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Avanza launches Sweden's lowest mortgage rate with no savings requirement

Avanza is offering a mortgage with an interest rate of 1.29 per cent – by far the lowest average rate with no savings requirement. The offer will initially target a select group of customers before it is expanded to the general public early next year. The mortgage is for customers with a loan to value ratio of no higher than 60 per cent, which applies to more than half of Sweden's total mortgage volume.

The offer is built on a model with a mortgage fund, which pension providers and other institutional investors will have the opportunity to invest in. This will mean a less expensive mortgage, as well as a better return for Sweden's pensioners. The concept is well proven in other European countries.

“By lending money from a mortgage fund, we, together with Stabelo, are introducing another financing alternative in the Swedish mortgage market. It is positive for both borrowers and pension savers,” says Rikard Josefson, CEO of Avanza.

The mortgage offers a preapproved rate, which for a 3-month term is 1.29 per cent. This compares to the average bank rate of 1.57 per cent*. With Avanza, customers also avoid stressful renegotiations, the application process is digital, and there are no requirements to buy additional services.

“Avanza's mortgage with the same low rate for everyone makes this the country's most equitable loan. At the same time, borrowers aren't required to maintain any savings capital or otherwise be a customer,” Rikard Josefson continues.

Stabelo is the lender and Avanza the distributor of the mortgages. The offer accounts for a small share of the previously announced cost increase for 2017, with among other things four to five new employees. Avanza owns just under 20 per cent of Stabelo. The goal of 1 million customers by 2020 remains unchanged.

The information in this press release is tied to previously announced information on Avanza's cooperation with Stabelo AB published in the press release on 15 March 2017 and in the interim report for the first quarter from 20 April 2017.

* Based on the average rate for Handelsbanken, Nordea, SEB, Swedbank, Länsförsäkringar and SBAB as of 31 October.

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Avanza is a digital platform for savings and investments, 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 or pension provider in Sweden – due to low fees. Services include saving in shares, funds, savings accounts and a strong pension offering. Avanza has over 680,000 customers with more than SEK 270 billion in total savings capital. This is equivalent to 3.5 per cent of the Swedish savings market. Avanza is largest in terms of number of transactions among Swedish banks on the Stockholm Stock Exchange including First North. During the last seven years Avanza has won SKI's (Swedish Quality Index) award, “Year's Most Satisfied Savings Customers”. For more information visit: <http://www.avanza.com>