



Interim Report January-March 2017

Avanza Bank Holding AB (publ)

First quarter 2017 compared to first quarter 2016

- **Customer growth** remained strong and the number of new customers was 38,400 (26,100)
- **Net inflow** in the quarter was SEK 8,620 million, an increase of 74 per cent
- **Operating income** increased by 9 per cent, mainly due to higher fund volumes and currency-related income as well as good activity within corporate transactions
- **Operating expenses** increased by 13 per cent, mainly due to an increased number of employees in IT and product development
- **Net profit** of SEK 103 million, an increase of 5 per cent, mainly due to higher income
- Digital stock trading was launched on some major European exchanges, and the brokerage fee was reduced to 1 euro at the lowest
- The Annual General Meeting on 21 March 2017 resolved to re-elect all members of the Board of Directors. The dividend proposal of SEK 10.50 per share was approved
- After the end of the quarter, Chief Legal Officer Teresa Schechter was elected to Avanza's Group Management and CFO Birgitta Hagenfeldt was appointed deputy CEO, succeeding Henrik Källén
- Cooperation agreement with Stabelo has been signed, with the purpose of distributing mortgages to broader customer groups

Quote from Johan Prom, CEO Avanza

"We have had a record start to 2017 despite more intense competition in terms of price pressure and new challengers. The transformation of the financial services industry has just begun, and as consumers have more providers to choose from, they will need a better overview of their finances. We continue to improve our offering and user experience to satisfy customer needs. Avanza's platform, customer focus and innovation capabilities are well suited to the new market climate."

	Q1 2017	Q4 2016	Change %	Q1 2016	Change %
Operating income, SEK m	247	247	-	226	9
Operating expenses, SEK m	-126	-130	-3	-112	13
Operating profit, SEK m	121	117	3	115	5
Net profit, SEK m	103	101	2	98	5
Earnings per share, SEK	3.46	3.39	2	3.35	3
Operating margin, %	49	47	2	51	-2
Net inflow, SEK m	8,620	6,210	39	4,960	74
No. new customers (net)	38,400	29,300	31	26,100	47
Savings capital at the end of the period, SEK m	246,300	231,000	7	188,900	30

Numbers in the parentheses refer to the corresponding period or date in previous year unless otherwise is stated.

Avanza in brief

This is Avanza

Avanza was founded in 1999 and has since grown from a small company, dealing solely in online stock broking, into Sweden's leading digital platform for savings and investments. Avanza offers the market's broadest range of savings products, competitive occupational pension solutions and mortgages to customers within Private Banking.

Avanza challenges established structures of large banks and pension providers in the Swedish savings market and drives long-term development of new financial products and services. Customers are offered to save in Swedish and foreign securities and in savings accounts, without fixed account charges and at a very low brokerage fee. Avanza primarily targets individual investors, but also offers services for professional traders, corporate customers, banks and asset managers.

Avanza is covered by the state deposit guarantee and supervised by the Swedish Financial Supervisory Authority. The Parent Company Avanza Bank Holding AB (publ) is listed on Nasdaq Stockholm Large Cap (short name AZA).

An investment in growth

To create long-term shareholder value, growth in customers and savings capital is key, since there is an underlying connection between inflow and income. Income in turn is driven and affected by:

- attractive offers
- market conditions such as trading activity, fund volumes and interest rates
- changes in deposit and lending volumes

The sensitivity in the event of a decrease in savings capital due to a stock market downturn is difficult to assess, as income is dependent on, among other things, how customers choose to invest their savings capital.

To manage fluctuations in the market, the aim is to broaden the offering.



Vision & business model

Avanza's vision is to create a better future for millions of people, where the contribution is a cheaper, better and simpler offering. This is based on price leadership, a broad product range and effective decision-making support tools, and by education increase knowledge about savings and investments. The promise is to give customers a better return on their savings than any other bank, due to lower fees and better tools. Satisfied customers and a world-class user experience are key to Avanza's business idea and critical to future growth. Avanza is driven by a consistent focus on creating customer value.

To deliver shareholder value, while the customer promise is fulfilled, cost efficiency is crucial. Avanza's business model is therefore built on scale and the market's lowest cost per transaction and customer. Strong customer growth and the market's lowest cost to savings capital ratio are what lead to long-term growth. Cost effectiveness and economies of scale are achieved through continuous development, digitisation and internal efficiencies. This also reduces operational risks and increases stability.

To deliver on the vision also requires engaged employees and a strong corporate culture that draws its energy from a willingness to change. The corporate climate is characterised by collaboration and humility, and to constantly challenge and think differently.

Long-term targets

Satisfied customers:

- Sweden's most satisfied savers according to SKI's (Swedish Quality Index) annual award

Satisfied employees:

- eNPS (Employee Net Promoter Score) over 45

Long-term value growth:

- Market share of at least 9 per cent of the total net inflow to the Swedish savings market
- 1 million customers by 2020
- Cost increase shall not exceed income growth
- Dividend of at least 70 per cent of the profit of the year

For more information about Avanza, see avanza.com and the Annual Report.

CEO comment

A record quarter

What a fantastic start to the year with 38,400 new customers, a new quarterly record! In March we also passed 600,000 customers. The net inflow was strong at SEK 8.6 billion. We also got the fourth quarter data on the net inflow to the Swedish savings market, where our share for 2016 ended up being as high as 10.9 per cent.

As part of our efforts to create offers that are cheaper, better and simpler, we launched a Stock Generator during the quarter, to make it easier for customers to filter through the large selection of stocks on the site. We have updated our stock inspiration list with various tools and popular inspiration lists. The functionality of our apps is constantly being improved and usage among customers is increasing. Nearly half of all visits are through the apps. Moreover, as many as one of every five new customers now joins through the apps. We digitised trading on some major European stock exchanges, making it easier for customers and for us. We also lowered the brokerage fee on European trades, from as low as 1 euro.

For nearly two decades Avanza has been trying to lower the price of stock trading. During the quarter, we saw price competition intensify. There is a growing realization, however, that price has to be viewed in relation to the value of the service. The difference in price has now reached a level that service quality, user-friendly tools, decision-making support and customer service are just as important. Our efforts to benefit society are continuing in more areas. We have just signed a cooperation agreement with Stabelo to distribute mortgages to broader customer groups. We will come back with a great offer later in the year.

Favourable conditions for equities produced strong profit

Profit for the quarter was strong at SEK 103 million. Stock market conditions were favourable and the SIX Return Index rose by 6 per cent. As a result, brokerage income remained in line with the previous quarter. Year-on-year it was slightly lower, since last year's trading was especially high, mainly in Fingerprint Cards. The number of commission-generating customers and commission notes was record high. The trend toward smaller transactions is continuing, however, which means lower income per transaction. This is partly a result of external factors and a younger customer base. Increased fund savings strengthened fund commissions compared to the first quarter of 2016. This contributed to higher currency-related income as well, which was also positively affected by growing interest in foreign equities. Activity in corporate transactions continued to generate strong income in Corporate Finance. Net interest income was affected by negative interest rates, but also by a higher resolution fee and deposit guarantee fee. On the other hand, the risk appetite among customers was good and our current mortgage offer is also attracting more customers.

Expenses decreased compared to previous quarter, when marketing costs were unusually high due to increased advertising. Expenses were 13 per cent higher year-on-year and the guidance

for 2017 remains firm. Expenses are expected to rise by 15-20 per cent compared to 2016. This will contribute to continued strong growth through new products and expanded functionality in the mobile apps. We are also working on efficiency improvements, including the roll-out of our new trading system. This will increase scalability, security and stability, at the same time that it will be more flexible in terms of updates and changes.

We welcome the future

The transformation of the financial services industry has just begun. We are seeing more and more niche players enter the market with, for example, smart payment solutions, high-yield accounts and robotic advice. Digitisation makes it easier for customers to find providers of specific services and compare prices. Price will therefore remain an important factor. With more providers to choose from, consumers need a better overview and ability to take action from one location. We see Avanza as a tool for our customers to succeed with their whole economy. It is why we continue to expand our platform with our own and other's offers. We have stock trading on various exchanges, a marketplace with our own and other's funds, the Savings account+ in collaboration with other niche banks and soon an expanded mortgage offer.

Avanza aims to have the best savings and investment offers, and we are doing what we can to give customers a better return on their savings. Avanza's strengths are its offers, customer focus and user experience, but also its scalability and cost leadership. This will create growth in the long term as well as a better future for millions of people.

Stockholm, 20 April 2017



Johan Prom, CEO Avanza



Operations

Market environment

Stock market activity was good during the quarter, driven by the strong Swedish economy and positive economic outlook. SIX Return Index rose by 6 per cent. At the same time, savings are at record-high levels.

Trading activity among Avanza's customers increased compared to the fourth quarter 2016 and the number of commission notes per customer and month rose by 4 per cent. Fund trading activity was positive and customers reweighted to a higher share of equity and fixed income funds and a smaller share of hedge funds.

Turnover on the Stockholm Stock Exchange including First North was stable during the quarter compared to the previous quarter. Compared to the first quarter of 2016 turnover declined by 3 per cent, while the number of transactions grew 5 per cent. Turnover among Avanza's customers in the first quarter was unchanged from the previous quarter while at the same time the number of transactions rose by 5 per cent. Compared to the first quarter of 2016 turnover fell by 5 per cent at the same time that the number of transactions rose by 42 per cent.

Avanza's share of transactions on the Stockholm Stock Exchange including First North was 15.1 (11.3) per cent in the first quarter, an increase by 0.5 percentage points compared to previous quarter. Avanza's share of turnover was 6.5 (6.6) per cent in the quarter, in line with the fourth quarter of 2016.

The Riksbank left the repo rate unchanged during the quarter. Not until early 2018 is the repo rate expected to rise.

Events during the first quarter

In March, digital trading in the largest companies on the stock exchanges in Germany, the Netherlands, Belgium and Portugal was introduced on the website and apps. Brokerage fees were reduced at the same time for European trading, now to as low as from 1 euro. Initially, stocks in German industrial companies have been the most popular. In April, the offer was expanded to include trading on the markets in Italy and France.

As part of an effort to create better offers with improved investment support, Avanza introduced the Stock Generator, which makes it easier to filter through the wide range of stocks on the site. At the end of the quarter over 50,000 customers had tried it.

The stock inspiration list has been updated with tools and popular inspiration lists such as "Most popular stocks in Europe," "Highest dividend-yielding stocks" and "The analysts' favourites".

During the quarter, Avanza announced a cooperation with Stabelo 2 AB with the purpose of distributing mortgages to broader customer groups without impacting Avanza's balance sheet. Avanza's ownership in the parent company Stabelo AB amounts to just under 20 per cent. An agreement was signed in April.

The mobile apps are continuously being improved, including during the quarter through the introduction of securities guides and the option to track monthly savings and sign up as a customer through the apps.

Development of customers and savings capital

Data on the Swedish savings market for the fourth quarter of 2016 were released in February. Avanza's share of the total net inflow to the Swedish savings market during the period January 2016 - December 2016 was 10.9 per cent, surpassing our long-term goal of at least 9 per cent. At the end of 2016, Avanza's share of the Swedish savings market was 3.3 per cent.

The net inflow in the first quarter was 39 per cent higher than the inflow in the previous quarter and slightly over half came from new customers. Average savings capital per customer in their first year as customer has been stable in the last seven years.

The largest share of the net inflow was to investment savings accounts, which offer tax advantages for customers in the current interest rate environment.

During the quarter, 38,400 new customers were added, the highest quarterly growth to date. In March, we passed 600,000 customers. The reasons for the high inflow was a strong offering, high customer satisfaction and a high recommendation rate among employees.

During the quarter, 900 new companies selected Avanza for their occupational pensions.

Savings capital grew by 7 per cent in the first quarter driven by the high customer and net inflow as well as the the strong stock market development.

At the end of the period, 27 per cent of customer capital was invested in funds, an increase of one percentage point during the year. Net inflow into funds was high during the quarter.

Deposits were stable, but liquidity as a share of savings capital decreased slightly to 14 per cent at the end of the period. Lending rose by 7 per cent from the beginning of the year and at the end of the period was comprised of 49 per cent margin loans and 51 per cent mortgage loans.

Activity and market shares	2017 Q1	2016 Q4	Change %	2016 Q1	Change %	2016 Jan-Dec
No. commission notes (incl fund notes), thousands	7,790	7,050	10	5,670	37	24,600
No. commission notes per customer and month	4.2	4.0	4.0	3.8	10	3.8
Turnover (excl fund trans.), SEK m	147,200	153,000	-4	168,300	-13	615,000
Market shares						
<i>Nasdaq Stockholm and First North:</i>						
No. transactions, %	15.1	14.6	0.5	11.3	3.8	13.5
Turnover, %	6.5	6.5	0.0	6.6	-0.1	6.8
Net inflow, SEK m	2017 Q1	2016 Q4	Change %	2016 Q1	Change %	2016 Jan-Dec
Standard	7,910	5,450	45	4,530	75	20,020
Private Banking	590	620	-4	320	84	6,030
Pro	120	140	-14	110	10	450
Net inflow	8,620	6,210	39	4,960	74	26,500
Equity & investment fund accounts	-810	1,630	-149	-140	468	6,840
Investment savings accounts (ISK)	7,140	3,900	83	2,920	145	13,400
Savings accounts	-170	110	-259	520	-133	1,150
of which, external deposit accounts	-120	70	-280	520	-124	1,100
Pension- & insurance-based accounts	2,460	570	334	1,660	48	5,110
of which, endowment insurance	1,720	-200	-968	1,130	53	2,540
of which, occupational pensions	770	770	1	590	31	2,680
Net inflow	8,620	6,210	39	4,960	74	26,500
Net inflow/Savings capital, %	15	11	4	10	5	14
No. customers and accounts, SEK m (unless otherwise stated)	31-03-2017	31-12-2016	Change %	31-03-2016	Change %	
Standard, no	588,200	550,910	7	477,130	23	
Private Banking, no	18,900	17,700	7	14,800	28	
Pro, no	1,900	1,990	-5	1,870	2	
No. customers	609,000	570,600	7	493,800	23	
of which occupational pension customers, no	53,400	49,100	9	40,400	32	
Standard	138,050	129,150	7	109,510	26	
Private Banking	101,000	95,100	6	73,900	37	
Pro	7,250	6,750	7	5,490	32	
Savings capital	246,300	231,000	7	188,900	30	
Equity & investment fund accounts	78,620	77,350	2	62,710	25	
Investment savings accounts	72,900	64,000	14	47,600	53	
Savings accounts	9,280	9,450	-2	8,790	6	
of which, external deposit accounts	8,460	8,580	-1	7,970	6	
Pension- & insurance-based accounts	85,500	80,200	7	69,800	23	
of which, endowment insurance	61,600	57,900	6	51,600	19	
of which, occupational pensions	13,300	12,100	10	8,840	51	
Savings capital	246,300	231,000	7	188,900	30	
Equities, bonds, derivatives, etc.	152,360	145,280	5	116,390	31	
Investment funds	67,700	58,900	15	46,700	45	
Deposits	35,000	35,000	0	32,500	8	
of which, external deposits	8,460	8,580	-1	7,970	6	
Lending	-8,760	-8,180	7	-6,690	31	
of which, mortgage loans	-4,460	-4,060	10	-2,890	55	
Savings capital	246,300	231,000	7	188,900	30	
Deposits/Lending, %	400	427	-27	486	-86	
Net deposits/Savings capital, %	11	12	-1	14	-3	
Return, average account since 1 Jan, %	3	6	-3	-4	7	
SIX Return Index since 1 Jan, %	6	10	-3	-3	10	

For definitions see page 18.

Financial overview

	2017 Q1	2016 Q4	Change %	2016 Q1	Change %	2016 Jan-Dec
Income Statement, SEK m						
Brokerage income	122	122	0	125	-3	469
Fund commissions	53	48	10	37	42	168
Net interest income	29	31	-5	31	-8	114
Other income	44	47	-8	33	33	167
Operating income	247	247	0	226	9	919
Personnel	-82	-83	-2	-72	13	-290
Marketing	-7	-11	-40	-7	-6	-32
Depreciation	-2	-2	1	-2	-15	-8
Other expenses	-36	-34	6	-30	21	-123
Operating expenses before credit losses	-126	-130	-3	-112	13	-453
Profit before credit losses	120	117	3	115	5	465
Credit losses, net	0	0	0	0	0	-1
Operating profit	121	117	3	115	5	465
Tax on profit for the period	-17	-16	9	-16	7	-66
Net profit	103	101	2	98	5	399
Key ratios						
Operating margin, %	49	47	2	51	-2	51
Profit margin, %	42	41	1	43	-2	43
Earnings per share, SEK	3.46	3.39	2	3.35	3	13.45
Earnings per share after dilution, SEK	3.45	3.38	2	3.32	4	13.44
Return on shareholders' equity, %	9	8	1	8	0	33
Credit loss level, %	0.00	0.00	-	0.00	-	0.01
Investments, SEK m	7	15	-53	6	10	36
Brokerage income/Operating income, %	49	49	0	55	-6	51
Fund commissions/Operating income, %	21	19	2	16	5	18
Net interest income/Operating income, %	12	12	-1	14	-2	12
Other income/Operating income, %	18	19	-1	14	3	18
Income to savings capital ratio, %	0.41	0.44	-0.02	0.48	-0.06	0.44
Costs to savings capital ratio, %	0.21	0.23	-0.02	0.24	-0.02	0.22
Brokerage income per trading day, SEK m	1.9	1.9	0	2.1	-8	1.9
Brokerage per commission note, SEK	35	36	-4	47	-26	41
Brokerage/Turnover, %	0.095	0.091	0.004	0.087	0.008	0.088
No. trading days	63.5	63.5	-	60.0	6	251.0
Average no. employees	370	360	3	332	11	343
Web service operational availability, %	100.0	99.6	0.4	100.0	-	99.9
Key ratios						
	31-03-2017	31-12-2016	Change %	31-03-2016	Change %	
Shareholders' equity per share, SEK	36.78	43.83	-16	41.71	-12	
Capital base/Capital requirement	1.62	1.66	-2	1.62	-	
No. employees	374	365	2	330	13	
Market value, SEK	336.90	369.00	-9	362.00	-7	
Market capitalisation, SEK m	10,100	11,000	-8	10,600	-5	

For definitions see page 18.

Extended financial history is available at Avanza's website, avanza.se/keydata.

Development during the first quarter compared to the previous quarter

Operating profit during the first quarter increased by 3 per cent compared to previous quarter, which was a result of lower costs while revenues were stable. Operating margin increased to 49 per cent.

Revenues

Total revenues remained unchanged. The number of commission-generating customers were record-high, and the number of commission notes rose as well. Brokerage income per turnover

rose, but turnover per trade decreased. Taken together, brokerage income remained unchanged.

Fund commissions increased by 10 per cent, due to larger fund volumes, which in average increased by 11 per cent during the period.

Net interest income fell by 5 per cent, mainly as a result of higher deposit guarantee fee and resolution fee, amounting to SEK 4 million and SEK 2 million in the first quarter. Increased lending made a positive contribution. The repo rate remained unchanged, while STIBOR (3M) was 5 bps higher which, however, had a marginal effect on Nil.

Other income decreased by 8 per cent, mainly due to lower income from Corporate Finance, which was still at a relatively high level. During the quarter, Avanza Markets accounted for 27 per cent, currency-related income for 56 per cent and income from Corporate Finance for 17 per cent of other income.

Avanza Market's share of total trading in exchange-traded products (ETP) in the first quarter represented 69 per cent of the turnover on the Stockholm Stock Exchange and NDX Sweden. The market share in terms of number of transactions was 70 per cent.

Operating expenses

Operating expenses decreased by 3 per cent, mainly due to lower marketing costs.

Development during the first quarter compared to the first quarter of 2016

Operating profit increased by 5 per cent compared to first quarter 2016, as a result of increased income. The operating margin lowered to 49 per cent.

Revenues

Income increased due to higher fund commissions and an increase in other income, while lower NII and brokerage commission had the opposite effect.

Brokerage income decreased by 3 per cent. Avanza's turnover on Nasdaq OMX and First North was 5 per cent lower than the same quarter in 2016, when turnover in Fingerprint Cards was at especially high levels. The number of equity transactions gained 13 per cent and the number of commission-generating customers rose by 26 per cent. Transaction volumes are lower, however, and trades are done in lower benefit classes suited to customers' trading patterns, which affects income. Income per commission note fell, even though brokerage income per turnover increased somewhat compared to 2016 from 8.7 basis points to 9.5.

Fund commissions increased by 42 per cent, mainly due to higher fund volumes and partly because customers have reweighted to funds with higher fees.

Net interest income fell, mainly as a result of the negative interest rate with increased expenses for surplus liquidity, but also 33 per cent higher expenses for the deposit guarantee fee and resolution fee. The repo rate averaged -0.50 per cent in the first quarter 2017, compared to -0.42 per cent in the first quarter 2016. STIBOR (3M) was on average 12 bps lower than the previous year. All else being equal, without taking changes in customer behaviour into account, a 1 percentage point change in interest rates with today's volumes would affect full-year net interest income by around SEK 200 million.

Other income increased, mainly as a result of higher currency-related income caused by increased trading in foreign securities. Equity trading in foreign markets by Avanza's customers accounted for 6.1 per cent of turnover in the quarter. Corporate Finance income increased compared to the previous year.

Operating expenses

Operating expenses increased mainly due to higher personnel costs, partly because of added IT and product development capacity. Other expenses rose due to higher expenses for external services.

In 2017, expenses are expected to rise at a rate of 15–20 per cent before returning to a yearly rate of 8–10 per cent. For more information, see Future outlook.

Seasonal effects

Customer and net inflow are normally higher at the beginning of the year, while activity has historically been lower in the summer months. The introduction of mobile services has made it possible for customers to manage their savings while on vacation, which has kept summer activity higher in recent years. Seasonal variations are not necessarily reflected in the company's financial results, which are impacted more by cyclical market factors such as stock market development and the repo rate. The third quarter is characterized by lower personnel costs, based on employees' summer vacation, and Corporate Finance activity is also seasonally low.

Future outlook

Avanza's share of the Swedish savings market is growing and Avanza is well-positioned to meet the changing conditions facing the financial services industry.

The greater focus on the importance of fees and the negative interest rates create a favourable growth climate for Avanza. When interest rates eventually turn higher, we expect to see the positive results of the sharp increase in savings capital, even though stock market activity could decline.

Mobile usage has increased customer activity. Digitisation makes them more willing to switch banks, at the same time that new fintech companies are being started and competition in the financial market is increasing.

The gradual deterioration of national and collective pension and welfare systems increases the need for individual savings. New regulation increases consumer protection and transparency in the market, which is positive for customers. However, these requirements will mean greater complexity and higher costs for Avanza as well as other financial players, even though companies that offer financial advice for private individuals will be hit harder. The new rules banning advisory fees, which will be introduced no later than in the MiFID II regulations, do not affect Avanza directly, since Avanza does not offer advice. Regulated pension transfer rights are being discussed, although it is unclear at present whether and when they may be introduced. The government reiterated last autumn that it hopes to make progress on transfer rights during its current term, which stretches until September 2018.

Avanza expects these trends to further drive digitisation, especially digital decision-making support. Here Avanza is on the forefront. Its modern platform, low prices and broad range of products enable Avanza to meet savers' changing needs and preferences. Not least as the need for a better overview increases as consumers use several providers for their banking services.

Avanza does not foresee a return to the previous income per savings capital level given current savings habits and competitive market. Competition and profitability will instead have to be generated through cost efficiency and innovative product development.

Avanza's focus on pensions and new products is also expected to contribute as a long-term shock absorber if the market fluctuates.

The introduction of a new tax on financial services based on wages that was previously proposed by the government was withdrawn earlier this spring. The debate is now instead on raising the resolution fee, a proposal that has encountered opposition. It is still uncertain whether such an increase is feasible.

In 2017, expenses are expected to rise at a rate of 15–20 per cent before returning to a yearly rate of 8–10 per cent. Given continued strong growth in customers and savings capital, we see good opportunities to lower the cost to savings capital ratio over the next few years to below 20 basis points.

Quarterly overview

Quarterly overview (SEK m unless otherwise stated)	Q1-2017	Q4-2016	Q3-2016	Q2-2016	Q1-2016	Q4-2015	Q3-2015	Q2-2015	Q1-2015
Brokerage income	122	122	113	110	125	146	113	108	113
Fund commissions	53	48	44	38	37	38	38	44	40
Net interest income	29	31	25	27	31	30	29	36	43
Other income	44	47	38	50	33	38	24	39	26
Operating income	247	247	220	225	226	253	203	227	222
Personnel	-82	-83	-62	-74	-72	-75	-58	-69	-64
Marketing	-7	-11	-5	-8	-7	-6	-6	-6	-9
Depreciation	-2	-2	-2	-2	-2	-2	-2	-2	-2
Other expenses	-36	-34	-29	-30	-30	-29	-29	-30	-31
Operating expenses before credit losses	-126	-130	-98	-113	-112	-112	-95	-106	-107
Operating profit	121	117	122	111	115	140	108	121	115
Operating margin, % ¹⁾	49	47	55	49	51	56	53	53	52
Earnings per share, SEK	3.46	3.39	3.53	3.18	3.35	4.03	3.19	3.57	3.43
Shareholders' equity per share, SEK	36.78	43.83	40.44	36.64	41.71	38.37	34.33	30.97	24.65
Return on shareholders' equity, %	9	8	9	8	8	11	10	13	13
Net inflow, SEK m	8,620	6,210	5,920	9,430	4,960	5,790	5,010	4,370	10,000
No. new customers (net)	38,400	29,300	24,500	23,100	26,100	23,700	20,400	20,500	31,800
No. customers at the end of the period	609,000	570,600	541,300	516,900	493,800	467,600	443,900	423,500	403,000
Savings capital at the end of the period,	246,300	231,000	222,900	199,200	188,900	191,600	170,700	170,000	168,200
Income to savings capital ratio,	0.41	0.44	0.42	0.46	0.48	0.56	0.48	0.54	0.57
Costs to savings capital ratio, annualised,	0.21	0.23	0.19	0.23	0.24	0.25	0.22	0.25	0.28

As of 2016, the deposit guarantee fee and the resolution fee are reported as interest expenses and has therefore been transferred from other operating expenses to net interest income. Historical numbers have been adjusted.

Financial position

Avanza is mainly self-financed by equity and customer deposits. All of Avanza's assets have a high level of liquidity. The majority of the assets can, therefore, be transferred within a couple of days.

The surplus liquidity is mainly invested in covered bonds and with systemically important Nordic banks and to a lesser extent in bonds issued by the Swedish Government and Municipalities.

Avanza does not conduct, and has not previously conducted, trading in securities on its own behalf.

All lending is secured against listed securities or with pledges on houses and tenant-owned apartments. Between 2001 and the first quarter 2017 total credit losses amounted to SEK 10 million, which is the equivalent, on average, to less than 0.03 per cent per year.

Significant risks and uncertainly factors

Avanza's operations are exposed to risks on a daily basis. These risks are measured, controlled and, where necessary, acted upon, in order to protect the company's capital and reputation. The manner in which Avanza identifies, follows up and manages these

risks has a bearing on the soundness of the business and on the company's long-term profitability.

A detailed description of the Group's risk exposure and risk management is provided in Avanza's Annual Report for 2016, Note 36 and pages 28–30. It is deemed that there are no significant risks other than those risks described in the Annual Report and in this Interim Report.

The Parent Company Avanza Bank Holding AB (publ)

Avanza Bank Holding AB (publ) is the Parent Company in the Avanza Group. The operating result in the first quarter was SEK -3 million (SEK -3m). The Parent Company does not report any revenues. A dividend payment, related to 2016, of SEK 313 million (SEK 308m) has been made to the shareholders, following the decision at the Annual General Meeting in March 2017.

Capital surplus

SEK m	31-03-2017	31-12-2016
Shareholders' equity, the Group	1,098	1,308
<i>Additional</i>		
Solvency capital (NPV)	2,474	2,340
Subordinated bond	96	92
<i>Less</i>		
Intangible fixed assets	-66	-62
Deferred tax receivables	-2	-1
Capital requirement Pillar 1	-1,909	-1,810
Buffer requirement	-217	-184
Capital requirement Pillar 2	-39	-35
Non-distributable solvency capital	-961	-908
Capital surplus before dividend	475	740
Capital surplus per share, SEK	15.94	24.79

Intangible fixed assets and deferred tax receivables are not included in the capital base under the capital adequacy rules and are thus not distributable and should be reduced from the shareholders' equity. See also Note 4, page 15.

The capital surplus, i.e. the maximum scope available for dividend payments and buybacks of the company's own shares, totalled SEK 475 million as of 31 March 2017.

The Solvency 2 rules means that the conglomerate's largest sector is insurance. Due to this, the Group's capital base is

increased by additional solvency capital at the same time that the capital requirement rises. The net effect, which is positive, does not constitute distributable capital, however, due to which this is deducted as non-distributable solvency capital. For more information, see Note 4.

Other corporate events

Transactions with associated parties

Avanza's transactions with associated parties are presented in the Annual Report for 2016, Note 37. No significant changes have taken place since the publication of the Annual Report.

Executive Management

In February, Henrik Källén, COO and deputy CEO of Avanza Bank Holding AB (publ) and the subsidiary Avanza Bank AB (publ), announced his resignation. He will continue working during his six-month term of notice. Henrik's previous responsibilities have been divided among the other members in Group Management. Birgitta Hagenfeldt, CFO, was named deputy CEO.

Joining Group Management on 20 April is Chief Legal Officer Teresa Schechter. Teresa is responsible for legal affairs and regulation in the Group. She has been responsible since 2006 for legal affairs, regulatory compliance and market surveillance at Avanza and has regularly reported to the CEO and the Board of Directors. Teresa has a JD from the University of Gothenburg.

Annual General Meeting 2017

The Annual General Meeting on 21 March 2017 resolved to re-elect the Chairman of the Board and all board members. As

proposed, a dividend of SEK 10.50 per share was authorised. The Annual Report was published on 24 February 2017.

The proposal to issue warrants for the Avanza Group's employee incentive programmes did not receive support from a sufficient majority. A new proposal will be presented before the summer along with the notice of an extraordinary general meeting.

Repurchase of the company's own shares

On 21 March 2017, the Annual General Meeting decided to authorise the Board of Directors to implement the acquisition of own shares, up to a maximum of 10 per cent of the shares in Avanza Bank Holding AB (publ). The authorisation is valid until the following Annual General Meeting. No shares were repurchased during 2017 and the company holds no repurchased shares as of 31 March 2017.

Significant events after the end of the reporting period

In addition to the management changes described above, a cooperation agreement with Stabelo 2 AB was signed in April.

Consolidated Income Statements ¹

SEK m	2017 Q1	2016 Q1	2016-2017 Apr-Mar	2016 Jan-Dec
Operating income				
Commission income	253	229	958	934
Commission expenses	-35	-34	-134	-133
Interest income	54	53	212	211
Interest expenses	-25	-22	-100	-97
Net result of financial transactions	0	0	3	3
Other operating income	-	-	0	0
Total operating income	247	226	939	919
Operating expenses				
General administrative costs	-113	-98	-412	-397
Depreciation of tangible and intangible fixed assets	-2	-2	-8	-8
Other operating expenses	-11	-11	-48	-48
Total operating expenses before credit losses	-126	-112	-468	-453
Operating profit before credit losses	120	115	471	465
Credit losses, net	0	0	0	-1
Operating profit	121	115	471	465
Tax on profit for the period	-17	-16	-67	-66
Net profit²	103	98	404	399
Earnings per share, SEK	3.46	3.35	13.56	13.45
Earnings per share after dilution, SEK	3.45	3.32	13.54	13.44
Average no. shares before dilution, thousands	29,839	29,344	29,783	29,660
Average no. shares after dilution, thousands	29,924	29,612	29,820	29,682
Outstanding no. shares before dilution, thousands	29,839	29,344	29,839	29,839
Outstanding no. shares after dilution, thousands	29,868	29,665	29,868	29,908
No. shares upon full dilution, thousands	31,309	30,814	31,309	31,309

1) Corresponds to total comprehensive income in that no other total comprehensive income exists.

2) The entire profit accrues to the Parent Company's shareholders.

Consolidated Balance Sheet

SEK m	Note	31-03-2017	31-12-2016
Assets			
Lending to credit institutions	1	2,083	1,583
Lending to the public	2	9,324	8,175
Bonds		12,460	13,244
Shares and participations		11	5
Assets in insurance operations		81,059	75,934
Intangible fixed assets		66	62
Tangible fixed assets		20	18
Other assets		2,014	1,432
Prepaid costs and accrued income		86	164
Total assets		107,122	100,616
Liabilities and shareholders' equity			
Deposits by the public		24,354	22,832
Liabilities in insurance operations		81,059	75,934
Other liabilities		424	353
Accrued costs and prepaid income		88	89
Subordinated liabilities		99	99
Shareholders' equity		1,098	1,308
Total liabilities and shareholders' equity		107,122	100,616

Changes in the Group's shareholders' equity

SEK m	2017	2016	2016
	Jan-Mar	Jan-Mar	Jan-Dec
Shareholders' equity at the beginning of the period	1,308	1,126	1,126
Dividend paid	-313	-	-308
Exercise of share warrants	-	-	83
Warrants issue	-	-	8
Net profit for the period (also total comprehensive income)	103	98	399
Shareholders' equity at the end of the period	1,098	1,224	1,308

There are no minority shareholdings included in the shareholders' equity.

Consolidated Cash Flow Statements

SEK m	2017	2016
	Q1	Q1
Cash flow from operating activities before changes in operating activities' assets and liabilities	-442	104
Cash flow from operating activities' assets and liabilities	466	1,901
Cash flow from investment operations	776	-898
Cash flow from financial operations	-313	0
Cash flow for the period	487	1,107
Liquid assets at the beginning of the period ¹	1,453	1,599
Liquid assets at the end of the period ¹	1,940	2,706

1) Liquid assets are defined as lending to credit institutions excluding pledged assets. At the end of the period SEK 143 million (SEK 75m) of consolidated liquid assets are pledged as collaterals.

Parent Company Income Statement

SEK m	2017	2016
	Jan-Mar	Jan-Mar
Operating expenses		
Administration expenses	-2	-2
Other operating expenses	-2	-1
Operating profit/loss	-3	-3
Profit from financial investments		
Profit/loss from participations in Group companies	-	-
Interest income and similar items	0	-0
Profit before tax	-3	-3
Tax on profit for the period	1	1
Net profit/loss for the period	-3	-2

Parent Company Balance Sheets

SEK m	31-03-2017	31-12-2016
	Assets	
Financial fixed assets	414	414
Current receivables ¹	37	354
Liquid assets	0	0
Total assets	451	767
Shareholders' equity and liabilities		
Shareholders' equity	445	761
Current liabilities	6	7
Total shareholders' equity and liabilities	451	767

1) Of which receivables from subsidiaries SEK 35 million (SEK 353m as of 31-12-2016)

Accounting principles

The Interim Report for the Group has been prepared in accordance with IAS 34 Interim Reporting, the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and with the guidelines and general advice issued by the Swedish Financial Supervisory Authority concerning the annual accounts of credit institutions and securities companies (FFFS 2008:25). The Interim Report for the Parent Company has been prepared in accordance with the provisions of the Swedish Annual Accounts Act. Furthermore, the Swedish Financial Reporting Board's recommendation accounting for legal entities (RFR 2) has been applied. Accounting principles and calculation methods for both the Group and the Parent Company remain otherwise unchanged from those applied in the 2016 Annual Report.

The Group is working on preparations ahead of the introduction of *IFRS 9 Financial Instruments*, which will apply to annual periods beginning on or after 1 January 2018. The standard addresses the classification, measurement and recognition of financial assets and liabilities. It replaces the portions of IAS 39 that address the classification and measurement of financial instruments. IFRS 9 retains a mixed measurement model but simplifies it in certain respects. The part of the standard that will presumably have the biggest impact on the Group is the new model for calculating the credit loss reserve. The effects are mainly thought to be in the documentation of new and existing loans rather than any major impact on financial outcomes.

The information on pages 1-10 is an integrated part of this Interim Report.

Notes

Note 1 Lending to credit institutions

Client fund receivables, attributable to banking business, amount as of 31 March 2017 to SEK 1,146 million (SEK 1,143m as of 31 December 2016) which are reported net against client fund payables of SEK 1,146 million (SEK 1,143m as of 31 December 2016). Of the liquid assets of SEK 2,083 million as per the end of the period, SEK 143 million were pledged as collateral mainly referring to Swedish credit institutions and the stock exchange.

Note 2 Lending to the public

Lending to the public is reported after deduction for confirmed and anticipated credit losses. At the end of the period anticipated credit losses amounted to SEK 8 million (SEK 8m as of 31 December 2016).

SEK 575 million (SEK 0 m as of 31 December 2016) of lending to the public at the end of the period are covered in their entirety by cash and cash equivalents pledged on endowment insurance accounts. This portion of the lending does not impact the net interest income, as the interest on deposits is the same as the lending rate. The remaining part of lending to the public totaled SEK 8,749 million at the end of the period, of which SEK 4,288 million (SEK 4,118m as of 31 December 2016) with collateral in the form of securities and SEK 4,461 million (SEK 4,056m as of 31 December 2016) with collateral in the form of houses and tenant-owned apartments. Regarding mortgage loans SEK 5,390 million (SEK 5,074m as of 31 December 2016) has been granted at the end of the period, implying that the commitment for granted, undisbursed mortgage loans amounts to SEK 929 million (SEK 1,018m as of 31 December 2016).

Note 3 Financial instruments

Classification of financial instruments

31-03-2017	Financial instruments valued at fair value via Income Statement	Investments held to maturity	Loan receivables and accounts receivable	Other financial liabilities	Non-financial instruments	Total
Assets						
Lending to credit institutions	-	-	2,083	-	-	2,083
Lending to the public	-	-	9,324	-	-	9,324
Bonds	-	12,460 ¹	-	-	-	12,460
Shares and participations	11	-	-	-	-	11
Assets in insurance operations	81,059	-	-	-	-	81,059
Intangible assets	-	-	-	-	66	66
Tangible assets	-	-	-	-	20	20
Other assets	-	-	323	-	1,691	2,014
Prepaid costs and accrued income	-	6	60	-	20	86
Total assets	81,070	12,466	11,789	-	1,797	107,122
Liabilities						
Deposits by the public	-	-	-	24,354	-	24,354
Liabilities in insurance operations	81,059	-	-	-	-	81,059
Other liabilities	-	-	-	424	-	424
Accrued costs and prepaid income	-	-	-	40	48	88
Subordinated liabilities	-	-	-	99	-	99
Total liabilities	81,059	-	-	24,917	48	106,024

¹) The fair value amounts to SEK 12,476 million, of which SEK 12,476 million is attributed to Level 1 and SEK - million to Level 2 in the hierarchy for fair value. The valuation principles are the same as for similar instruments that are reported at fair value in the balance sheet.

Financial instruments valued at fair value

31-03-2017, SEK m	Level 1	Level 2	Level 3	Total
Assets				
Equities	43,279	0	5	43,284
Fund units	1,343	26,984	–	28,327
Bonds and other interest-bearing securities	13,656	468	–	14,124
Other securities	162	96	–	258
Liquid assets	–	–	–	7,553
Total assets	58,440	27,548	5	93,546
Liabilities				
Liabilities in insurance operations (investment agreements)	–	81,059	–	81,059
Total liabilities	–	81,059	–	81,059

Fair value

In the case of financial instruments reported at accrued acquisition cost, incurring variable interest, or with short maturities, the reported value and fair value are equal. The fair value of those financial instruments reported at fair value via the Income Statement, primarily Assets in the insurance operations, is determined as shown below.

During the period, no transfers between the levels have taken place. Pension and insurance customers (assets in the insurance operations) are, in principle, only permitted to hold securities traded on a regulated market or a multilateral trading facility (MTF), investment funds or securities on unlisted securities markets managed electronically by Avanza.

Financial assets valued at fair value via the Income Statement

The majority of the securities in this category, primarily comprising Assets within the insurance operations, comprise listed securities and the fair value is determined by using the official bid rate on the closing date. The fair value of securities without an active market is determined, initially, by obtaining pricing information from operators who quote daily prices, mainly the net asset values quoted by the fund companies, where the issuer values every individual security, and secondarily, by assessing the most recently completed market transaction between two mutually independent parties.

Changes in the value of assets in the insurance operations correspond to changes in the value of liabilities in the insurance operations and the net result is, therefore, zero.

Financial assets valued at fair value are classified through the use of a hierarchy for fair value that reflects the significance of the input data used in the valuations. The hierarchy contains the following levels:

- Level 1 – Quoted prices (unadjusted) on active markets for identical assets or liabilities. The majority of the shares pertaining to the insurance operations are included in this category.
- Level 2 – Input data other than the quoted prices included in Level 1, but which are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Funds (not traded on a stock exchange) are included in this category. Liabilities in the insurance operations are included in this category as the value of the entire balance sheet item is indirectly related to the value of the assets in the insurance operations.
- Level 3 – Input data from the asset or liability in question that is not based on observable market data (non-observable input data).

The level of the hierarchy for fair values where the valuation at fair value is categorized in its entirety shall be determined on the basis of the lowest level of input data of significance to the valuation at fair value in its entirety.

Note 4 Capital requirement for the financial conglomerate

SEK m	31-03-2017	31-12-2016
Capital base		
Shareholders' equity, the Group	1,098	1,308
Less profits which are not audited	-103	-
Determined dividend	-	-313
Shareholders' equity, financial conglomerate	994	995
<i>Additional</i>		
Solvency capital (NPV)	2,474	2,340
Subordinated bond	96	92
<i>Less</i>		
Intangible fixed assets	-66	-62
Deferred tax receivables	-2	-1
Total capital base	3,498	3,364
Capital base per sector		
Capital requirement for regulated units in the insurance sector	2,615	2,482
Capital requirement for regulated units within the banking and securities sector	883	882
Total capital base	3,498	3,364
Capital requirement per sector		
Capital requirement for regulated units in the insurance sector	1,513	1,432
Capital requirement for regulated units within the banking and securities sector	651	598
of which additional buffer requirement	217	184
of which additional Pillar 2 requirement	39	35
Total capital requirement	2,165	2,030
Capital surplus	1,333	1,334
Capital base/Capital requirement	1.62	1.66

The above table refers to the financial conglomerate, including Avanza Bank Holding AB (publ) and all of its subsidiary companies. The financial conglomerate's capital base and capital requirement have been calculated using the consolidation method.

When calculating the capital base during the course of an ongoing year, audited profits only are included in the calculations. If the profit for the period has been audited, adjustments are made for the assumed or proposed dividend. Assumed dividend refers to the current period and the proposed dividend is dividend proposed by the Board of Directors to the Annual General Meeting for the full financial year.

When the new Solvency 2 rules took effect on 1 January 2016, insurance became the largest sector. Previously, banking and securities had been the largest sector. As a result of the new solvency rules, a line has been added to the above table for solvency capital (NPV), which refers to the estimated future present value of the insurance company Avanza Pension's profits generated from policyholders' assets. Capital requirements for regulated units in the insurance sector refers to the estimated Solvency Capital Requirement (SCR), which is also based on policyholders' assets.

Not 5 Capital base and capital requirement in the consolidated situation

In accordance with the European capital requirements regulation (CRR), Avanza's consolidated situation refers to Avanza Bank Holding AB (publ) and the subsidiaries Avanza Bank AB (publ) and Avanza Fonder AB. The capital requirements reported in this note refer to Pillar 1, Pillar 2 and additional buffer requirements, according to the capital adequacy rules in effect at the time.

SEK m	31-03-2017	31-12-2016
Tier 1 capital		
Shareholders' equity, the Group	1,098	1,308
Less profits which are not audited	-103	-
Determined dividend	-	-313
Equity not part of the consolidated situation	-66	-66
Equity, consolidated situation (adjusted for assumed/proposed dividend)	929	929
<i>Deducted items</i>		
Intangible assets	-66	-62
Deferred taxes	-1	-1
Avanza Bank Holding AB:s holding in Försäkringsaktiebolaget Avanza Pension	-39	-39
Common equity tier 1 capital	823	827
Subordinated bond	96	92
Tier 2 capital	96	92
Total capital base	919	919
Capital requirement		
Credit risk according to standardised approach	290	275
Market risks	2	1
Settlement risk	0	0
Operational risk	93	93
Capital requirement	385	369
Risk exposure amount		
Credit risk according to standardised approach	3,631	3,436
of which Institutions	403	316
of which Corporates	29	28
of which Households	184	172
of which Collateral in real estate	1,561	1,420
of which Covered bonds	1,207	1,276
of which Other items	247	224
Market risks	22	11
Settlement risk	0	0
Operational risk	1,162	1,162
Total risk exposure amount	4,815	4,609
Capital ratios and buffers		
Common equity tier 1 ratio, %	17.1	17.9
Tier 1 ratio, %	17.1	17.9
Total capital ratio, %	19.1	19.9
Capital base in relation to capital requirement	2.39	2.49
Institution-specific buffer requirement, %	4.5	4.0
of which capital conservation buffer requirement, %	2.5	2.5
of which countercyclical buffer, %	2.0	1.5
Total capital requirement including buffer requirement, %	12.5	12.0
Common equity tier 1 capital available for use as a buffer, %	12.6	13.4
Capital surplus after buffer requirement remaining to cover additional Pillar 2 requirement	317	366
Additional Pillar 2 requirement	39	35
Capital surplus after buffer requirement and Pillar 2	278	331

Information is only provided regarding the buffer requirements which have come into force.

The CEO ensures that the Interim Report gives a fair overview of the company and Group activities, balance and results, and describes the material risks and uncertainties that the company and the companies of the Group is facing.

Stockholm, 20 April 2017

Johan Prom
CEO

For additional information



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This information is information that Avanza Bank Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.15 (CEST) on 20 April 2017.

A webcast presentation will be held by Johan Prom, CEO, and Birgitta Hagenfeldt, CFO, on 20 April 2017 at 10.00 (CEST). The presentation will be held in English and there will be opportunities to ask questions. The presentation can be followed at avanza.se/ir. Phone number for participants:

- Sweden: +46 (0)8 505 564 74
- UK: +44 20 336 453 74
- US: +1 855 753 22 30

This report has not been subject to review by the company's auditors.

Avanza also publishes an Excel document containing its financial history. The information is provided in English and is updated quarterly. The document can be accessed at avanza.se/keydata.

This Interim Report is published in Swedish and English. In the event of any difference between the English version and the Swedish original, the Swedish version shall prevail.

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Financial calendar

Interim Report January – June 2017	13 July 2017
Interim Report January – September 2017	19 October 2017
Preliminary Financial Statement	January 2018

Definitions

The measures and key ratios used in the Interim Report are defined below. The majority of the financial key ratios are considered to be widely accepted and are such that they are expected to be presented in the Interim Report to provide an indication of the Group's results, profitability and financial position. Information on financial measures which are not defined in IFRS and are presented outside the financial statements, so-called Alternative Performance Measures, follows from the note reference below.

Account

An open account with holdings.

Brokerage income²⁾

Gross brokerage income less direct costs.

Brokerage per commission note²⁾

Gross brokerage income for account customers in relation to the number of commission notes excluding investment fund commission notes and free-of-charge notes concerning Avanza Markets. The ratio shows the effect of price reductions and gives an indication of changes in the customer base and trading in different price tiers.

Capital base³⁾

Equity adjusted for deductions in accordance with the provisions governing credit institutions, fund management companies and insurance companies with regard to the way in which the capital base and the capital requirement are determined.

Client funds²⁾

Liquid assets with Avanza which are held on behalf of a third party and which consequently are not reported in the balance sheet.

Commission note

A customer's buying and selling assignments involving a specific security. A commission note may comprise one or more transactions. A commission note constitutes the basis on which brokerage charges are levied.

Costs to savings capital ratio²⁾

Operating expenses on annual basis in relation to average savings capital during the period. The ratio shows how focus on scalability and cost efficiency pay off. A low relation indicates high competitiveness and is needed to be able to deliver high margins regardless of interest rate level.

Credit loss level¹⁾

Net credit losses in relation to opening balance for lending to credit institutions and lending to the public.

Customer

Individual or company with at least one account with holdings.

Deposits

Deposits by the public as per balance sheet with deduction for the portion which represents cash pledged on endowment insurance accounts and which entirely corresponds to the lending to the public, and the addition of client fund deposits and external deposits.

Earnings per share¹⁾

Profit/loss after tax in relation to the average number of shares during the period.

eNPS

Employee Net Promoter Score, ie employees' recommendation level, according Avanza's annual employee survey.

Equity per share¹⁾

Shareholders' equity in relation to the number of outstanding shares before dilution at the end of the period.

External deposits

Savings accounts in external banks and credit market companies, Sparkonto+, opened and managed by customers via Avanza's website.

Income to savings capital ratio²⁾

Operating income on annual basis in relation to average savings capital during the period. There is a strong correlation between savings capital and income. This ratio shows the effect of price reductions, mix-effects in the savings capital and effects of interest rate changes.

Investment fund commission²⁾

Kickbacks from fund management companies (comprises entry commission and commission based on fund volume) and management fees from Avanza funds.

Lending

Lending to the public as per balance sheet with deduction for the portion which are covered in their entirety by cash and cash equivalents pledged on endowment insurance accounts. Provisions for bad debt are not deducted.

Net deposits/Savings capital

Deposits minus lending, in relation to the savings capital at the end of the period. The ratio shows how much liquidity the customers hold and indirectly how much is invested in securities.

Net inflow

Deposits, less withdrawals, of liquid assets and securities.

Net inflow/Savings capital

The period's net inflow on an annual basis in relation to savings capital at the beginning of the period.

Operating expenses¹⁾

Operating expenses before credit losses.

Operating margin¹⁾

Operating profit/loss in relation to operating income.

Profit margin¹⁾

Profit/loss after tax in relation to operating income.

Return on equity¹⁾

Profit/loss after tax in relation to the average shareholders' equity during the period. The return on shareholders' equity for interim periods is not recalculated at a yearly rate.

Savings capital

The combined value of accounts held with Avanza.

Solvency capital (NPV)³⁾

Estimated future present value of the insurance company Avanza Pension's profits generated from policyholders' capital.

Solvency capital requirement (SCR)³⁾

Estimated capital requirements under Solvency 2 rules.

Turnover

Turnover in brokerage generating security trading.

1) Financial key ratios that are directly cited in the financial reports.

2) Financial key ratios that can be traced in Avanza's Excel spreadsheets with financial histories, published quarterly on avanza.se/keydata.

3) Key ratios that are reported with respect to FI's regulations and general guidelines, see Note 5 of capital adequacy.