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Avanza is first in Sweden to launch free stock trading

Beginning today all new and current customers with savings capital below SEK 50,000 will be offered free stock trading on the Stockholm Stock Exchange. The aim is to make it possible for more people to begin saving in stocks at the same time that Avanza consolidates its position as a price leader.

“By offering free stock trading, we want to create an interest in stock savings among those who aren’t yet investing in equities. Through our simple decision-making tools, we also hope that those who don’t feel comfortable making their own investment decisions will realise how much fun stock investing can be and not let their money gather dust at a zero per cent interest in a savings account,” says Martin Tiveus, CEO of Avanza.

Saving in stocks and equity funds pays off. In the last ten years the Stockholm Stock Exchange has offered a return of 106 per cent¹, and those who invested one krona in Swedish stocks at the turn of the previous century have seen that grow to SEK 205,300 today, an annual increase of 11.2 per cent². In spite of this, nearly one fourth of the savings capital in Sweden is in savings accounts, where negative interest rates do not produce any return at all. According to Statistics Sweden, only 13.6 per cent of the Swedish population owned stocks at the end of 2015, and in the age group 18-34 it was only 7.8 per cent³.

Investors with more than 12 stocks in their portfolio and good diversification are those who succeed best over time. Monthly savings contributions also offer advantages, since you buy when prices are both rising and falling. At the same time the price and fees on savings are very important to creating value over time. If you pay the high minimum commissions charged by Sweden’s major banks, which average SEK 92, a lot of money will disappear when buying smaller quantities, which puts small investors at a disadvantage.

The free offering is expected to have a marginal impact on Avanza’s results. The decrease in revenue from equity trading is expected to be offset by higher customer traffic and product sales. The number of customers is what drives net inflows in the long term and grows operating income. History shows that price cuts that make savings available to more people have led to increased customer growth. Since Avanza’s minimum commission was cut to 1 krona at the end of 2014, the number of commission notes has tripled to over 3 million per quarter. The number of customers with stockholdings has increased by 49 per cent in 18 months.

“More new customers and growing savings capital give us the opportunity to offer the market’s lowest prices,” Martin Tiveus continues. “This is thanks to a modern IT platform with economies of scale and a leading cost position. This is our way of giving back to our customers, which is the essence of our business idea – more for you and less for the bank.”

Commission-free trading on the Stockholm Stock Exchange applies to online trading in commission class Start. You are eligible for Start if you have never had more than SEK 50,000 in savings with us. If you reach SEK 50,000 or have more than 500 trades during a 12-month period, you will automatically be placed in commission class Mini, with commissions from 1 krona, and cannot select Start again.



¹ SIX Return Index 30 April 2006 to 29 April 2016.

² Dimson, Elroy, Marsh, Paul och Staunton, Mike. 2002. Triumph of the Optimists: 101 Years of Global Investment Returns. 1. uppl. Princeton, USA; Princeton University Press, and SIX Return Index.

³ http://www.scb.se/Statistik/FM/FM0201/2015H02/FM0201_2015H02_SM_FM20SM1601.pdf.

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Avanza is an Internet bank founded in 1999. The Parent Company, Avanza Bank Holding AB (publ), is listed on the Stockholm Stock Exchange. Avanza's customer promise is a better return on your savings than with any other bank – due to low fees. Services include saving in shares, funds, savings accounts and a strong pension offering. Avanza has more than 500,000 customers and more than SEK 190 billion in total savings capital. This is equivalent to just over 2.9 percent of the Swedish savings market. Avanza is the leader in terms of number of transactions and turnover for Swedish banks on the Stockholm Stock Exchange including First North. During the last six years Avanza has won SKI's (Swedish Quality Index) award, "Year's Most Satisfied Savings Customers". For more information visit: <http://www.avanza.com>.