarter to determine if the valuations refer to noted prices representing actual and regularly occurring transactions or not. Transfers between different levels in the hierarchy may occur when there are indications that the market conditions, e.g. liquidity, have changed.

Level 1 uses valuation of quoted prices in an active market, i.e. easily accessible by different market makers and represent actual and frequent transactions. Level 2 uses calculated values that are based on observable market quotations for similar instruments, or instruments on a less active market. This level includes interest rate swaps and cross-currency swaps. Level 3 refers to financial instruments that are not actively traded in a market and where valuation models are used where significant input data is based on unobservable data. At this level the equity release product is included, which is a part of lending to the public.

Measured at fair value through profit or loss per level

	Group											
	30 Jun 2023				30 Jun 2022				31 Dec 2022			
MSEK	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets												
Lending to the public	–	–	1,163.1	**1,163.1**	–	–	816.5	**816.5**	–	–	1,011.4	**1,011.4**
Derivatives	–	369.6	–	**369.6**	–	348.9	–	**348.9**	–	337.8	–	**337.8**
Bonds / other interest-bearing securities	861.4	–	–	**861.4**	832.8	–	–	**832.8**	842.3	–	–	**842.3**
Total assets	**861.4**	**369.6**	**1,163.1**	**2,394.2**	**832.8**	**348.9**	**816.5**	**1,998.2**	**842.3**	**337.8**	**1,011.4**	**2,191.5**
Liabilities												
Derivatives	–	**48.3**	–	**48.3**	–	20.9	–	**20.9**	–	44.6	–	**44.6**
Total liabilities	–	48.3	–	**48.3**	**–**	**20.9**	**–**	**20.9**	**–**	**44.6**	**–**	**44.6**

	Parent											
	30 Jun 2023				30 Jun 2022				31 Dec 2022			
MSEK	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets												
Lending to the public	–	–	1,163.1	**1,163.1**	–	–	816.5	**816.5**	–	–	1,011.4	**1,011.4**
Derivatives	–	369.6	–	**369.6**	–	348.9	–	**348.9**	–	337.8	–	**337.8**
Bonds / other interest-bearing securities	861.4	–	–	**861.4**	832.8	–	–	**832.8**	842.3	–	–	**842.3**
Total assets	**861.4**	**369.6**	**1,163.1**	**2,394.2**	**832.8**	**348.9**	**816.5**	**1,998.2**	**842.3**	**337.8**	**1,011.4**	**2,191.5**
Liabilities												
Derivatives	–	48.3	–	**48.3**	–	20.9	–	**20.9**	–	44.6	–	**44.6**
Total liabilities	**–**	**48.3**	**–**	**48.3**	**–**	**20.9**	**–**	**20.9**	**–**	**44.6**	**–**	**44.6**

Changes in lending to the public valued at fair value in level 3

Jan - Jun 2023

	Group & Parent					
MSEK	**Carrying balance**	**New loans**	**Redeemed loans**	**Unrealised interest income**	**Gains/ losses on revaluation**	**Total**
Lending to the public	1,011.4	182,3	-59,9	33,0	-3,6	**1,163.1**

FY 2022

	Group & Parent					
MSEK	**Carrying balance**	**New loans**	**Redeemed loans**	**Unrealised interest income**	**Gains/ losses on revaluation**	**Total**
Lending to the public	542.3	498.2	-68.8	40.8	-1.1	**1,011.4**

Sensitivity analysis of lending to the public measured at fair value in level 3

The Bank has performed a sensitivity analysis of lending to the public measured at fair value by altering assumptions of unobservable inputs in the valuation model. The sensitivity analysis is done in two parts: a parallel shift of the yield curve with 1% and an instant movement in house prices of 10%.

An upward parallel shift of the yield curve with 1% would result in a negative change in fair value of MSEK 22 (MSEK 11) and a downward parallel shift with 1% would result in a positive change in fair value of MSEK 3 (MSEK 1). An instant decline in house prices of 10% would result in a negative change in fair value of MSEK 15 (MSEK 7) and an instant increase of 10% would result in a positive change in fair value of MSEK 3 (MSEK 1).

Note 6. Capital adequacy analysis – Parent company and consolidated situation

The capital adequacy information complies with the disclosure requirements for credit institutions set out in the SFSA Regulations and General Guidelines (FFFS 2008:25) regarding annual reports at credit institutions and securities companies, the SFSA Regulations (FFFS 2014:12) regarding prudential requirements and capital buffers, the Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 ("CRR"), and the Commission Implementing Regulation (EU) 2021/637 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013.

In this note, information is disclosed regarding the Bank and the Consolidated situation. For further information regarding the ownership structure, see the section "Administration report".

The Bank and the Consolidated situation have prior permission from the SFSA to include interim profits in CET1 capital in accordance with Article 26(2) of the CRR.

Reports on risk management and capital adequacy in accordance with the Pillar III disclosure require-ments are published on www.bluestepbank.com.

Risk-based capital requirement

The risk-based capital requirement is calculated in accordance with the CRR, the Swedish Acts, and the SFSA Regulations and General Guidelines. The risk-based capital requirement consists of the Pillar I capital requirement, the Pillar II capital requirement ("P2R"), the combined buffer requirement, and the Pillar II guidance ("P2G").

The Pillar I capital requirement is calculated based on the standardised approach for credit risk, market risk and credit valuation adjustment risk and original exposure method for the counterparty risk, while the alternative standardised approach is used for operational risk. The minimum capital requirement amounts to 8% of the risk weighted assets ("RWAs").

The Pillar II requirement is based on qualitative and quantitative assessment of material risks to determine whether additional capital is needed for risks not covered, or not sufficiently covered, by the Pillar I minimum capital requirement. The Pillar II capital requirement for material risks is assessed using internal methodologies, as well as methods from the SFSA for concentration risk, interest rate risk, and credit spread risk. The SFSA performs a supervisory review and evaluation process ("SREP") and formally decides on P2R. In accordance with the latest SFSA's SREP decision, a risk-based P2R of 1.20% of the RWAs for the Consolidated situation and 1.10% of the RWAs for the Bank shall be met.

The combined capital buffers are regulatory buffers held to absorb losses in periods of financial stress. The applicable countercyclical capital buffer ("CCyCB") factors as of the reporting date are 2% in Sweden, 2.5% in Norway, and 0% in Finland.

The P2G level is notified by the SFSA as part of the SREP in addition to the other main capital components to cover risks and manage future financial stresses and the P2G applies if the SFSA considers the capital conservation buffer to be insufficient for covering risks the Bank might be exposed to. The SFSA has decided not to notify any P2G for the Consolidated situation or the Bank.

The Consolidated situation and the Bank shall at all times satisfy the CET1 ratio of at least 4.5%, Tier 1 capital ratio of at least 6%, total capital ratio of at least 8%, and the institution specific buffer requirements.

The Consolidated situation and the Bank's total risk-based capital requirements are shown below.

Capital requirements and Pillar II Guidance	Consolidated situation			Parent		
MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022
Pillar I	783.8	703.5	765.6	777.0	696.5	758.8
Pillar II	117.6	-	114.8	106.8	-	104.3
Combined buffer	455.3	274.6	373.8	451.5	272.2	370.7
Pillar II Guidance	-	-	-	-	-	-
Total capital requirements	**1,356.6**	**978.2**	**1,254.3**	**1,335.3**	**968.6**	**1,233.9**

Capital requirements and Pillar II Guidance	Consolidated situation			Parent		
% RWA	30 Jun 2023	30 Jun 2022	31 Dec 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022
Pillar I	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Pillar II	1.20%	-	1.20%	1.10%	-	1.10%
Combined buffer	4.65%	3.12%	3.91%	4.65%	3.13%	3.91%
Pillar II Guidance	-	-	-	-	-	-
Total capital requirements	**13.85%**	**11.12%**	**13.11%**	**13.75%**	**11.13%**	**13.01%**

The Pillar II capital requirement was decided by the SFSA in July 2022. The own funds capital requirement is met for both the Consolidated situation and the Bank.

Leverage ratio requirement

The leverage ratio is calculated in accordance with the CRR, the Swedish Acts, and the SFSAs Regulations and General Guidelines. The leverage ratio is a non-risk-based measure to limit build-up of leverage on the balance sheet, and is calculated as the ratio between Tier 1 capital and the leverage ratio exposure amount, comprising of on- and off-balance sheet exposures.

The minimum capital requirement for the leverage ratio is 3% of the leverage exposure amount, and additional 0.15% should be met for the Consolidated situation as P2G in accordance with the latest SFSA's SREP decision.

The minimum and Pillar II leverage ratio requirements shall be met with Tier 1 capital, while P2G shall be met with CET1 capital.

The leverage ratio requirement is shown below.

Leverage ratio and Pillar II Guidance	Consolidated situation			Parent		
MSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022
Minimum	684.9	653.3	714.1	682.1	651.0	712.0
Pillar II Capital requirements	-	-	-	-	-	-
Pillar II Guidance	34.2	-	35.7	-	-	-
Total leverage ratio and Pillar II Guidance	**719.2**	**653.3**	**749.8**	**682.1**	**651.0**	**712.0**

Leverage ratio and Pillar II Guidance	Consolidated situation			Parent		
%	30 Jun 2023	30 Jun 2022	31 Dec 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022
Minimum	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Pillar II Capital requirements	-	-	-	-	-	-
Pillar II Guidance	0.15%	-	0.15%	-	-	-
Total leverage ratio and Pillar II Guidance	**3.15%**	**3.00%**	**3.15%**	**3.00%**	**3.00%**	**3.00%**

The Consolidated situation and Bank are fulfilling the total leverage ratio requirement of 3.15% of the leverage exposure amount.

Key metrics

Key metrics (EU KM1) for the Consolidated situation and the Bank are shown below.

Key metrics (EU KM1)		Consolidated situation		
MSEK		30 Jun 2023	30 Jun 2022	31 Dec 2022
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	1,731	1,493	1,624
2	Tier 1 capital	1,731	1,493	1,624
3	Total capital	1,731	1,493	1,624
Risk-weighted exposure amounts				
4	Total risk exposure amount	9,797	8,794	9,570
Capital ratios[1]				
5	Common Equity Tier 1 ratio	17.67%	16.97%	16.97%
6	Tier 1 ratio	17.67%	16.97%	16.97%
7	Total capital ratio	17.67%	16.97%	16.97%
Additional own funds requirements to address risks other than the risk of excessive leverage[1]				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage	1.20%		1.20%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.68%		0.68%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.90%		0.90%
EU 7d	Total SREP own funds requirements	9.20%	8.00%	9.20%
Combined buffer and overall capital requirement[1]				
8	Capital conservation buffer	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State			
9	Institution specific countercyclical capital buffer	2.15%	0.62%	1.41%
EU 9a	Systemic risk buffer			
10	Global Systemically Important Institution buffer			
EU 10a	Other Systemically Important Institution buffer			
11	Combined buffer requirement	4.65%	3.12%	3.91%
EU 11a	Overall capital requirements	13.85%	11.12%	13.11%
12	CET1 available after meeting the total SREP own funds requirements	8.47%	8.97%	7.77%
Leverage ratio				
13	Total exposure measure	22,830	21,776	23,805
14	Leverage ratio	7.58%	6.86%	6.82%
Additional own funds requirements to address the risk of excessive leverage[2]				
EU 14a	Additional own funds requirements to address the risk of excessive leverage			
EU 14b	of which: to be made up of CET1 capital (percentage points)			
EU 14c	Total SREP leverage ratio requirements	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement[2]				
EU 14d	Leverage ratio buffer requirement			
EU 14e	Overall leverage ratio requirement	3.00%	3.00%	3.00%
Liquidity Coverage Ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	955	1,261	1,297
EU 16a	Cash outflows - Total weighted value	1,146	937	1,098
EU 16b	Cash inflows - Total weighted value	1,222	1,390	2,033
16	Total net cash outflows (adjusted value)	286	234	275
17	Liquidity coverage ratio	333.18%	538.42%	472.43%
Net Stable Funding Ratio				
18	Total available stable funding	19,751	17,941	19,726
19	Total required stable funding	14,474	14,467	14,936
20	NSFR ratio	136.46%	124.01%	132.07%

[1] *as a percentage of risk-weighted exposure amount*
[2] *as a percentage of total exposure measure*

Key metrics (EU KM1)		Parent		
MSEK		30 Jun 2023	30 Jun 2022	31 Dec 2022
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	1,738	1,516	1,625
2	Tier 1 capital	1,738	1,516	1,625
3	Total capital	1,738	1,516	1,625
Risk-weighted exposure amounts				
4	Total risk exposure amount	9,712	8,706	9,485
Capital ratios[1]				
5	Common Equity Tier 1 ratio	17.90%	17.41%	17.13%
6	Tier 1 ratio	17.90%	17.41%	17.13%
7	Total capital ratio	17.90%	17.41%	17.13%
Additional own funds requirements to address risks other than the risk of excessive leverage[1]				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage	1.10%		1.10%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.62%		0.62%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.83%		0.83%
EU 7d	Total SREP own funds requirements	9.10%	8.00%	9.10%
Combined buffer and overall capital requirement[1]				
8	Capital conservation buffer	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State			
9	Institution specific countercyclical capital buffer	2.15%	0.63%	1.41%
EU 9a	Systemic risk buffer			
10	Global Systemically Important Institution buffer			
EU 10a	Other Systemically Important Institution buffer			
11	Combined buffer requirement	4.65%	3.13%	3.91%
EU 11a	Overall capital requirements	13.75%	11.13%	13.01%
12	CET1 available after meeting the total SREP own funds requirements	8.80%	9.41%	8.03%
Leverage ratio				
13	Total exposure measure	22,738	21,698	23,732
14	Leverage ratio	7.65%	6.99%	6.85%
Additional own funds requirements to address the risk of excessive leverage[2]				
EU 14a	Additional own funds requirements to address the risk of excessive leverage			
EU 14b	of which: to be made up of CET1 capital (percentage points)			
EU 14c	Total SREP leverage ratio requirements	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement[2]				
EU 14d	Leverage ratio buffer requirement			
EU 14e	Overall leverage ratio requirement	3.00%	3.00%	3.00%
Liquidity Coverage Ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	955	1,261	1,297
EU 16a	Cash outflows - Total weighted value	1,146	937	1,098
EU 16b	Cash inflows - Total weighted value	1,222	1,390	2,028
16	Total net cash outflows (adjusted value)	286	234	275
17	Liquidity coverage ratio	333.18%	538.42%	472.43%
Net Stable Funding Ratio				
18	Total available stable funding	19,751	17,941	19,728
19	Total required stable funding	14,474	14,467	14,928
20	NSFR ratio	136.46%	124.01%	132.15%

[1] *as a percentage of risk-weighted exposure amount*
[2] *as a percentage of total exposure measure*

Note 7. Related parties

Related parties

Related parties refer to:

- EQT VII (private equity fund), registered in Edinburgh (ultimate owner of Bluestep Holding AB),
- Bluestep Holding AB, org no 556668-9575, registered in Stockholm,
- Bluestep Finans Funding No 1 AB, org no 556791-6928, registered in Stockholm,
- Bluestep Mortgage Securities No 2 Designated Activity Company, org no 522186, registered in Dublin,
- Bluestep Mortgage Securities No 3 Designated Activity Company, org no 550839, registered in Dublin,
- Bluestep Mortgage Securities No 4 Designated Activity Company, org no 596111, registered in Dublin
- Uno Finans AS, org no 921320639 registered in Oslo (broker agency which is an associated company to Bluestep Holding AB).

Assets and liabilities	Group			Parent		
MSEK	30 Jun 2023	30 Jun 2022*	31 Dec 2022*	30 Jun 2023	30 Jun 2022	31 Dec 2022
Other assets						
Parent	–	–	0.0	–	–	0.0
Subsidiaries	–	–	–	–	0.5	1.4
Total	**–**	**–**	**0.0**	**–**	**0.5**	**1.5**
Other liabilities						
Parent	–	–	12.0	–	–	12.0
Subsidiaries	–	–	–	1.1	3.3	4.0
Associates	0.8	0.6	1.8	0.8	0.6	1.8
Total	**0.8**	**0.6**	**13.8**	**1.9**	**3.9**	**17.8**

Income and expenses	Group			Parent		
MSEK	30 Jun 2023	30 Jun 2022*	31 Dec 2022*	30 Jun 2023	30 Jun 2022	31 Dec 2022
Interest income calculated using the effective interest method						
Parent	–	–	–	–	–	–
Subsidiaries	–	–	–	–	6.6	6.6
General administration expenses						
Parent	–	–	–	–	–	–
Subsidiaries	–	–	–	–	-3.6	-7.2
Associates	5.1	5.7	12.5	5.1	5.7	12.5
Total	**5.1**	**5.7**	**12.5**	**5.1**	**8.7**	**11.9**

*Bluestep Bank divested the subsidiary Bluestep Servicing AB, org no 556955-3927, registered in Stockholm, as of June 30, 2023. The company is included in the comparative figures, but not in the current period.

Interest income

Interest income for the Bank relates to interest income from internal loans between the Bank and other companies within the Group.

Note 8. Pledged assets, contingent liabilities and commitments

	Group			Parent		
MSEK	30 Jun 2022	30 Jun 2022	31 Dec 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022
Pledged assets and comparable securities for own liabilities						
Shares and participation in associated companies	–	–	–	–	–	–
Lending to credit institutions	6.6	3.1	4.7	6.6	0.4	4.7
Lending to the public	4,440.0	6,637.5	6,608.0	4,440.0	4,270.8	6,608.0
Government debt securities	19.7	20.3	19.9	19.7	18.6	19.9
Derivatives	–	–	–	–	–	–
Other assets	18.2	18.2	18.2	18.2	61.6	18.2
Prepaid expenses and accrued income	–	–	–	–	–	–
Commitments						
Granted loans but not paid out	51.7	–	49.3	51.7	–	49.3

Lending to credit institutions

Reserved funds related to the Bank of Finland reserve requirement.

Lending to the public

Collateral registered for the benefit of holders of covered bonds issued by the Bank. The collateral comprise loans granted against mortgages in single-family homes, second homes and tenant-owners' rights with a loan-to-value ratio within 75 per cent of the market value. In the event of the Bank's insolvency, the holders of the covered bonds have prior rights to the pledged assets.

Government debt securities

Relates to collateral pledged in case of negative balances on accounts held with the Swedish Central Bank. Accounts with the Swedish Central Bank are used for clearing between banks. If a payment obligation (negative account balance) is not met, the Swedish Central Bank has a possibility to claim the pledged collateral.

Derivatives

Assets pledged as collateral for the Group's currency- and interest rate derivative-transactions.

Signature of the Chief Executive Officer

The Chief Executive Officer certifies that the Interim report for January to June 2023 provides a true and fair view of the Parent's and the Group's operations, their financial positions and earnings as well as describing significant risks and uncertainties facing the Parent and the Group.

Stockholm August 24, 2023

Björn Lander
Chief Executive Officer

Definitions of alternative performance measures

C/I ratio

Costs before credit losses in relation to operating income.

MSEK	H1 2023	H1 2022
Costs before credit losses	274.7	289.2
Operating income	488.5	419.3
C/I ratio	**56%**	**69%**

Credit losses (%)

Net credit losses in relation to the closing balance of lending to the public.

MSEK	H1 2023	H1 2022
Credit losses	15.5	-0.2
Credit losses annualised	31.0	-0.4
Lending to the public	20,457.7	18,980.7
Credit losses (%)	**0.15%**	**0.00%**

Return on equity

Operating profit after tax in relation to average equity. The tax rate for 2023 in Sweden is 20.6% (20.6%).

MSEK	H1 2023	H1 2022
Operating profit	198.4	130.3
Operating profit annualised	396.7	260.9
Operating profit less tax	**315.0**	**206.9**
Total equity 2021-12-31		1,809.0
Total equity 2022-06-30		1,606.6
Total equity 2022-12-31	1,741.8	
Total equity 2023-06-30	1 795,7	
Average equity	**1 768,8**	
Return on equity	**17.8%**	**12.1%**

Gross revenue / Lending to the public

Interest income excluding interest income from bond holdings and interest income from credit institutions in relation to average lending to the public.

MSEK	H1 2023	H1 2022
Total Interest Income	815.0	563.0
Interest income bonds	-9.4	-2.4
Interest income credit institutions	-28.6	-1.5
Gross revenue	777.0	559.1
Gross revenue annualised	**1,554.1**	**1,118.3**
Lending to the public 2021-12-31		18,333.1
Lending to the public 2022-06-30		18,980.7
Lending to the public 2022-12-31	20,346.3	
Lending to the public 2023-06-30	20,457.7	
Average lending to the public	**20,402.0**	**18 656,9**
Gross Revenue / Lending to the public	**7,6%**	**6.0%**

Net interest income / Lending to the public

Net interest income in relation to average lending to the public.

MSEK	H1 2023	H1 2022
Net interest income	461.3	441.9
Net interest income annualised	**922.7**	**883.8**
Lending to the public 2021-12-31		18,333.1
Lending to the public 2022-06-30		18,980.7
Lending to the public 2022-12-31	20,346.3	
Lending to the public 2023-06-30	20,457.7	
Average lending to the public	**20,402.0**	**18,656.9**
Net interest income / Lending to the public	**4.5%**	**4.7%**

Financial Calendar

Year-end report 2023
week 8, 2024

Annual report 2023
week 17, 2024

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