

Interim Report January–September 2021

Third quarter 2021 compared to third quarter 2020

- **Operating income** increased by 33 per cent to SEK 767 million. All revenue lines improved, notably fund commissions. Net brokerage income increased as a result of more brokerage-generating customers. Other income increased mainly due to higher income from Avanza Markets and Corporate Finance
- **Operating expenses** increased by 9 per cent to SEK 192 million, a result of more staff and consequently higher personnel expenses. Excluding extraordinary relocation costs in the third quarter 2020, expenses increased by 17 per cent
- **The cost increase for the full year** is estimated at about 15 per cent, as previously announced, excluding extraordinary relocation and rental costs for 2020 and 2021
- **Operating profit** amounted to SEK 574 million, an increase of 45 per cent
- **Profit for the period** was SEK 481 million, an increase of 45 per cent
- **The recruitment rate is accelerated** as a result of the strong growth, at the same time that the investments in growth continue. The cost increase for 2022 is therefore estimated at around 20 per cent
- Today Avanza Bank Holding AB (publ) is calling an **Extraordinary General Meeting** on 16 November 2021 to vote on an additional dividend of SEK 2.95 per share for the financial year 2020

Events during the quarter

- The range of funds was broadened to include Avanza Sverige, a Swedish equity index-tracking fund with exposure to the entire Swedish market at a low fee
- Ranked as the most recommended financial brand in Sweden by YouGov BrandIndex
- Awarded as an attractive employer among young people in surveys by Academic Work and Universum

No. of customers

+33%

Total 1,588,400

"During the quarter, which was the second best in Avanza's history, we exceeded last year's record level regarding new customers. Customer satisfaction is extremely important to us. Which is why we need to invest further in customer-supporting functions, and also maintain our development agenda. Our goal is a company where we ourselves want to work and be customers,"
says CEO Rikard Josefson.

Savings capital

+43%

Total SEK 735 bn

	Q3 2021	Q2 2021	Change %	Q3 2020	Change %	Jan-Sep 2021	Jan-Sep 2020	Change %
Operating income, SEK m	767	754	2	575	33	2,477	1,643	51
Operating expenses, SEK m	-192	-216	-11	-177	9	-611	-541	13
Operating profit, SEK m	574	536	7	396	45	1,866	1,091	71
Profit for the period, SEK m	481	451	7	331	45	1,563	917	71
Earnings per share before dilution, SEK	3.10	2.91	7	2.15	44	10.09	5.96	69
Operating margin, %	75	71	4	69	6	75	66	9
Return on shareholders' equity, %	44	46	-3	55	-12	53	57	-4
Net inflow, SEK m	18,400	22,900	-20	16,300	13	71,900	57,600	25
No. of new customers (net)	70,100	85,100	-18	79,200	-11	308,000	218,300	41
No. of customers at the end of the period	1,588,400	1,518,200	5	1,194,700	33	1,588,400	1,194,700	33
Savings capital at the end of the period, SEK m	735,000	713,600	3	514,200	43	735,000	514,200	43
Income to savings capital ratio, %	0.42	0.44	-0.02	0.48	-0.06	0.49	0.51	-0.01
Costs to savings capital ratio, %	0.11	0.13	-0.02	0.15	-0.04	0.12	0.17	-0.04

Numbers in the parentheses refer to the corresponding period or date in previous year unless otherwise is stated. For definitions see page 26.

Avanza in brief

This is Avanza

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

Avanza challenges established structures of large banks and pension providers in the Swedish savings market and drives long-term development of 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 savings capital and income. Income in turn is driven and affected by:

- attractive offers and a strong user experience
- 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 and increase the proportion of recurring revenues.

Vision & business model

Avanza's vision is to create a better future for millions of people through a cheaper, better, and simpler offering. This is based on customer focus, a broad product range, good decision support, and on educating the public about saving and investing. Satisfied customers and a world-class customer experience are the key to Avanza's business.

Avanza is driven by a consistent focus on creating customer value, and the promise to customers is that they will get a better return on their savings with Avanza than any other bank. This makes innovation, as well as scalability and efficiency, important to Avanza's strategy. Avanza's business model is built on scalability and the industry's lowest cost to the savings capital ratio. Strong customer growth, combined with low costs, leads to long-term growth, and enables Avanza to deliver value to both customers and shareholders. Continuous development, digitisation and internal efficiency also reduce operational risks and increase stability.

Avanza's sustainability work is focused on three areas: Sustainable investments, Educate & challenge, and Sustainable organisation.

Delivering on our vision also requires engaged employees and a strong corporate culture that draws its energy from a willingness to change. Avanza's corporate climate is characterized by collaboration and humility, and by constantly challenging and thinking innovatively.

Long-term targets 2025

Satisfied customers

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

Engaged employees

- eNPS (Employee Net Promoter Score) of at least 50

Value growth

- Market share of at least 15 per cent of the total net inflow to the Swedish savings market 2025
- Market share of nearly 7 per cent of the Swedish savings market by the end of 2025
- Return on equity of 25-30 per cent
- Dividend of at least 70 per cent of the profit of the year

Sustainability

- Increased share of capital in sustainable investments
- Be seen as the leading sustainable brand and the natural choice for sustainable savings as well as increase the share of female to 50 per cent of new customers
- An organisation with parity between women and men, and to become climate positive

Due to the strong growth since January 2020, when the 2025 targets were set, they will be reassessed. This will be announced in connection with the publication of the Preliminary Financial Statement in January 2022.

For more information about Avanza, see avanza.se/ir and the Annual Report.



CEO comment

After three fourths of the year, we can put another strong quarter in the books. Growth remained high with 70,100 new customers and a net inflow of SEK 18 billion. All in all, this resulted in the addition of 308,000 new customers in the nine-month period, which is more than the record year of 2020. This is fantastic of course but has also put pressure on our organisation. It meant that we had to focus during the summer on recruiting for customer-supporting functions. To maintain our development agenda, we have therefore decided to speed up the recruitment rate in general. Taken together, this means that total expenses for 2022 are expected to exceed the long-term cost guidance of 9–12%. Although we have not yet completed our business planning process, we already want to announce that the cost increase for 2022 could be around 20%. Strong cost control is strategically important for Avanza. This will not change.

Activity was lower in the third quarter than the previous quarter, but higher than in 2020. With 1 million equity-owning customers, and a total of nearly 1.6 million, and SEK 735 billion in savings capital, we have unquestionably raised the lowest level of activity on the platform.

Data on the Swedish savings market released in August show that Avanza's share of the market after the first half of 2021 reached 6.5% and we took over 18% of the net inflow on a rolling twelve-month basis. Growth potential is high, and we would rather talk about the 93.5% of the market that we don't have. That is why our overarching goal will always be satisfied customers.

Regarding the investigation of Avanza's possible leak of personal information to Facebook, we are having a dialogue with the Swedish Authority for Privacy Protection (IMY) and have responded to its questions. We are also keeping an open dialogue with the Swedish Financial Supervisory Authority. In addition, we have worked extensively with this in-house and have taken measures to ensure that it does not recur. Our assessment that no customers were exposed to risk has not changed.

Solid growth in the fund business

In September, we launched another Avanza fund, Avanza Sverige. When we launch our own funds, we do it with attractive pricing and in areas where we see great interest from customers and can fill a gap with the current range of products and services. In this case, the gap between existing small-cap funds and Swedish index funds. In total, we exceeded SEK 200 billion in fund capital on the platform, of which 28% is invested in Avanza's own funds. Avanza Fonder is growing quickly and in the nine-month period took 10% of the total net inflow to the Swedish fund market. This compares to its total market share of 1.1%.

We are seeing growing interest in funds. The Start offer for funds, where those with savings capital of less than SEK 50,000 are refunded all their fees, is one reason why and has meant that fees of just over SEK 13 million are refunded to customers so far this year. The improvements we have made to monthly savings have also contributed to the increase in fund savings, which now amount to SEK 937 million per month. We can see that the 130,000 customers who have set a savings target are more likely to increase their monthly savings.

Occupational pension transfers take too long

After improvements in April to the transfer fees that the industry charges, there is increased interest in occupational pension transfers to Avanza. It still takes far too long, however. The industry still has a lot of room to improve, especially regarding the processes companies use. If we cannot reach an industry consensus, regulation will be needed on how long a transfer can take and on administration routines between the companies. Here I want to underscore that I hope both politicians and customers begin to put higher demands on companies.

Second strongest quarter in Avanza's history

We are proud to report another of the strongest quarters in our history. Brokerage income and fund commissions remain at record levels and Corporate Finance, which normally experiences a seasonally weaker quarter, continued to perform well. Income from Avanza Markets is rising as well. Expenses for the nine-month period grew by 17.6% excluding extraordinary relocation costs. The previously estimated cost increase of 15% for the full year 2021 remains unchanged.

The Board of Directors announced today that it is calling an Extraordinary General Meeting in November to vote on an additional dividend of SEK 2.95 per share for the financial year 2020 now that the Swedish FSA has withdrawn its previous dividend recommendation.

In September, the Swedish FSA announced the leverage ratio guidance for our peer Nordnet of 0.9% above the 3% requirement. The Swedish FSA's review and evaluation of Avanza will not happen until next year, but it is still reasonable to assume that their opinion will not differ significantly from Nordnet's. We have a good margin with a ratio of 4.5%. We have to make sure that we remain well positioned in relation to the requirement including Pillar 2 guidance, which we are comfortable with.

Standing up for Sweden's savers

One issue that concerns me is the political debate on raising taxes on savings. In Sweden, the government subsidises loans with an interest deduction, but also taxes savings. This in a society where more and more responsibility is being placed on the individual. Making life harder for people who are trying to manage their finances and are healthy savers in my opinion makes no sense. Money that is saved is already taxed. Moreover, with investment savings accounts and endowment insurance we pay tax regardless of the performance. I hope that our politicians will work toward a sound savings culture.

High rankings from talents in IT and Business

Avanza has received two fantastic awards as an employer. In the Young Professional Attraction Index, Avanza ranked as Sweden's tenth most popular employer and in Universum's survey on the same theme we were number five among IT-oriented firms and number eleven in Business. I am happy that Avanza's employer branding recognition is growing. We have also seen that employee turnover for the year is at a slightly lower level than before.

In another survey by YouGov, Avanza was also the most recommended financial brand.

Avanza's attractiveness is extremely important to us. Avanza is a value-driven company with a strong customer focus. This makes it especially important that we successfully convey our unique corporate culture outside the company as well, so that others choose a future together with Avanza. I usually say that employee engagement is just as important as satisfied customers. Having the industry's most engaged employees is the key to success over time. I am happy to talk about the great atmosphere we have at Avanza. We have an extremely motivated and engaged team and for me, and all the managers at Avanza, this is one of the most important things we work on.

Now that we are finally returning to the office, it is wonderful to be able to meet again. Obviously while still offering everyone the freedom to continue to work from home when convenient.

Here's hoping that we are now headed toward a more normal life.

Stockholm, 18 Oktober 2021



Rikard Josefson, CEO Avanza

Operations

Activity and market

The Stockholm Stock Exchange, OMX Stockholm Gross Index, rose by nearly 2 per cent in the quarter. Volatility remained relatively high but continued to trend lower since the beginning of the pandemic.

Total turnover on the Stockholm Stock Exchange including First North decreased by 7 per cent while number of transactions increased by 4 per cent compared to the previous quarter. Among Avanza's customers, both turnover and number of transactions on these marketplaces increased by 5 per cent.

In the third quarter, Avanza was again by far the largest Swedish player on the Stockholm Stock Exchange including First North in terms of number of transactions and turnover. Avanza's market shares increased from the previous quarter.

According to data from the Swedish Investment Fund Association the fund market reported a decrease in net inflow during the quarter. Avanza's fund net inflow decreased as well, but not to the same extent.

The repo rate remained unchanged at zero per cent and the Riksbank's own forecast indicates a zero per cent repo rate throughout the forecast period until the third quarter of 2024.

Market shares	2021 Q3	2021 Q2	2020 Q3	2020 Jan-Dec
<i>Nasdaq Stockholm and First North</i>				
No. transactions, %	19.7	19.3	19.9	18.1
Turnover, %	9.5	8.3	9.6	8.5
<i>The Swedish fund market (excl. PPM)</i>				
Net savings, %	21.3	17.4	17.2	32.9

Data on the Swedish savings market for the second quarter of 2021 was released in August. The Swedish savings market amounted to SEK 11,040 billion, an increase of nearly 12 per cent since the end of 2020. The occupational pension market increased by nearly 10 per cent to SEK 3,910 billion. In the same period, Avanza's savings capital increased by 25 per cent and the occupational pension capital with 21 per cent.

Avanza's share of the Swedish savings market increased in terms of savings capital, while the market share of the net inflow, which for Avanza is seasonally lower in the second quarter, decreased. The market share in the occupational pension market was 1.1 per cent.

Statistics from Insurance Sweden show that Avanza's market share of premiums paid for non-collective agreement occupational pension insurance increased during the 12-months period. The market share of premium inflow for the entire life insurance market also increased, making Avanza the leader in premium inflow in the competitive pension and life market, i.e., including endowment insurance.

Data on non-collective agreement unit-linked insurance was also released during the quarter. Avanza's market share was 3.8 per cent per 31 December 2020, up from 3.3 per cent a year earlier.

Market shares	Jul 2020- Jun 2021	Apr 2020- Mar 2021	Jul 2019- Jun 2020	Jan 2020- Dec 2020
<i>The Swedish savings market</i>				
Market share at the end of the period, %	6.5	6.2	4.9	5.8
New inflow, %	18.2	19.3	19.2	19.0
<i>The Swedish life insurance market</i>				
Premium inflow, %	12.9	11.9	10.2	11.9
Premium inflow for non-collectively agreed occupational pension insurance, %	7.7	7.5	6.9	7.2

Information related to Covid-19

Political measures and stimulus from central banks in light of the pandemic have increased access to capital and made the stock market more attractive. Since the beginning of 2020, customers have been more active in their savings, and the trading activity among Avanza's customers have been at historically high levels. Customer growth and the net inflow have been strong as well.

The aftermath of the pandemic is hard to predict. Most of the Covid-19 restrictions in Sweden were lifted on 29 September. This could affect net inflow through a lower savings ratio as more people return to their normal lives. Customer activity is more closely tied to market conditions and volatility, and it is not unusual for activity to slow after major turbulence. However, the pandemic has emphasised the importance of savings and having a buffer. Because of this, along with a 60 per cent increase in the number of customers since the end of 2019, there is still confidence that Avanza's lowest level have been raised.

The increase in expenses for 2021 was revised upward to around 15 per cent in December 2020, a result of the very strong growth. Due to the continued strong growth in 2021, Avanza has also had to strengthen the customer-supporting functions. At the same time the existing development agenda is unchanged. Although the business planning process has not yet been completed, this is currently expected to contribute to a total cost increase for 2022 of around 20 per cent. Due to the strong growth since January 2020, when the 2025 targets were set, the long-term targets will be reassessed. The outcome will be announced in connection with the publication of the Preliminary Financial Statement in January 2022. The cost development will be communicated at the same time. Avanza's long-term strategies remain unchanged.

No provisions were installed, and no actual credit losses connected to the pandemic were recognised during 2020 nor the first nine months of 2021.

Launches and events during the quarter

Avanza Sverige, a Swedish equity index-tracking fund that invests in both large and small companies with low sustainability risks, was launched in the quarter. The new fund gives investors the opportunity to invest inexpensively with a broad exposure to the entire Swedish market. Avanza Sverige tracks the Morningstar Sweden Sustainability Select 70, consisting of up to 70 companies. The fund charges a management fee of 0.15 per cent. On 30 September, three weeks after launch, assets under management exceeded SEK 700 million.

A function that customers had been asking for in the apps, Stop Loss, which enables them to sell or buy a share at a predetermined price, was launched. The function was expanded at the same time to include U.S. equities. The app pages were updated for ETFs, indexes, warrants, and bonds with a new design and new functions. This facilitates for example technical analysis and comparisons of instruments.

The mortgage pages were updated with an improved function to compare loans. Here customers can compare their existing mortgage to Avanza's offer.

In the YouGov BrandIndex, Avanza was named the most recommended financial brand in Sweden and the second most recommended Swedish brand across categories.

Avanza ranked as the tenth most popular employer in Sweden, and number one in finance, in the Young Professional Attraction Index from Academic Work.

In Universum's annual survey of Sweden's most popular employers for young professionals, Avanza rose to 11 (17) in Business and 5 (16) in IT. This compares to the long-term internal target of placing in the top 10.

In Corporate Finance, Avanza served as financial advisor in the IPO:s of Söder Sportfiske and Arlandastad Group in addition to participating as a retail distributor in a number of listings.

During the second quarter, the subsidiary Avanza Bank AB reported itself to the Swedish Authority for Privacy Protection (IMY) and the Swedish FSA due to a potential breach of the General Data Protection Regulation (GDPR). Avanza has inadvertently activated functions on its website which have enabled Facebook to collect personal data from Avanza's website in encrypted form. The data collected by Facebook have been deleted and were never used. Activating these functions was a mistake due to handling error. When Avanza realized this, the functions were immediately turned off. Our assessment is that no customers have been put at harm. We are having dialogues with The IMY and FSA, but it is still too early to determine whether there will be any financial consequences, which however cannot be ruled out.

Development of customers and savings capital

Customer growth were high in the third quarter, and 70,100 new customers were added. The total number of customers at the end of the period was 1,588,400, of which 8 per cent were occupational pension customers.

The number of daily average active users on the website and in the apps were 498,000, holidays and weekends included.

Savings capital increased during the quarter to SEK 735 billion. The increase was mainly due to net inflow. The net inflow amounted to SEK 18 billion. The net inflow from new customers accounted for 46 per cent in the quarter, compared to 49 per cent in the second quarter and 37 per cent during 2020. Recurring occupational pension premiums averaged SEK 276 million per month during the last 12-month period, an increase of 13 per cent compared to the corresponding period previous year. The improved pension transfer rights that took effect in April created greater interest in occupational pension transfers to Avanza, and a larger share of the net inflow to occupational pensions was from transfers than in the second quarter.

At the end of the quarter, 28 per cent of customers' capital was invested in funds, which was just over 1 percentage point higher than the beginning of the year. Fund capital increased by 4 per cent in the quarter. Net fund inflow amounted to nearly SEK 7 billion. Just over 28 per cent of the fund capital was invested in Avanza's own funds. Monthly savings in funds by Avanza's customers continue to grow and at the end of the quarter amounted to SEK 937 million, an increase of 39 per cent compared to the previous year and close to a duplication in two years.

Customers' total deposits increased by 8 per cent during the quarter. Customers' liquidity, i.e. deposits as a share of savings capital, was stable at 12 per cent, and compares to 15 per cent at the end of the third quarter last year.

Total lending increased, mainly due to increased external mortgage volumes and margin lending.

	2021	2021	Change	2020	Change	2021	2020	Change	2020
Net inflow, SEK m	Q3	Q2	%	Q3	%	Jan-Sep	Jan-Sep	%	Jan-Dec
Standard	16,240	18,070	-10	13,730	18	62,880	46,120	36	63,740
Private Banking	2,070	4,800	-57	2,130	-3	8,710	10,900	-20	12,000
Pro	90	30	168	440	-79	310	580	-47	560
Net inflow	18,400	22,900	-20	16,300	13	71,900	57,600	25	76,300
Equity-, fund, and savings accounts	13,960	15,750	-11	12,610	11	53,700	45,900	17	62,100
Pension- & insurance-based accounts	4,440	7,150	-38	3,690	20	18,200	11,700	56	14,200
of which endowment insurance	2,820	5,760	-51	2,620	8	13,800	8,350	65	9,800
of which occupational pensions	1,420	1,270	12	1,010	40	3,930	3,160	25	4,290
Net inflow	18,400	22,900	-20	16,300	13	71,900	57,600	25	76,300
Customers, savings capital and lending, SEK m									
	30-09-2021	30-06-2021	Change	31-12-2020	Change	30-09-2020	Change		
			%		%		%		
Standard, No.	1,556,660	1,487,420	5	1,252,460	24	1,165,810	34		
Private Banking, No.	28,400	27,500	3	25,000	14	26,400	8		
Pro, No.	3,340	3,280	2	2,840	18	2,490	34		
No. of customers	1,588,400	1,518,200	5	1,280,300	24	1,194,700	33		
of which occupational pension customers, No.	121,800	117,500	4	107,900	13	104,000	17		
Standard	418,800	408,800	2	327,700	28	294,000	42		
Private Banking	288,000	277,200	4	221,300	30	200,800	43		
Pro	28,200	27,600	2	21,500	31	19,400	45		
Savings capital	735,000	713,600	3	570,500	29	514,200	43		
Equity-, fund-, and savings accounts	525,800	508,900	3	407,900	29	365,700	44		
Pension- & insurance-based accounts	209,200	204,700	2	162,600	29	148,500	41		
of which endowment insurance	148,200	145,700	2	113,400	31	102,900	44		
of which occupational pensions	43,000	41,400	4	34,200	26	31,300	37		
Savings capital	735,000	713,600	3	570,500	29	514,200	43		
Equities, bonds, derivatives, etc.	443,400	436,200	2	342,000	30	304,500	46		
Mutual funds	202,700	194,800	4	150,900	34	133,700	52		
Deposits	88,900	82,600	8	77,600	15	76,000	17		
of which external deposits (Savings account+)	28,200	29,100	-3	27,700	2	25,700	10		
Savings capital	735,000	713,600	3	570,500	29	514,200	43		
Internally financed lending	19,300	18,500	4	16,300	18	15,100	28		
of which margin lending	9,380	8,730	7	6,970	35	6,280	49		
of which mortgages (Superbolånet PB)	9,940	9,760	2	9,320	7	8,830	13		
External mortgages (Bolån+)	18,000	17,200	5	13,600	32	12,200	48		
Lending	37,300	35,700	4	29,900	25	27,300	37		
Return, average account since 1 Jan, %	15	15	0	19	-4	11	4		
OMX Stockholm GI since 1 Jan, %	24	22	2	15	9	8	16		

Financial overview

	2021 Q3	2021 Q2	Change %	2020 Q3	Change %	2021 Jan-Sep	2020 Jan-Sep	Change %	2020 Jan-Dec
Income Statement, SEK m									
Net brokerage income	330	334	-1	283	17	1,102	811	36	1,102
Fund commissions, net	173	161	7	109	59	485	293	65	418
Currency-related income, net	114	129	-11	88	30	490	241	103	355
Net interest income ¹	83	80	4	74	13	239	211	14	283
Other income, net ^{1,2}	67	50	34	22	201	161	87	85	190
Operating income	767	754	2	575	33	2,477	1,643	51	2,349
Personnel	-125	-145	-14	-103	21	-406	-334	22	-469
Marketing	-5	-3	55	-7	-31	-17	-17	-	-22
Depreciation	-18	-17	2	-19	-7	-52	-50	4	-84
Other expenses	-45	-51	-11	-49	-6	-136	-140	-3	-188
Operating expenses before credit losses	-192	-216	-11	-177	9	-611	-541	13	-763
Profit before credit losses	574	537	7	398	44	1,866	1,101	69	1,586
Credit losses, net	-1	-1	-39	0	-	0	-5	-101	-4
Profit/loss from participations in associated companies	-	-	-	-1	-	-	-6	-	-6
Operating profit	574	536	7	396	45	1,866	1,091	71	1,576
Tax on profit for the period	-93	-86	8	-65	42	-303	-174	74	-242
Profit for the period	481	451	7	331	45	1,563	917	71	1,335
Key ratios									
Operating margin, %	75	71	4	69	6	75	66	9	67
Profit margin, %	63	60	3	58	5	63	56	7	57
Return on shareholders' equity, %	44	46	-3	55	-12	53	57	-4	57
Earnings per share before dilution, SEK	3.10	2.91	7	2.15	44	10.09	5.96	69	8.66
Earnings per share after dilution, SEK	3.05	2.84	8	2.12	44	9.94	5.92	68	8.58
Credit loss level, %	0.00	0.00	0.00	-0.03	0.03	0.00	-0.03	0.03	-0.03
Income to savings capital ratio, %	0.42	0.44	-0.02	0.48	-0.06	0.49	0.51	-0.01	0.51
Costs to savings capital ratio, %	0.11	0.13	-0.02	0.15	-0.04	0.12	0.17	-0.04	0.17
Savings capital per customer, SEK	462,730	470,000	-2	430,390	8	462,730	430,390	8	445,600
Income per customer, SEK	1,970	2,040	-3	1,990	-1	2,270	2,010	13	2,090
Costs per customer, SEK	-500	-590	-15	-610	-19	-560	-660	-16	-680
Net brokerage income/trading day, SEK m	5.0	5.6	-11	4.3	17	5.9	4.3	36	4.4
No. brokerage-generating notes/trading day	202,200	229,700	-12	164,000	23	239,200	155,700	54	163,100
Turnover in brokerage-generating securities/trading day, SEK m	5,210	5,670	-8	4,370	19	5,900	4,520	30	4,600
Turnover in brokerage-generating foreign securities/trading day, SEK m	770	900	-14	530	44	1,080	510	111	570
Gross brokerage income/turnover in brokerage-generating securities	0.111	0.115	-0.003	0.114	-0.002	0.116	0.110	0.006	0.111
No. trading days	66.0	59.5	11	66.0	-	187.0	187.5	0	250.0
Investments, SEK m	32	33	-1	13	153	84	45	86	63
Average no. employees	581	545	7	487	19	550	470	17	478
Web service operational availability, %	100.0	100.0	-	99.8	0.20	100.0	99.9	0.1	99.9

1) Income related to Savings account+ has been transferred from Net interest income to Other commission income. Historical figures have been adjusted.

2) Net currency-related income has been separated from Other income. Historical figures have been adjusted.

Key ratios	30-09-2021	30-06-2021	Change %	31-12-2020	Change %	30-09-2020	Change %
Shareholders' equity per share before dil., SEK	30.04	26.58	13	20.47	47	16.88	78
Outstanding no. shares before dilution, thousands	155,572	154,954	0.4	154,954	0.4	154,954	0.4
Outstanding no. shares after dilution, thousands	157,972	158,418	-0.3	157,940	0.0	156,950	0.7
No. shares upon full dilution, thousands	161,272	161,704	-0.3	161,704	-0.3	161,704	-0.3
No. employees	598	564	6	510	17	502	19
Share price, SEK	309.60	266.90	16	233.00	33	175.80	76
Market capitalisation, SEK m	48,200	41,400	16	36,100	34	27,200	77

Third quarter compared to the previous quarter

Operating profit for the third quarter increased by 7 per cent compared to the previous quarter. This was mainly due to seasonally lower expenses, higher revenues also contributed.

The operating margin increased to 75 per cent and the return on shareholder's equity was 44 per cent.

Revenues

Operating income increased by 2 per cent compared to previous quarter. The transaction-related revenues, net brokerage income and net currency-related income, decreased while the other revenue lines improved.

Net brokerage income decreased by 1 per cent as a result of lower trading activity, which was partially offset by 6.5 more trading days. The brokerage-generating turnover increased by nearly 2 per cent while the number of brokerage-generating notes were down by just over 2 per cent. The gross brokerage income per SEK of turnover in brokerage-generating securities decreased to 11.1 basis points, a result of an increased share of brokerage income generated by customers in the Private Banking and Pro segments.

Net currency-related income decreased to SEK 114 million. This was a result of lower activity and slightly lower share of trading in foreign securities. Trading in foreign markets among Avanza's customers accounted for 15 per cent (16) of the brokerage-generating turnover.

Net fund commissions increased by 7 per cent due to higher average fund capital. The fund capital increased by 4 per cent during the quarter. The fund net inflow amounted to nearly SEK 7 billion. Income per SEK of fund capital was 0.34 per cent compared to 0.35 per cent in the second quarter, which is explained by a slightly higher share of capital in index funds. The Start offer for funds, which was launched in March, negatively affected fund commissions by SEK 6 million in the quarter.

Net interest income increased by 4 per cent, a result of higher margin lending volumes. The average interest margin was 6 per cent lower after benefit levels for margin lending were eliminated in June. Interest income from mortgages for Private Banking customers and surplus liquidity were essentially unchanged. The resolution fee and the state deposit guarantee fee amounted to SEK 10 million (10).

Other income, primarily consisting of income from Avanza Markets and Corporate Finance, increased by 34 per cent. The increase was mainly attributed to higher income from Avanza Markets which amounted to SEK 46 million (32). This was due to higher compensation from Morgan Stanley, higher average capital in market products and higher customer activity. Income from Corporate Finance decreased but amounted despite a seasonally lower quarter to SEK 20 million (23). Other commission expenses decreased mainly due to lower customer activity.

Operating expenses

Operating expenses decreased by 11 per cent, primarily as a result of seasonally lower personnel cost, which decreased by 14 per cent. The average number of employees increased by 7 per cent, which is higher than in previous quarters. The increase is mainly due to additional staff in IT and customer-supporting functions including customer service and backoffice. Other expenses decreased due to lower costs for external services.

Credit losses

Reported credit losses are attributable to calculations of expected credit losses according to IFRS 9. In addition, an

expected credit loss from 2011 was realised during the second quarter. More information in Note 5.

Taxes

During the quarter, the effective tax rate increased slightly to 16.2 (16.0) per cent. The tax rate fluctuates between the quarters depending on the share of revenues generated in the bank, where the ordinary corporate tax rate applies, in contrast with the insurance company, where most of the revenues are taxed according to tax laws applicable to life insurance companies, which reduces the effective tax rate.

Investments

The investments in the third quarter primarily relates to the project to replace the backoffice system that will enable Avanza to use smarter technology and solutions in order to increase efficiency while at the same time improving scalability and conditions for product development. The estimated investment in replacing the backoffice system during 2020 and 2021 amounts to just over SEK 100 million and will thereafter be depreciated over 5–10 years.

January–September 2021 compared to January–September 2020

Operating profit increased by 71 per cent compared to the corresponding period in 2020. Operating income increased as well as operating expenses.

The operating margin increased to 75 per cent and the return on shareholder's equity was 53 per cent.

Revenues

Operating income increased by 51 per cent compared to the corresponding period previous year. This was primarily a result of higher net brokerage income and net currency-related income. Other income and fund commissions also increased substantially.

Net brokerage income increased by 36 per cent, a result of more brokerage-generating customers, even though the number of brokerage-generating notes per brokerage-generating customers decreased. The number of brokerage-generating customers was up by 63 per cent compared to the end of the third quarter in 2020 and the brokerage-generating notes increased by 53 per cent. Gross brokerage income per SEK of turnover in brokerage-generated securities increased from 11.0 to 11.6 basis points. This was a result of an increased share of brokerage income generated in lower brokerage fee classes, in line with the strong customer growth.

Net currency-related income increased by 103 per cent, which was a result of increased trading in foreign securities. Trading in foreign securities accounted for 18 per cent (11) of the brokerage-generating turnover.

Net fund commissions increased by 65 per cent mainly due to higher average fund capital. The fund capital was 52 per cent higher compared to end of September 2020. Income per SEK of fund capital increased by 2 basis points to 0.36. Although the share of actively managed funds was high at the beginning of the year, it has decreased in 2021. After the Start offer was launched for funds in March 2021, a total of SEK 13 million is refunded to customers, which negatively affected net fund commissions for the nine-month period.

Net interest income increased by 14 per cent, mainly due to increased income from lending, primarily margin lending. The return on surplus liquidity decreased due to lower STIBOR (3M), which was 19 basis points lower compared to the nine-month period last year. All else being equal, without taking changes in customer behaviour into account, a 1 percentage point change in the repo rate with today's volumes would

affect full-year net interest income by just over SEK 450 million. The Riksbank's own forecast indicates a zero per cent repo rate during the entire forecast period until the third quarter 2024. The deposit guarantee fee and resolution fee increased to SEK 29 million (22) due to higher volumes.

Other income increased by 85 per cent, mainly due to higher income from Corporate Finance, which amounted to SEK 66 million (19). Income from Avanza Markets increased and amounted to SEK 109 million (79). Other income also includes income from stock lending in endowment insurance within the insurance company, which was launched in October 2020. Avanza's income amounted to SEK 12 million in the nine-month period, at the same time SEK 19 million was paid out to customers. Stock lending means that Avanza lends the shares to Morgan Stanley with the customer receiving 60 per cent of the return and Avanza retaining 40 per cent as well as paying the expenses. Other commission expenses increased, mainly due to higher payment service commissions.

Operating expenses

Operating expenses increased by 13 per cent as a result of more staff and increased personnel cost. Excluding extraordinary relocation and rental costs, expenses for the period increased by 17.6 per cent. The extraordinary costs are not included in the cost guidance for 2021, which still calls for an increase of around 15 per cent for the full year. The divergence from the long-term cost guidance announced at the end of 2020 was made to accommodate the very strong growth and increased interest in savings, through increased investment in the customer offer and the user experience. As a result of the continued strong growth during the year, which has already exceeded growth for all of 2020, the recruitment focus was broadened during the summer to include customer-supporting functions. To ensure that the planned development agenda is accomplished, the recruitment pace has been accelerated as well. Therefore, the total cost increase of 9–12 per cent for the full year 2022 is unlikely to be achieved. The business planning process is underway, and the current estimate is that the cost increase for 2022 will be around 20 per cent. As previously announced, the long-term targets for 2025 will be reassessed, the outcome of which will be announced in connection with the Preliminary Financial Statement in January 2022. The cost development will also be communicated at the same time.

The cost to savings capital ratio decreased by 4 basis points to 0.12 per cent, while the income to savings capital ratio decreased by 1 basis point to 0.49 per cent. This demonstrates the scalability of Avanza's business model. High cost-efficiency makes Avanza resilient in various market conditions, at the same time that it provides an important competitive advantage.

Credit losses

Reported credit losses are attributable to calculations of expected credit losses according to IFRS 9. In addition, an expected credit loss from 2011 was realised during the second quarter. More information in Note 5.

Result from participations in associated companies

In the fourth quarter of 2020, Avanza reduced its holding in Stabelo. After the reduced ownership, Stabelo is classified as a shareholding and thus no longer as an associated company of Avanza. Avanza value the holding at fair value via other comprehensive income.

Taxes

The effective tax rate increased to 16.2 per cent (16.0) as a result of a higher share of revenues generated in the bank,

where the ordinary corporate tax rate applies, in contrast with the insurance company, where most of the revenues are taxed according to tax laws applicable to life insurance companies.

As of the 1 January 2021 the Swedish corporate tax rate was reduced to 20.6 per cent from 21.4 per cent.

Seasonal effects

Avanza has no major seasonal variations, except from the third quarter which is characterised by lower personnel costs, due to employees' summer vacation, and also seasonally low Corporate Finance activity. Avanza's financial results are rather impacted by cyclical market factors such as stock market development, volatility, and the repo rate. Customer growth and net inflow are normally higher at the beginning of the year.

Future outlook

The Swedish financial market is becoming highly digitised, which is making it easier for customers to switch banks, at the same time that mobile usage has increased customer activity. Transparency has increased, as has the understanding of the impact that fees have on savings in a low interest rate environment. Customers today also have more rights when it comes to data portability, i.e. the right to receive their data in a format that can be shared with other companies. This is often called Open Banking.

Because of this, the banking market is fragmenting with new competition, which is increasing the importance of customer satisfaction as well as a strong brand and innovation. As customers spread their personal finances between multiple companies, there is a growing need for a better overview, where customers can view and manage their savings in one place.

Demographic trends and the increasing financial burden being placed on the working population, as well as the gradual deterioration of the public and collective pension and welfare systems, are raising the importance of individual savings. Here the stricter loan to value requirements for mortgages have also focused attention on the need for savings. In pension savings, the new law improving transfer rights for occupational pensions which took effect on 1 April 2021 is expected to positively contribute to Avanza's pension business. The new law limits the fees charged on transfers and makes it easier for savers to transfer their policies to less expensive alternatives. However, education is still needed to increase pension awareness, at the same time that it is still an administrative burden to transfer a pension.

The UN's Sustainable Development Goals have brought to the forefront the financial industry's opportunities to positively impact climate change. There has also been talk about climate risks: how a company's products or services could be affected by climate change and how profitability is affected by stricter regulations and climate laws. ESG screening your savings will become an important economic issue when corporate profits are affected by stricter regulations and climate laws. By educating, inspiring, and making it easier for customers to find sustainable choices, Avanza can contribute to the Sustainable Development Goals and at the same time ensure an attractive offer.

These trends and changes are expected to continue to drive development in the future regarding digitisation, customer offers and digital decision support, and provide a favorable growth climate for Avanza. Avanza's growth objectives include attracting broader target groups – experienced and established investors as well as new ones – and attracting a larger proportion of existing customer's savings by offering new products and services. Avanza's modern

platform, high user experience, low prices and broad range of products and services provide ample opportunity to meet savers' changing needs and habits. Growth among new customers is expected to increase the share of fund savings at Avanza, which, together with the growth objectives in

pensions and mortgages, reduce sensitivity to market fluctuations.

Also read the section about Covid-19 and its effects on Avanza's operations on page 5 of this report. More information about the long-term trends can be found in Avanza's Annual Report at avanza.se/ir.

Quarterly overview

Quarterly overview, SEK m	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Net brokerage income	330	334	439	291	283	260	268	123	126
Fund commissions, net	173	161	150	125	109	88	96	91	86
Currency-related income, net	114	129	247	114	88	81	73	31	33
Net interest income ¹	83	80	76	73	74	73	64	48	45
Other income, net ^{1,2}	67	50	44	103	22	24	41	35	23
Operating income	767	754	957	706	575	526	542	329	313
Personnel	-125	-145	-137	-135	-103	-120	-111	-115	-90
Marketing	-5	-3	-9	-5	-7	-2	-8	-3	-4
Depreciation	-18	-17	-17	-34	-19	-17	-14	-22	-14
Other expenses	-45	-51	-39	-48	-49	-46	-45	-48	-40
Operating expenses before credit losses	-192	-216	-202	-221	-177	-185	-179	-187	-148
Credit losses, net	-1	-1	1	1	0	-5	1	0	0
Profit/loss from participations in associated companies	-	-	-	-	-1	-2	-2	-2	-2
Operating profit	574	536	756	486	396	333	361	140	163
Adjusted operating profit³	574	536	746	439	409	333	361	148	163
Operating margin, %	75	71	79	69	69	63	67	43	52
Earnings per share before dil., SEK	3.10	2.91	4.08	2.70	2.15	1.83	1.98	0.79	0.91
Shareholders' equity per share before dilution, SEK	30.04	26.58	23.68	20.47	16.88	14.13	11.95	12.65	11.96
Return on shareholders' equity, %	44	46	74	58	55	56	64	26	33
Net inflow	18,400	22,900	30,500	18,700	16,300	19,400	21,900	6,820	9,940
No. of new customers, net	70,100	85,100	152,800	85,600	79,200	53,000	86,100	37,300	36,800
No. of customers at the end of the period	1,588,400	1,518,200	1,433,200	1,280,300	1,194,700	1,115,500	1,062,500	976,400	939,100
Savings capital at the end of the period	735,000	713,600	653,900	570,500	514,200	444,600	368,200	407,700	377,100
Income to savings capital ratio, %	0.42	0.44	0.63	0.52	0.48	0.52	0.56	0.34	0.34
Costs to savings capital ratio, %	0.11	0.13	0.13	0.16	0.15	0.18	0.18	0.19	0.16

1) Income related to Savings account+ has been transferred from Net interest income to Other commission income. Historical figures have been adjusted.

2) Net currency-related income has been separated from Other income. Historical figures have been adjusted.

3) See table Items affecting comparability.

Items affecting comparability, SEK m	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Operating income									
Other income (reduced holding in Stabelo AB)				63					
Operating expenses									
Depreciation (write-down of right-of-use assets Vasagatan)				-16				-8	
Other expenses (relocation costs)					-13				
Other expenses (reversal of write-down Vasagatan)			10						
Total	-	-	10	47	-13	-	-	-8	-

Financial position

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

The surplus liquidity is mainly invested in covered bonds, Riksbank Certificates and as deposits with the Riksbank and systemically important Nordic banks, plus 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 account.

All lending is secured against listed securities or with pledges on houses and tenant-owned apartments. Between 2001 and the third quarter 2021 total actual and expected credit losses amounted to SEK 14 million, which is equivalent, on average, to 0.02 per cent per year.

Significant risks and uncertainty factors

Risk-taking is an integral part of Avanza's operations. Avanza's ability to identify, analyse, manage, and monitor these risks is critical to the soundness of the business, reputation, and long-term profitability.

A detailed description of the Group's risk exposure and risk management is provided in Avanza's Annual Report for 2020, Note 37 and pages 36–39. It is deemed that there are no significant risks other than those risks described in the Annual Report and in this 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 for the nine-month period 2021 was SEK –22 million (SEK –18m). The Parent Company does not report any revenues.

A dividend payment, related to 2020, of SEK 132 million (SEK 354m) has been made to the shareholders in March 2021, following the decision at the Annual General Meeting.

Capital surplus

On 28 June 2021, the regulatory requirement of a leverage ratio of 3 per cent took effect and will govern Avanza's capitalisation. In addition, the Swedish Financial Supervisory Authority (FSA) will introduce a bank-specific Pillar 2 guidance, which was previously announced to result in an additional buffer of around 0.2–0.5 per cent of the exposure amount for the leverage ratio. During the quarter, the Swedish FSA announced its Pillar 2 guidance of 0.9 per cent for our peer Nordnet. For Avanza, the Pillar 2 guidance is expected to be announced in 2022 at the earliest, after the Swedish FSA has finalized the supervisory review and evaluation process. To ensure a wide margin to the requirement regardless of market conditions, Avanza has previously set an internal leverage ratio target of 3.8 per cent for the consolidated situation and the bank. The leverage ratio is negatively affected by customers' increased deposits, resulting in fluctuations of the ratio during a market slump when deposits usually rise. At the end of the third quarter, Avanza's leverage ratio for the consolidated situation was 4.5 per cent. The leverage ratio can be strengthened through increased Tier 1 capital and/or lower deposits on the balance sheet.

The Swedish FSA's recommendation that financial companies be restrictive with dividends and buybacks has been lifted since 30 September 2021. Avanza's Board of Directors today called an Extraordinary General Meeting to vote on an additional dividend of SEK 2.95 per share for the financial year 2020.

Details on own funds and the capital requirement for the consolidated situation can be found in Note 8.

Financial position ¹	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Common Equity Tier 1 (CET1) capital, SEK m	2,799	2,647	2,410	2,427	1,529	1,409	1,401	1,411	1,427
Total capital, SEK m	2,799	2,647	2,410	2,427	1,598	1,479	1,468	1,490	1,505
Common Equity Tier 1 ratio, %	26.2	25.0	23.9	24.4	17.9	16.3	17.3	16.9	18.7
Total capital ratio, %	26.2	25.0	23.9	24.4	18.8	17.1	18.1	17.8	19.7
Overall capital requirements, %	12.9	13.0	13.1	13.1	11.8	11.8	11.9	14.4	14.5
Leverage ratio, % ²	4.5	4.7	4.3	4.9	3.1	2.8	2.5	3.5	3.5

1) Refers to consolidated situation.

2) Regulatory requirement effective from 28 June 2021.

Other corporate events

Executive Management

Anna Casselblad took over as CFO and a member of Group Management on 1 February. Anna started as an operational manager in Avanza's compliance department in autumn 2012 and was since the spring of 2017 the head of the Avanza Group's compliance function, including overall responsibility for the companies under the supervision of the Swedish FSA. Anna also has several years of experience as a financial sector auditor at PwC in Stockholm. Anna succeeds Birgitta Hagenfeldt, who left Avanza on May 31. Birgitta was Avanza's CFO from 2008 and Deputy CEO from spring 2017. Gunnar Olsson, COO, took over as Deputy CEO on 1 February.

Annual General Meeting 2021

The Annual General Meeting on 30 March 2021 resolved that the Board of Directors shall comprise nine members without deputies.

The Chairman of the Board and Board members were re-elected, except for Birgitta Klasén, who declined re-election. Leemon Wu was elected as a new member of the Board.

As proposed, a dividend of SEK 0.85 per share was authorised.

The income statements and balance sheets for the Parent Company and the Group for the financial year 2020 were adopted. Avanza's Annual and Sustainability Report for 2020 was published on 26 February 2021.

Annual General Meeting 2022

The Annual General Meeting of the company's shareholders will be held in Stockholm on 31 March 2022.

The annual report is scheduled to be made available at the company's office and on the website, avanza.se/ir, on 25 February 2022.

Nomination committee

The Nomination Committee comprises the Chairman of the Board Sven Hagströmer, Erik Törnberg representing Creades AB, Moritz Sitte representing Baillie Gifford & Co and Peter Guve representing AMF Pension & Fonder. Erik Törnberg has been appointed Chairman of the Nomination Committee. For further information about the Nomination Committee, please visit Avanza's website at avanza.se/ir.

Incentive programmes

The warrant programme authorized by the General Meeting on 20 March 2018 had exercise period from 27 August 2021 to 2 September 2021. After recalculation of the warrant programme the exercise price was SEK 101.40 per share. In total 617,748 shares were subscribed for and have been issued. The number of shares outstanding and registered per 30 September 2021 amounts to 155,571,758.

The Annual General Meeting 2021 resolved on three new incentive programs based on warrants (2021/2024, 2022/2025 and 2023/2026). Each incentive program runs for three years and comprises a maximum of 1,200,000 warrants that entitle the holder to subscribe for an equal number of shares. If all warrants are exercised, each incentive program will result in maximum dilution of 0.77 per cent. The programme 2021/2024 that was subscribed for in 2021 has an exercise price of SEK 380.47 per share and the expiration date is 28 November 2024. The warrant programme has been implemented on market terms.

Repurchase of the company's own shares

The Board of Directors has from the Annual General Meeting 2021 been authorised 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 in the nine-month period 2021 and the company holds no repurchased shares as of 30 September 2021.

Transactions with associated parties

Avanza's transactions with associated parties are presented in the Annual Report for 2020, Note 38. No significant changes have taken place since then.

Significant events after the end of the reporting period

The Board of Directors of Avanza Bank Holding AB (publ) has decided to call an Extraordinary General Meeting on 16 November 2021 to vote on an additional dividend of SEK 2.95 per share. For further information please visit avanza.se/ir.

No significant events have occurred after the end of the reporting period.

Consolidated Income Statement

SEK m	Note	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Operating income						
Commission income ¹	1, 2	783	580	2,572	1,654	2,310
Commission expenses	3	-99	-80	-334	-224	-312
Interest income calculated using the effective interest method		110	94	313	269	364
Other interest and similar income ¹		-	-	-	-	-
Interest expenses		-27	-21	-74	-58	-80
Net result of financial transactions		0	1	0	3	67
Other operating income		-	-	-	-	0
Total operating income		767	575	2,477	1,643	2,349
Operating expenses						
General administrative expenses		-166	-148	-530	-462	-640
Depreciation		-18	-19	-52	-50	-84
Other operating expenses		-8	-11	-29	-29	-38
Total operating expenses before credit losses		-192	-177	-611	-541	-763
Operating profit before credit losses		574	398	1,866	1,101	1,586
Credit losses, net		-1	0	0	-5	-4
Profit/loss from participations in associated companies		-	-1	-	-6	-6
Operating profit		574	396	1,866	1,091	1,576
Tax on profit for the period		-93	-65	-303	-174	-242
Profit for the period²		481	331	1,563	917	1,335
Earnings per share before dilution, SEK		3.10	2.15	10.09	5.96	8.66
Earnings per share after dilution, SEK		3.05	2.12	9.94	5.92	8.58
Average no. shares before dilution, thousands		155,115	154,066	155,008	153,880	154,150
Average no. shares after dilution, thousands		157,480	155,888	157,214	154,937	155,581

1) Income related to Savings account+ has been transferred from Net interest income to Other commission income.

Historical figures have been adjusted.

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

Consolidated statement of comprehensive income

SEK m	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Profit for the period	481	331	1,563	917	1,335
<i>Items that will be reversed to the Income Statement</i>					
Changes in value of financial instruments ¹	-1	17	-6	12	18
Tax on changes in value of financial instruments ¹	0	-4	1	-3	-4
Changes in value of associated companies	-	-	-	-	-10
Tax on changes in value of associated companies	-	-	-	-	-
<i>Items that will not be reversed to the Income Statement</i>					
Changes in value of shares and participations	-	-	-	-	144
Tax on changes in value of shares and participations	-	-	-	-	-
Total other comprehensive income after tax	-1	13	-5	9	149
Total profit or loss and other comprehensive income after tax²	480	344	1,558	926	1,483

1) Refers to financial instruments at fair value via other comprehensive income.

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

Consolidated Balance Sheet

SEK m	Note	30-09-2021	31-12-2020
Assets			
Cash and balances with central banks		2,817	1,428
Treasury bills eligible for refinancing		2,129	245
Loans to credit institutions	4	2,421	2,272
Loans to the public	5	20,754	16,287
Bonds		26,361	25,572
Shares and participations		237	244
Assets in insurance operations		202,476	155,931
Intangible fixed assets		140	82
Right-of-use assets		129	153
Tangible fixed assets		65	64
Other assets		5,357	2,153
Prepaid expenses and accrued income		294	344
Total assets		263,181	204,775
Liabilities and shareholders' equity			
Deposits and borrowing from the public		54,214	43,987
Liabilities in insurance operations		202,478	155,933
Lease liability		131	171
Other liabilities		1,522	1,380
Accrued expenses and deferred income		162	133
Shareholders' equity		4,673	3,172
Total liabilities and shareholders' equity		263,181	204,775

Changes in the Group's shareholders' equity

SEK m	Share capital	Other contributed capital	Fair value reserve	Retained earnings	Total equity
January - September 2020					
Shareholders' equity 31-12-2019	77	663	9	1,196	1,945
Profit after tax reported in the income statement	–	–	–	917	917
Other comprehensive income for the period	–	–	9	–	9
Total comprehensive income for the period	–	–	9	917	926
Changed accounting principle interest-bearing securities	–	–	–8	–	–8
Transactions with owners					
Dividend paid	–	–202	–	–152	–354
New issue (exercise of share warrants)	1	100	–	–	101
Warrants issue	–	6	–	–	6
Shareholders' equity 30-09-2020	77	568	10	1,960	2,616
January - December 2020					
Shareholders' equity 31-12-2019	77	663	9	1,196	1,945
Profit after tax reported in the income statement	–	–	–	1,335	1,335
Other comprehensive income for the period	–	–	159	–10	149
Total comprehensive income for the period	–	–	159	1,325	1,483
Changed accounting principle interest-bearing securities	–	–	–8	–	–8
Transactions with owners					
Dividend paid	–	–202	–	–152	–354
New issue (exercise of share warrants)	1	96	–	4	101
Warrants issue	–	6	–	–	6
Shareholders' equity 31-12-2020	77	564	159	2,372	3,172
January - September 2021					
Shareholders' equity 31-12-2020	77	564	159	2,372	3,172
Profit after tax reported in the income statement	–	–	–	1,563	1,563
Other comprehensive income for the period	–	–	–5	–	–5
Total comprehensive income for the period	–	–	–5	1,563	1,558
Transactions with owners					
Dividend paid	–	–73	–	–59	–132
New issue (exercise of share warrants)	0	62	–	–	63
Warrants issue	–	11	–	–	11
Shareholders' equity 30-09-2021	78	565	154	3,875	4,673

There are no interests in holdings without controlling influence in shareholders' equity.

Consolidated Cash Flow Statement

SEK m	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep
Operating activities				
Operating profit	574	396	1,866	1,091
Adjustment for items not included in cash flow	9	2	27	16
Taxes paid	-338	1,081	-3,011	677
Changes in operating activities' assets and liabilities	4,293	-3,591	5,074	3,897
Cash flow from operating activities	4,538	-2,112	3,956	5,681
Investment operations				
Acquisition and disposals of intangible and tangible fixed asset	-32	-13	-84	-45
Investment in treasury bills eligible for refinancing	-701	842	-1,884	-1,087
Investment in bonds	-1,945	48	-795	-5,837
Cash flow from investment operations	-2,678	877	-2,763	-6,969
Financial operations				
Cash dividend	-	-	-132	-354
Subordinated bond	-	0	-	0
New issue (exercise of share warrants)	63	101	63	101
Warrants issue	11	6	11	6
Cash flow from financial operations	74	107	-58	-247
Cash flow for the period	1,934	-1,128	1,135	-1,535
Liquid assets at the beginning of the period ¹	2,875	2,670	3,675	3,077
Liquid assets at the end of the period ¹	4,809	1,542	4,809	1,542
Change	1,934	-1,128	1,135	-1,535

1) Liquid assets are defined as cash and balances with central banks plus loans to credit institutions excluding pledged assets. At the end of the period SEK 429 million (SEK 25m) of consolidated liquid assets are pledged as collaterals.

Parent Company Income Statement

SEK m	2021 Jan-Sep	2020 Jan-Sep
Operating expenses		
Administration expenses	-15	-12
Other operating expenses	-8	-6
Operating profit/loss	-22	-18
Profit/loss from financial investments		
Profit/loss from participations in Group companies	-	33
Interest expenses and similar items	0	0
Profit/loss before tax and appropriations	-22	15
Appropriations		
Group contribution	-5	-
Profit/loss before tax	-27	15
Tax on profit/loss for the period	5	-3
Profit/loss for the period	-22	12

Parent Company statement of comprehensive income

SEK m	2021 Jan-Sep	2020 Jan-Sep
Profit/loss for the period	-22	12
Total other comprehensive income after tax	-	-
Total profit/loss and other comprehensive income after tax	-22	12

Parent Company Balance Sheet

SEK m	30-09-2021	31-12-2020
Assets		
Financial fixed assets	663	657
Current receivables ¹	78	124
Liquid assets	4	62
Total assets	744	843
Shareholders' equity and liabilities		
Restricted shareholders' equity	78	77
Unrestricted shareholders' equity	661	752
Current liabilities	5	13
Total shareholders' equity and liabilities	744	843

1) Of which receivables from subsidiaries SEK 75 million (SEK 121m as of 31-12-2020).

Notes

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 (1995:1559), the regulations and general guidelines issued by the Swedish Financial Supervisory Authority regarding annual reports at credit institutions and securities companies (FFFS 2008:25) and with the recommendation RFR 1 Complementary accounting rules for groups. The Interim Report for the Parent Company has been prepared in accordance with the provisions of the Swedish Annual Accounts Act (1995:1544). Furthermore, the Swedish Financial Reporting Board's recommendation accounting for legal entities (RFR 2) has been applied.

The accounting principles and calculation methods for both the Group and the Parent Company remain unchanged from those applied in the Annual Report 2020.

The information on pages 1-13 is an integrated part of this financial report.

Note 1 Revenue from contracts with customers

SEK m	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Trading in commission-generating securities	487	407	1,730	1,145	1,586
Fund savings	189	117	543	322	459
Corporate services	20	3	66	19	37
Other commission income ¹	87	53	234	167	229
Total¹	783	580	2,572	1,654	2,310
<i>Timing of revenue recognition</i>					
Service or goods transferred to customer at a specific point in time	783	580	2,572	1,654	2,310
Service or goods transferred to customer over time	-	-	-	-	-
Total	783	580	2,572	1,654	2,310

1) Income related to Savings account+ has been transferred from Net interest income to Other commission income. Historical figures have been adjusted.

Revenue from contracts with customers largely comes from securities trading and includes profit from exchange income in the lines Trading in brokerage-generating securities and Fund savings.

Note 2 Commission income

SEK m	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Brokerage income	382	327	1,284	932	1,272
Fund commissions	179	109	498	293	418
Currency-related income	115	88	491	241	355
Other commission income ^{1 2}	107	56	300	187	266
Total	783	580	2,572	1,654	2,310

1) Includes mainly income from Avanza Markets, but also from Corporate Finance, compensation for distribution, advertising sales, subscriptions and customer's ad-on services.

2) Income related to Savings account+ has been transferred from Net interest income to Other commission income. Historical figures have been adjusted.

Note 3 Commission expenses

SEK m	2021	2020	2021	2020	2020
	Q3	Q3	Jan-Sep	Jan-Sep	Jan-Dec
Transaction costs ¹	-52	-45	-182	-122	-170
Payment services commissions	-27	-21	-88	-61	-86
Other commission expenses ²	-20	-14	-64	-41	-57
Total	-99	-80	-334	-224	-312

1) Costs directly related to brokerage income.

2) Include application costs related to mortgages, SEO costs, costs for traders systems, refund of fund commissions, and a number of smaller costs.

Note 4 Lending to credit institutions

Client fund receivables, attributable to banking business, amounted at the end of the period to SEK 1,480 million (SEK 1,630m as of 31 December 2020) which are reported net against client fund payables of SEK 1,480 million (SEK 1,630m as of 31 December 2020). Of the liquid assets of SEK 5,238 million as per the end of the period, SEK 429 million were pledged as collateral, mainly referring to Swedish credit institutions and the stock exchange.

Note 5 Lending to the public

Lending to the public is reported after deduction for confirmed and expected credit losses. At the end of the period the accumulated provisions for expected credit losses amounted to SEK 9 million (SEK 14m as of 31 December 2020). Thus, the change in the accumulated provision for expected credit losses, of SEK 5 million, is primarily explained by the confirmation of previous expected credit losses of SEK 5 million during the first six months. The net change for this item, of SEK 5 million, have not affected the result of the period.

SEK 1,436 million (SEK 0m as per 31 December 2020) of lending to the public at the end of the period was covered in its entirety by cash pledged on endowment insurance accounts. This portion of lending does not affect net interest income since the deposit rate is the same as the lending rate. The rest of lending to the public amounted to SEK 19,318 million, of which SEK 9,379 million (SEK 6,970m as of 31 December 2020) with collateral in the form of securities and SEK 9,939 million (SEK 9,317m as of 31 December 2020) with collateral in the form of houses and tenant-owned apartments. Regarding mortgage loans SEK 11,017 million (SEK 10,129m as of 31 December 2020) has been granted at the end of the period, implying that the commitment for granted, undisbursed mortgage loans amount to SEK 1,074 million (SEK 804m as of 31 December 2020).

Note 6 Financial instruments

Classification of financial instruments

30-09-2021 SEK m	Fair value via Income Statement	Amortised cost	Fair value via Other comprehensive income	Non-financial instruments	Total
Assets					
Cash and balances with central banks	–	2,817	–	–	2,817
Treasury bills eligible for refinancing	–	2,129	–	–	2,129
Loans to credit institutions	–	2,421	–	–	2,421
Loans to the public	–	20,754	–	–	20,754
Bonds	–	19,390 ¹	6,971	–	26,361
Shares and participations	0	–	237	–	237
Assets in insurance operations	186,431	16,045	–	–	202,476
Intangible fixed assets	–	–	–	140	140
Right-of-use asset	–	–	–	129	129
Tangible assets	–	–	–	65	65
Other assets	–	5,357	–	–	5,357
Prepaid expenses and accrued income	–	258	–	36	294
Total assets	186,431	69,172	7,208	370	263,181
Liabilities					
Deposits and borrowing from the public	–	54,214	–	–	54,214
Liabilities in insurance operations	202,476	–	–	2	202,478
Lease liabilities	–	–	–	131	131
Other liabilities	–	1,103	–	419	1,522
Accrued expenses and deferred income	–	105	–	57	162
Total liabilities	202,476	55,422	–	609	258,507

1) Fair value amounts to SEK 19,445 million.

Financial instruments valued at fair value

30-09-2021, SEK m	Level 1	Level 2	Level 3	Total
Assets				
Equities	111,471	0	237	111,708
Fund units	70,986	0	–	70,986
Bonds and other interest-bearing securities	8,364	390	–	8,754
Other securities	1,763	429	–	2,192
Total assets	192,584	818	237	193,639
Liabilities				
Liabilities in insurance operations (investment agreements)	–	202,476	–	202,476
Total liabilities	–	202,476	–	202,476

Fair value

All financial instruments recognised at amortised cost with the exception of bonds (the portion of the bond portfolio measured at amortised cost) carry variable interest or have short maturities, because of which book value and fair value coincide. The fair value of those financial instruments reported at fair value, primarily assets in the insurance operations and bonds in Avanza's liquidity portfolio, 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 or via Other comprehensive income

The majority of securities in this category, mainly assets in the insurance business and bonds (the portion of the bond portfolio measured at fair value through other comprehensive income) in Avanza's liquidity portfolio, comprise listed securities, and fair value is determined 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 and funds pertaining to the insurance operations and bonds and other interest-bearing securities in Avanza's liquidity portfolio 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). 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 7 Capital requirement for the financial conglomerate

The below table refers to the financial conglomerate, which includes Avanza Bank Holding AB (publ) and all of its subsidiary companies Avanza Bank AB (publ), Försäkringsaktiebolaget Avanza Pension, Avanza Fonder AB, Placera Media Stockholm AB and Avanza Förvaltning AB. The financial conglomerate's own funds and capital requirement have been calculated using the consolidation method (fully consolidated).

SEK m	30-09-2021	31-12-2020
Own funds per sector		
Own funds for regulated units in the insurance sector ¹	3,095	2,598
Own funds for regulated units within the banking and investment services sector	2,625	2,147
Total own funds	5,720	4,745
Capital requirement per sector		
Capital requirement for regulated units in the insurance sector ¹	1,924	1,500
Capital requirement for regulated units within the banking and investment services sector	1,289	1,209
Total capital requirement	3,213	2,709
Capital surplus	2,508	2,036
Own funds/Capital requirement	1.78	1.75

1) Avanza Pension's solvency capital requirement and own funds are calculated using the Solvency 2 directive's standard model. The standard model requires assumptions that are determined partly by the authorities and partly by Avanza Pension's Board of Directors.

Note 8 Own funds and capital requirement for the consolidated situation

The information stated in this section refers to the consolidated situation, which consists of Avanza Bank Holding AB, Avanza Bank AB, and Avanza Funds AB, and details the total own fund requirement and own funds in a comprehensive way. The statement follows chapter 8 of the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2014:12) on prudential requirements and capital buffers, the Swedish Financial Supervisory Authority's regulations, and general guidelines (FFFS 2008:25) regarding annual reports at credit institutions and securities companies, and article 447 in Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms. The information refers to both the risk-based own fund requirement and the leverage ratio requirement.

Other than the changes in the capital adequacy rules effective as of 28 June 2021, there are currently no pending requirements that affect Avanza's capital requirements, own funds or large exposures. The Swedish Financial Supervisory Authority has not yet announced the institution-specific Pillar 2 guidance that will apply to Avanza and is not expected until 2022. Consequently, these requirements are not reflected in the table below. To ensure that Avanza meets the risk-based own funds and leverage ratio requirements, the company follows both external and internal buffer requirements. Avanza is well-capitalised to manage current and upcoming requirements.

Own funds, SEK m	30-09-2021	31-12-2020
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Capital instruments and the related share premium accounts	771	642
of which: Instrument type 1	78	77
of which: Instrument type 2	693	564
Retained earnings	1,838	961
Accumulated other comprehensive income (and other reserves)	-5	149
Independently reviewed interim profits net of any foreseeable charge or dividend	344	795
Common Equity Tier 1 (CET1) capital before regulatory adjustments	2,949	2,546
Additional value adjustments	-9	-7
Intangible assets (net of related tax liability)	-140	-82
Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-	-30
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-150	-119
Common Equity Tier 1 (CET1) capital	2,799	2,427
Additional Tier 1 (AT1) capital	-	-
Tier 1 capital (T1 = CET1 + AT1)	2,799	2,427
Tier 2 (T2) capital: instruments and provisions		
Capital instruments and the related share premium accounts	-	-
Tier 2 (T2) capital	-	-
Total capital (TC = T1 + T2)	2,799	2,427
Total risk weighted assets	10,703	9,957
Capital ratios and buffers		
Common Equity Tier 1 (as a percentage of total risk exposure amount), %	26.2%	24.4%
Tier 1 (as a percentage of total risk exposure amount), %	26.2%	24.4%
Total capital (as a percentage of total risk exposure amount), %	26.2%	24.4%
Combined buffer requirement, %	2.5%	2.5%
of which: capital conservation buffer requirement, %	2.5%	2.5%
of which: countercyclical buffer requirement, %	0.0%	0.0%
of which: system risk buffer requirement, %	0.0%	0.0%
of which: global systemically important institution or other systemically important Institution buffer, %	0.0%	0.0%

Risk exposure amount and capital requirement, SEK m	30-09-2021		31-12-2020	
Risk exposure amount				
Credit risk according to the standardised approach	8,730		7,970	
of which exposures to institutions	478		450	
of which exposures to corporates	105		94	
of which retail exposures	479		306	
of which exposures secured by mortgages on immovable property	3,497		3,272	
of which exposures in default risk weight	3		6	
of which exposures to covered bonds	2,573		2,475	
of which exposures to equity	689		614	
of which exposures to other items	906		754	
Market risk (position risk)	0		14	
Settlement risk	0		0	
Credit valuation adjustment risk according to the standardised method	–		0	
Operational risk according to the standardised approach	1,973		1,973	
Total risk exposure amount	10,703		9,957	
Capital requirement				
Credit risk according to the standardised approach	698	6.5%	638	6.4%
of which exposures to institutions	38	0.4%	36	0.4%
of which exposures to corporates	8	0.1%	8	0.1%
of which retail exposures	38	0.4%	24	0.2%
of which exposures secured by mortgages on immovable property	280	2.6%	262	2.6%
of which exposures in default risk weight	0	0.0%	0	0.0%
of which exposures to covered bonds	206	1.9%	198	2.0%
of which exposures to equity	55	0.5%	49	0.5%
of which exposures to other items	72	0.7%	60	0.6%
Market risk (position risk)	0	0.0%	1	0.0%
Settlement risk	0	0.0%	0	0.0%
Credit valuation adjustment risk according to the standardised method	–	0.0%	0	0.0%
Operational risk according to the standardised approach	158	1.5%	158	1.6%
Capital requirement	856	8.0%	797	8.0%
Total own funds	2,799	26.2%	2,427	24.4%
Minimum own funds requirement (Pillar 1)	–856	–8.0%	–797	–8.0%
Combined buffer requirement	–268	–2.5%	–249	–2.5%
Additional own funds requirement ¹²	–260	–2.4%	–260	–2.6%
Pillar 2 guidance ²	–	–	–	–
Total risk-based capital requirement (desired level of own funds)	–1,384	–12.9%	–1,305	–13.1%
Capital surplus after risk-based capital requirement	1,415	13.2%	1,122	11.3%
Leverage ratio				
Leverage ratio total exposure measure	62,364		50,032	
Leverage ratio, %	4.5%		4.9%	
Tier 1 capital	2,799	4.5%	2,427	4.9%
Minimum own funds requirement	1,871	3.0%	–	–
Additional own funds requirement ²	–	–	–	–
Leverage ratio guidance ²	–	–	–	–
Total leverage ratio requirement (desired level of own funds)	1,871	3.0%	–	–
Capital surplus after leverage ratio requirement	928	1.5%	2,427	4.9%

1) The additional own fund requirement are equivalent to the Swedish Financial Supervisory Authority's estimated Pillar 2 requirements. The quarterly internally estimated capital requirement in Pillar 2 is shown in a separate table.

2) For both the risk-based capital requirement and the leverage ratio the SFSA will in connection with the next supervisory review and evaluation process (SREP) make an assessment and determine an additional own funds requirement in Pillar 2 and a Pillar 2 guidance. The next SREP is expected to be completed in 2022.

Key metrics, SEK m		30-09-2021	30-06-2021	31-03-2021	31-12-2021	30-09-2020
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	2,799	2,647	2,410	2,427	1,529
2	Tier 1 capital	2,799	2,647	2,410	2,427	1,529
3	Total capital	2,799	2,647	2,410	2,427	1,598
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	10,703	10,598	10,096	9,957	8,525
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	26.2%	25.0%	23.9%	24.4%	17.9%
6	Tier 1 ratio (%)	26.2%	25.0%	23.9%	24.4%	17.9%
7	Total capital ratio (%)	26.2%	25.0%	23.9%	24.4%	18.8%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.4%	2.5%	2.6%	2.6%	1.3%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.4%	1.4%	1.4%	1.5%	0.7%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.8%	1.8%	1.9%	2.0%	1.0%
EU 7d	Total SREP own funds requirements (%)	10.4%	10.5%	10.6%	10.6%	9.3%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0%	0.0%	0.0%	0.0%	0.0%
9	Institution specific countercyclical capital buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 9a	Systemic risk buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Global Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 10a	Other Systemically Important Institution buffer	0.0%	0.0%	0.0%	0.0%	0.0%
11	Combined buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
EU 11a	Overall capital requirements (%)	12.9%	13.0%	13.1%	13.1%	11.8%
12	CET1 available after meeting the total SREP own funds requirements (%)	15.7%	14.5%	13.3%	13.8%	8.6%
Leverage ratio						
13	Leverage ratio total exposure measure	62,364	56,075	55,740	50,032	49,688
14	Leverage ratio (%)	4.5%	4.7%	4.3%	4.9%	3.1%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0%	0.0%			
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0%	0.0%			
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%			
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	0.0%	0.0%			
EU 14e	Overall leverage ratio requirement (%)	3.0%	3.0%			
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	15,133	14,511	14,606	14,344	13,175
EU 16a	Cash outflows - Total weighted value	5,442	5,251	5,171	5,096	4,918
EU 16b	Cash inflows - Total weighted value	5,213	4,515	4,129	3,956	4,312
16	Total net cash outflows (adjusted value)	1,406	1,366	1,346	1,412	1,341
17	Liquidity coverage ratio (%)	921%	844%	838%	780%	719%
Net Stable Funding Ratio						
18	Total available stable funding	49,930	44,829			
19	Total required stable funding	28,546	27,314			
20	NSFR ratio (%)	175%	164%			

Internal capital requirement in pillar 2		2021-09-30	2020-12-31
Credit-related concentration risk			
Industry concentration		46	42
Geographical concentration		56	51
Name concentration		7	8
Total credit-related concentration risk		108	102
Other market risk - credit spread		85	85
Interest rate risk and additional market risk - interest rate risk in the banking book (IRRBB)		125	108
Pension risk		-	-
Total internal capital requirement in pillar 2		319	295

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, 18 October 2021

Rikard Josefson
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. The information was submitted for publication, through the agency of the contact person set out above, at 07.45 (CEST) on 18 October 2021.

A webcast presentation will be held by Rikard Josefson, CEO, and Anna Casselblad, CFO, on 18 October 2021 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:

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- UK: +44 33 330 008 04
- US: +1 63 191 314 22
- Confirmation code: 78666391#

The Swedish version of this interim report has been reviewed 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

Preliminary Financial Statement 2021	20 January 2022
Annual Report 2021	25 February 2022
Annual General Meeting	31 March 2022
Interim Report January – March 2022	25 April 2022

Auditor's review report

To the Board of Directors of Avanza Bank Holding AB

Corp. id. 556274-8458

Introduction

We have reviewed the condensed interim financial information (interim report) of Avanza Bank Holding AB as of 30 September 2021 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies for the Group and in accordance with the Annual Accounts Act for the Parent Company. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 18 October 2021

KPMG AB

KPMG AB

Mårten Asplund

Dan Beitner

Authorized Public Accountant
Auditor in charge

Authorized Public Accountant

For translation purposes only.

Definitions

The measures and key ratios used in the financial 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 references below.

Gross brokerage income/Turnover in brokerage-generating securities²⁾

Gross brokerage income in relation to turnover excluding investment fund trading and Avanza Markets. The ratio shows the effect of price cuts and gives an indication of changes in the customer base as well as trading in various brokerage fee classes.

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.

Note

A customer's buying and selling assignments involving a specific security. A note may comprise one or more transactions.

Costs per customer²⁾

Operating expenses on an annual basis in relation to the average number of customers during the period. The ratio shows how a focus on scalability and cost efficiency yields results.

Costs to savings capital ratio²⁾

Operating expenses on an annual basis in relation to average savings capital during the period. The ratio shows how focus on scalability and cost efficiency yields results. 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 or an external mortgage (Bolån+).

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, i.e. employees' recommendation level, according to Avanza's pulse surveys.

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, Savings account+, opened and managed by customers via Avanza's website.

Fund commissions, net²⁾

Distribution commission from fund management companies (comprising fund volume-based commissions) and management fees from Avanza funds, less repayment of fund commissions to customers in benefit level Start for funds.

Income per customer²⁾

Operating income on an annual basis in relation to the average number of customers during the period. The ratio shows the effect of price reductions and gives an indication of changes in the customer base and trading in various price tiers.

Income to savings capital ratio²⁾

Operating income on an 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.

Internally financed lending

Lending to the public as per the balance sheet less the portion which is covered in its entirety by cash pledged on endowment insurance accounts, without deducting provisions for bad debt.

The Swedish life insurance market

Total capital in the occupational pension market according to Statistics Sweden's Savings Barometer. Premium inflow according to data from Insurance Sweden. Non-collective agreement occupational pension insurance adjusted for undistributed premiums in plan agreements. The data are published with a quarterly lag.

Net brokerage income²⁾

Gross brokerage income less direct costs.

Currency related income, net²⁾

Foreign exchange income generated from customer trading in securities, less repayment of foreign exchange expenses to customers in benefit level Start for funds.

Net inflow

Deposits, less withdrawals, of liquid assets and securities.

Operating margin¹⁾

Operating profit/loss in relation to operating income.

Own funds³⁾

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

Profit margin¹⁾

Profit/loss after tax in relation to operating income.

Return on assets¹⁾

Profit/loss after tax in relation to the average assets during the period. The ratio is reported in the annual report in accordance with FFFS 2008:25.

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 recalculated at a yearly rate.

Savings capital

The combined value of accounts held with Avanza. Savings capital is affected by in- and outflows as well as changes in value.

Savings capital per customer²⁾

Savings capital in relation to the number of customers at the end of the period. The ratio shows how much savings capital an average customer has and how the customer base's capital develops over time.

Solvency capital³⁾

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

Swedish savings market

Total capital in the Swedish savings market according to Statistics Sweden's Savings Barometer, less Avanza's unaddressable assets. The data are published with a quarterly lag.

Solvency capital requirement³⁾

Estimated capital requirements under Solvency 2 rules.

Turnover

Turnover in 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 SFSA's regulations and general guidelines, see Note 7 and 8 of capital adequacy.