

# Interim Report January–June 2023

## Second quarter 2023 compared to second quarter 2022

- **Operating income** increased by 35 per cent to SEK 833 million. Net interest income was higher, mainly due to higher market interest rates. Fund commissions increased slightly. Net brokerage income and net currency-related income decreased as a result of lower trading activity
- **Operating expenses** increased by 6 per cent to SEK 287 million, mainly due to higher personnel costs. Costs for 2023 are, as previously communicated, estimated at a maximum of SEK 1,160 million
- **Operating profit** amounted to SEK 546 million, an increase of 58 per cent
- **Profit for the period** was SEK 472 million, an increase of 60 per cent
- **Earnings per share** before dilution amounted to SEK 3.02, an increase of 59 per cent

### Events during the quarter

- Avanza Healthcare by Samuelsson & Hult was launched. An actively managed fund with a focus on identifying sustainable, high-quality companies with growth potential that are developing future treatments for a healthier world
- Ranked eighth in Sweden among all companies, and first in the financial sector, in Kantar Public's reputation index for 2023
- Continued to rank on Allbright's annual Green List of Sweden's most gender diverse public companies
- Anders Karlsson took office as Chief Product and Technology Officer (CPTO) and member of Group Management
- Interim Report January–September 2023 will be published on 20 October 2023

### No. of customers

**+6%**

Total 1,841,900

### Savings capital

**+13%**

Total SEK 737 bn

*"Avanza delivered a stable profit despite a challenging macro environment. The net inflow in the quarter remained strong, which shows the competitiveness in Avanza's offering and that our customers are still prioritising their savings despite tough times. The net inflow is the result of many individual customers' persistent commitment to savings, and over time the net inflows are what will determine our success,"* says CEO Rikard Josefson.

	Q2 2023	Q1 2023	Change %	Q2 2022	Change %	Jan-Jun 2023	Jan-Jun 2022	Change %
Operating income, SEK m	833	868	-4	618	35	1,701	1,385	23
Operating expenses, SEK m	-287	-289	-1	-272	6	-577	-520	11
Operating profit, SEK m	546	579	-6	345	58	1,125	865	30
Profit for the period, SEK m	472	501	-6	296	60	973	739	32
Earnings per share before dilution, SEK	3.02	3.20	-6	1.90	59	6.21	4.75	31
Operating margin, %	66	67	-1	56	10	66	62	4
Return on shareholders' equity, %	37	38	-1	26	11	39	32	6
Net inflow, SEK m	16,100	17,000	-6	8,400	91	33,100	25,000	33
No. of new customers (net)	24,000	41,100	-42	19,700	22	65,200	79,800	-18
No. of customers at the end of the period	1,841,900	1,817,800	7	1,739,900	6	1,841,900	1,739,900	6
Savings capital at the end of the period, SEK m	736,900	715,700	3	652,700	13	736,900	652,700	13
Income to savings capital ratio, %	0.46	0.50	-0.04	0.35	0.10	0.48	0.38	0.10
Costs to savings capital ratio, %	0.16	0.17	-0.01	0.16	0.00	0.16	0.14	0.02

Numbers in the parentheses refer to the corresponding period or date in previous year unless otherwise is stated. For key ratios reported in percentages, the change compared to previous periods are stated as percentage points. For definitions see page 27.

# 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 and corporate customers, such as entrepreneurs, asset managers and those who want an occupational pension.

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 growth in savings capital and income. Income in turn is driven and affected by:

- attractive offers and a strong user experience
- market conditions and its effects on trading activity and fund volumes
- interest rates and 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 capital. To manage fluctuations in the market, the aim is to broaden the offering and increase the proportion of recurring revenues.

Avanza values a simple, transparent and capital-efficient balance sheet with low risk.

## 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 have more left in their own pockets than with any other bank or pension company. 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 costs to 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 10 per cent of the Swedish savings market by the end of 2025
- Maximum costs to savings capital ratio of 12 basis points over time. Costs can be controlled, while savings capital is dependent on market conditions, which could impact the measure in individual years
- Annual return on equity of at least 35 per cent
- Dividend of 70 per cent of profit for the year, taking into account the leverage ratio requirement, including Pillar 2 guidance, and the internal buffer requirement

### Sustainability

- Strengthen the Sustainability Score in customers' investments
- Increase equality in savings
- Net zero emissions according to Science Based Target

For more information, see [avanza.se](https://www.avanza.se), and the Annual Report.



## CEO comment

### **Despite pressured household economy, our customers are prioritising their savings**

Households remain under pressure from sticky inflation and further policy rate hikes. In spite of this, we saw a very strong net inflow to Avanza in the first half of 2023 totalling SEK 33 billion, significantly more than for the full-year 2022. The net inflow in the second quarter was SEK 16 billion. Over time, net inflows are what will determine our success, and they are driven by both new and existing customers depositing money. It is worth noting that the majority of the net inflow in the first half of the year was generated by customers within the Standard segment – a result of many individual customers' persistent commitment to savings.

Data on the Swedish savings market released by Statistics Sweden in May showed that the net inflow to the savings market amounted to SEK 75 billion in the first quarter. This was more than double the fourth quarter 2022, and nearly one out of every four SEK was invested with Avanza. As a result, our market share of the Swedish savings market increased to 6.7%.

The market shares and net inflow are a show of strength and a sign that our customers, despite tougher times, continue to prioritise long-term savings. We also clearly see that the number of years spent as a customer is crucial to their savings capital. The average Avanza customer increases their savings capital over the years and on average is saving more on a monthly basis.

### **Our customers continue to net buy securities**

Summing up the second quarter, I can also establish that activity in the stock market has been low, with the exception of a few securities that traded intensely and where we saw dramatic price drops. It is therefore comforting to see that our customers are acting wisely. The vast majority of customers with these securities have more diversified portfolios than the average customer and a low median holding in these equities – also before the drop in price.

We are often asked whether we are now seeing normal trading activity, but how do you define that? Our customers' activity is correlated with the overarching level of activity in the stock market, and to some extent in individual equities, market sentiment, risk appetite and volatility. I leave it to others to decide what constitutes a normalised level, but I can state that we increased our market shares regarding the number of trades on the Stockholm Stock Exchange in the quarter.

Our customers continued to buy securities on a net basis during the quarter. I assumed at the beginning of the year that money market funds would see an upswing given current interest rates, but that has not happened yet. On the other hand, interest in index funds continues to rise and now corresponds to 42% of the total fund capital on the platform. A base of cheap index funds is a good foundation of a portfolio for most investors, which can certainly be spiced up with something specific that the customer believes in and is interested in.

### **A stable result in a difficult macro environment**

The quarter produced a strong net profit with stable figures in a challenging macro environment. Our income is currently being driven primarily by net interest income that is compensating for the lower trading income, which is being squeezed by lower customer activity due to prevailing market conditions. The interest expense increased in the quarter now that we are sharing more with our customers. In February, we

relaunched our savings account for all customers, which has been popular and had a positive effect. Volumes in savings accounts more than doubled in the quarter to SEK 15 billion, underscoring the strength of our offering. The interest rates paid by our external savings account partners also improved during the quarter. Fund commissions increased, but were negatively affected by a higher share of index funds in customers' portfolios.

### **We are confident with our technical platform**

Our customers and their confidence in Avanza are the most important things we have, and which we take with the greatest seriousness. In early June, we experienced IT stability problems on two occasions. We have identified the root causes and are devoting great energy to ensuring that it does not happen again. Here I want to stress that the incidents were not due to a technical debt. We have chosen technical solutions that provide us with a remarkably fast platform and that enable us to build responsive, data rich world-class user experiences. We feel very confident with our technology, and I would not trade it for anyone else's.

### **The EU's proposal to ban commissions is doing savers a disservice**

In May, the EU proposed a ban on commissions, and I was surprised to learn that the proposed ban only applies to platforms such as Avanza, which do not offer advice. This makes me wonder, what are they actually trying to fix with this proposal? Over the years, we have seen several examples where consumers were unknowingly advised to purchase expensive products, a situation that would not be resolved by introducing a ban on commissions for platforms where savers make their own investment decisions. Sweden has a unique savings market, with highly engaged savers, that should be protected. I am concerned that the proposal will benefit business models with advice, and that it is not in the best interests of savers.

Avanza has nearly two million customers and a business model that attracts new savers on a daily basis. At Avanza we believe in the ability of the individual to make the best investment decisions for themselves. We do not offer advice but provide a broad range of savings products, smart tools and decision-making support as well as price and fee transparency. Over the years, we have also educated the public about the impact of fees on long-term returns. This has proven profitable for savers with Avanza, who on a capital-weighted basis paid on average 0.70% in fees for equity funds in 2021, while the average annual fee for equity funds in Sweden was 0.90% and in Europe was 1.40%. Fund investors with Avanza, who make their own decisions, have on average paid 22% lower fees than other investors in Sweden and half as much as the average European investor. Today the capital-weighted average fee for equity funds on Avanza's platform is down to 0.53%.

The proposal that was presented is just a first step in the EU's long legislative process, where much of the debate and negotiations are still to come, and eventually the rules would also have to be introduced into Swedish law – if the proposal passes, that is. Avanza has no problem introducing a payment model that aligns with the EU's proposal. Examples can be found in both the UK and the Netherlands. However, a ban that favours one type of offering over another could distort competition, and legitimise advisory commissions. I am also concerned that consumers will be confused by different

payment models, which will also make it harder to compare offers. If it is necessary to introduce a ban, I feel that it should apply to everyone – because again, what is actually being fixed? The problem of investors being tricked into expensive products will not be resolved by introducing a ban that does not address this kind of conflict of interest.

### **Focus on sustainability**

During the quarter, we launched another actively managed fund, Avanza Healthcare by Samuelsson & Hult. It is an Article 9 fund, with the goal to invest in companies that contribute to the Sustainable Development Goal of “Good Health And Well-Being”. Sustainability is a growing focus for us, and we now also provide more sustainability data on our stock pages, and therefore better support for investment decisions. Now customers can see whether a company’s revenues are contributing to the SDGs and how large a share comes from controversial industries. The information is obtained from the companies’ annual reports via Sustainalytics. We also during the quarter held a digital educational seminar called “Invest like a girl”, which attracted over 1,500 participants live and more than 4,500 subsequent visits at the time of writing. This is an important area where Avanza can make a difference in reducing the savings gap between women and men. The gap exists, however, not only between genders but also between other groups in society. This is also an area where Avanza can make a difference, and through our participation in Climate Week in Gothenburg and Helsingborg we had the opportunity, as part of the theme of a Sustainable Economy, to promote financial literacy directly to young people from socio-economically disadvantaged communities who are working summer jobs. In Allbright’s annual survey on gender equality among publicly listed Swedish companies, Avanza again, I am proud to say, made the Green List – as the only bank to do so.

### **Bodes well for the future**

As previously announced, Anders Karlsson assumed the role of Chief Product & Technology Officer in June. He will continue to develop Avanza’s high-priority product and operating areas

with a focus on innovation, a world-class user experience and improved efficiency. We look forward to benefiting from his expertise and previous experience from the financial industry and digital scaleups and wish him a warm welcome to Avanza.

We also announced during the quarter that Avanza’s subsidiary Placera Media is investing in StockRepublic, a world leader in services and functionality within the area of Social Investing. In December 2022, Placera relaunched its popular forum that now has 400,000 visits a week. The aim from the start was to further develop the forum, and a closer collaboration with StockRepublic is paving the way for exciting opportunities going forward.

It is difficult to predict how the rest of the year will play out with rising interest rates and high inflation. It is also difficult for us to do anything about it. What my fantastic colleagues and I can do, however, is improve our offering and continue to care for our customers and their savings, which we do every day.

I wish you all a wonderful summer!

Stockholm, 13 July 2023



Rikard Josefson, CEO Avanza



## Operations during the quarter

### Activity and market

The Stockholm Stock Exchange, OMX Stockholm Gross Index, rose by 2 per cent in the quarter. Volatility decreased.

Turnover on the Stockholm Stock Exchange including First North decreased by 14 per cent and the number of transactions by 18 per cent compared to the previous quarter. Among Avanza's customers, turnover decreased by 32 per cent and the number of transactions by 18 per cent. Avanza remained 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 share regarding the number of transactions increased slightly compared to the previous quarter, while the market share for turnover decreased. This was a result of increased activity from foreign banks with institutional trading.

According to data from the Swedish Investment Fund Association, the fund market reported a net inflow of nearly SEK 30 billion in the quarter. Avanza's net inflow to mutual funds was close to SEK 6 billion.

The policy rate was raised in the beginning of May by 50 basis points to 3.5 per cent and again by 25 basis points in the beginning of July. The Riksbank's forecast is that the policy rate will be raised at least one more time this year. The next policy rate decision will be published on 21 September 2023.

Market shares	2023 Q2	2023 Q1	2022 Q2	2022 Jan-Dec
<i>Nasdaq Stockholm and First North</i>				
No. transactions, %	19.2	19.1	15.9	17.3
Turnover, %	6.3	8.1	7.0	8.1

<i>The Swedish fund market (excl. PPM)</i>				
Net savings, % <sup>1</sup>	20.0	26.4	N/A	N/A

<sup>1</sup> The Swedish fund market reported a net outflow during the second quarter 2022, whereas Avanza reported a net inflow. For the full year 2022 the net outflow in the Swedish fund market was SEK 4 billion, whereas Avanza had a net inflow of nearly SEK 2 billion.

Data on the Swedish savings market for the first quarter of 2023 was published in May, which amounted to SEK 10,700 billion, a decrease of just over 3 per cent compared to a year earlier. The occupational pension market decreased by nearly 6 per cent and amounted to SEK 3,710 billion. During the same period, Avanza's savings capital decreased by 3 per cent and occupational pension capital increased by 10 per cent. The savings capital on Avanza's platform is to a high extent invested in equities and funds, which were negatively affected by the market development during 2022.

Avanza's share of the Swedish savings market increased to 6.7 per cent. The market share of the net inflow for the first quarter was 23.3 per cent.

Market shares	Apr 2022- Mar 2023	Jan 2022- Dec 2022	Apr 2021- Mar 2022
<i>The Swedish savings market</i>			
Market share at the end of the period, %	6.7	6.4	6.7
Net inflow, %	6.4	5.8	15.3
<i>The Swedish life insurance market</i>			
Premium inflow, %	8.9	9.6	11.9
Premium inflow for non-collectively agreed occupational pension insurance, %	8.5	8.5	8.0

Market shares regarding premiums paid for non-collectively agreed occupational private pension for the last twelve-month period decreased slightly compared to the previous quarter. The market share of premium inflow in the competitive pension and life insurance market, i.e. including endowment insurance, decreased. The market share was affected by the fact that the net inflow in the fourth quarter included an insurance portfolio transfer of collectively agreed occupational pensions of SEK -2,440 million to Futur Pension as well as an outflow of SEK -4,400 million linked to a cooperation with an asset management firm, as according to previous communication.

### Launches and events

The user experience is updated continuously on the website and for mobile devices. The following is a sample of launches and other events during the quarter.

A new, actively managed fund, Avanza Healthcare by Samuelsson & Hult, was launched. It is an Article 9 fund that is focusing exclusively on the healthcare sector, with an emphasis on identifying sustainable, high-quality companies with growth potential that are developing future treatments for a healthier world. The goal is to invest in companies that are contributing to the UN Sustainable Development Goal of "Good Health And Well-Being".

Decision support for stocks was developed with more sustainability data added, so that customers can see whether a company's revenues are contributing to the SDGs, and how large a share comes from controversial industries. The information is obtained from the companies' annual reports via Sustainability. Through a collaboration with Quartr, there is also access to conference calls, presentations and quarterly reports directly through the stock pages. On the fund pages, changes in each fund's exposures are displayed. Customers can now also in the apps change how much information is shown on their holdings and performance.

The subsidiary Placera Media has invested SEK 15 million, corresponding to 10 per cent of the shares, in StockRepublic, a world leader in services and functionality within the area of Social Investing. This creates opportunities to develop Placera Forum further.

As part of the effort to free up the market for pension transfers, the Pension Chase was further digitised. When transferring an occupational pension, customers can now sign digitally for companies that accept digital signatures.

Borgo was added as an external savings account partner on Avanza's platform. At the end of the quarter, Avanza's customers were offered an interest rate of 3.30 per cent on external savings accounts and 3.25 per cent on Avanza's own savings account.

Avanza ranked eighth in Sweden among all companies, and first in the financial sector, in Kantar Public's reputation index for 2023 – strong proof that Avanza is appreciated by the public.

Avanza continued to rank on Allbright's annual Green List of Sweden's most gender diverse public companies, ranking 34<sup>th</sup> (47) and as the only bank on the Green List.

At this year's "Brainy Days" innovation event, over 30 new ideas were presented.

## Development of customers and savings capital

The number of customers increased by 24,000 net in the quarter and amounted to a total of 1,841,900 as of 30 June. The share of women among new customers in the second quarter increased to 44 per cent and made up 38 per cent of the total number of customers as of 30 June. Of the total number of customers, 9 per cent were occupational pension customers. Customer churn rolling 12 months was 1.2 per cent.

The number of average daily active users on the platform decreased to nearly 370,000, holidays and weekends included.

Net inflow in the quarter amounted to SEK 16.1 billion, thanks to which the net inflow for the first half of the year has already passed the full-year 2022. Customers within the Standard segment accounted for the vast majority of the net inflow in the quarter and new customers accounted for 24 per cent. Both the net inflow and the rise in share prices during the quarter affected the savings capital positively, which increased to SEK 737 billion.

Total recurring rolling 12-month monthly savings by Avanza's customers, excluding occupational pensions, remained stable at SEK 1.5 billion. Recurring occupational pension premiums averaged SEK 355 million per month in the

trailing 12-month period, an increase of 13 per cent compared to the corresponding period a year earlier.

At the end of the quarter, 31 per cent of customers' capital was invested in funds, 2 percentage points higher compared to the beginning of the quarter. Nearly 35 per cent of the fund capital was invested in Avanza's own funds. Total fund capital increased by 9 per cent during the quarter, a result of net inflow and market development. Net inflow to funds was nearly SEK 6 billion.

Customers' total deposits, i.e. deposits as a percentage of the savings capital, was 13 per cent in the quarter, slightly higher compared to the end of the first quarter, but lower than a year ago and at the start of the year. Deposits in Avanza's own savings account, which since February is available to all customers and where the interest rate as of 30 June was 3.25 per cent, more than doubled to SEK 14.8 billion. Deposits in accounts that pay interest represent 91 per cent of customers' total deposits excluding external savings accounts, compared to 90 per cent at the end of the first quarter.

Margin lending decreased, as did the internally financed mortgage volumes as customers still amortise to a high extent. The external mortgage volumes also decreased. The Swedish mortgage market's growth rate has slowed this year and as a result the competition has increased.

Net inflow, SEK m	2023 Q2	2023 Q1	Change %	2022 Q2	Change %	2023 Jan-Jun	2022 Jan-Jun	Change %	2022 Jan-Dec
Standard	17,260	13,320	29	9,500	81	30,580	25,280	21	35,350
Private Banking	-1,380	2,840	-	-1,100	-25	1,460	-670	-	-11,500
Pro	220	840	-74	0	-	1,060	390	174	-250
<b>Net inflow</b>	<b>16,100</b>	<b>17,000</b>	<b>-6</b>	<b>8,400</b>	<b>91</b>	<b>33,100</b>	<b>25,000</b>	<b>33</b>	<b>23,600</b>
Equity-, fund-, and savings accounts	13,070	11,890	10	6,000	117	24,970	16,840	48	18,560
Pension- & insurance-based accounts	3,030	5,110	-41	2,400	26	8,130	8,160	0	5,040
of which endowment insurance	1,290	3,310	-61	1,080	20	4,600	5,360	-14	1,760
of which occupational pensions	1,650	1,690	-2	1,340	23	3,340	2,800	20	5,740
<b>Net inflow</b>	<b>16,100</b>	<b>17,000</b>	<b>-6</b>	<b>8,400</b>	<b>91</b>	<b>33,100</b>	<b>25,000</b>	<b>33</b>	<b>23,600</b>

Customers, savings capital and lending, SEK m	30-06-2023	31-03-2023	Change %	31-12-2022	Change %	30-06-2022	Change %
Standard, No.	1,807,720	1,784,480	1	1,741,530	4	1,706,220	6
Private Banking, No.	30,700	29,900	3	31,700	-3	30,300	1
Pro, No.	3,480	3,420	2	3,470	0	3,380	3
<b>No. of customers</b>	<b>1,841,900</b>	<b>1,817,800</b>	<b>1</b>	<b>1,776,700</b>	<b>4</b>	<b>1,739,900</b>	<b>6</b>
of which occupational pension customers, No.	157,900	153,600	3	148,300	6	138,700	14
Standard	424,400	406,900	4	377,200	13	370,900	14
Private Banking	268,600	264,800	1	257,900	4	254,100	6
Pro	43,900	44,000	0	28,800	52	27,700	58
<b>Savings capital</b>	<b>736,900</b>	<b>715,700</b>	<b>3</b>	<b>663,900</b>	<b>11</b>	<b>652,700</b>	<b>13</b>
Equity-, fund-, and savings accounts	524,300	511,700	2	476,200	10	467,300	12
Pension- & insurance-based accounts	212,600	204,000	4	187,700	13	185,400	15
of which endowment insurance	142,500	139,000	3	127,800	12	127,500	12
of which occupational pensions	54,400	49,900	9	45,800	19	42,000	30
<b>Savings capital</b>	<b>736,900</b>	<b>715,700</b>	<b>3</b>	<b>663,900</b>	<b>11</b>	<b>652,700</b>	<b>13</b>
Equities, bonds, derivatives, etc.	412,900	417,000	-1	377,700	9	372,700	11
Mutual funds	228,100	208,500	9	191,700	19	180,100	27
Deposits	95,900	90,200	6	94,500	1	99,900	-4
of which savings account	14,800	6,760	119	3,400	335	N/A	-
of which external deposits (Savings account+)	36,700	34,900	5	36,000	2	33,700	9
<b>Savings capital</b>	<b>736,900</b>	<b>715,700</b>	<b>3</b>	<b>663,900</b>	<b>11</b>	<b>652,700</b>	<b>13</b>
Internally financed lending	19,100	19,900	-4	19,300	-1	21,000	-9
of which margin lending	7,900	8,500	-7	8,040	-2	9,950	-21
of which mortgages (Bolån PB)	11,200	11,400	-2	11,200	-	11,000	2
External mortgages (Bolån+)	22,200	23,300	-5	24,100	-8	23,200	-4
<b>Lending</b>	<b>41,400</b>	<b>43,200</b>	<b>-4</b>	<b>43,400</b>	<b>-5</b>	<b>44,200</b>	<b>-6</b>
Return, average account since 1 Jan, %	6	5	1	-21	27	-22	28
OMX Stockholm GI since 1 Jan, %	11	9	2	-22	33	-28	39

## Financial overview

	2023	2023	Change	2022	Change	2023	2022	Change	2022
	Q2	Q1	%	Q2	%	Jan-Jun	Jan-Jun	%	Jan-Dec
<b>Income Statement, SEK m</b>									
Net brokerage income	172	229	-25	215	-20	401	544	-26	956
Fund commissions, net	147	144	3	143	3	291	300	-3	577
Currency-related income, net	65	83	-22	86	-25	147	220	-33	364
Net interest income	390	349	12	115	239	739	198	273	789
Other income, net	59	64	-8	58	1	123	124	-1	286
<b>Operating income</b>	<b>833</b>	<b>868</b>	<b>-4</b>	<b>618</b>	<b>35</b>	<b>1,701</b>	<b>1,385</b>	<b>23</b>	<b>2,973</b>
Personnel	-183	-178	3	-170	8	-361	-329	10	-636
Marketing	-2	-11	-78	-5	-50	-13	-13	-3	-28
Depreciation, amortisation and impairment	-22	-22	1	-21	6	-44	-38	15	-81
Other expenses	-80	-79	1	-77	4	-159	-140	14	-286
<b>Operating expenses before credit losses</b>	<b>-287</b>	<b>-289</b>	<b>-1</b>	<b>-272</b>	<b>6</b>	<b>-577</b>	<b>-520</b>	<b>11</b>	<b>-1,031</b>
<b>Profit before credit losses</b>	<b>546</b>	<b>579</b>	<b>-6</b>	<b>346</b>	<b>58</b>	<b>1,125</b>	<b>865</b>	<b>30</b>	<b>1,941</b>
Credit losses, net	0	0	0	-1	-	0	0	-64	-1
<b>Operating profit</b>	<b>546</b>	<b>579</b>	<b>-6</b>	<b>345</b>	<b>58</b>	<b>1,125</b>	<b>865</b>	<b>30</b>	<b>1,940</b>
Tax on profit for the period	-74	-78	6	-49	51	-152	-127	20	-274
<b>Profit for the period</b>	<b>472</b>	<b>501</b>	<b>-6</b>	<b>296</b>	<b>60</b>	<b>973</b>	<b>739</b>	<b>32</b>	<b>1,666</b>
<b>Key ratios</b>									
Operating margin, %	66	67	-1	56	10	66	62	4	65
Profit margin, %	57	58	-1	48	9	57	53	4	56
Return on shareholders' equity, %	37	38	-1	26	11	39	32	6	36
Earnings per share before dilution, SEK	3.02	3.20	-6	1.90	59	6.21	4.75	31	10.69
Earnings per share after dilution, SEK	3.01	3.18	-5	1.88	60	6.19	4.69	32	10.67
Credit loss level, %	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income to savings capital ratio, %	0.46	0.50	-0.04	0.35	0.10	0.48	0.38	0.10	0.42
Costs to savings capital ratio, %	0.16	0.17	-0.01	0.16	0.00	0.16	0.14	0.02	0.15
Savings capital per customer, SEK	400,080	393,730	2	375,120	7	400,080	375,120	7	373,650
Income per customer, SEK	1,820	1,930	-6	1,430	27	1,880	1,620	16	1,720
Costs per customer, SEK	-630	-640	-2	-630	0	-640	-610	4	-600
Net brokerage income/trading day, SEK m	3.0	3.6	-18	3.6	-19	3.3	4.5	-26	3.8
No. brokerage-generating notes/trading day	145,300	158,200	-8	160,900	-10	152,000	185,400	-18	161,100
Turnover in brokerage-generating securities/trading day, SEK m	3,200	4,020	-20	4,040	-21	3,630	4,960	-27	4,260
Turnover in brokerage-generating foreign securities/trading day, SEK m	500	570	-12	640	-22	530	770	-31	610
Gross brokerage income/turnover in brokerage-generating securities, %	0.111	0.105	0.007	0.105	0.006	0.107	0.105	0.003	0.104
No. trading days	58.0	63.5	-9	59.0	-2	121.5	121.5	-	251.0
Investments, SEK m	9	3	192	16	-46	12	31	-63	43
Average no. employees	652	642	2	612	7	646	609	6	622
Platform availability, %	99.1	99.9	-0.8	99.9	-0.8	99.5	99.9	-0.4	99.9

<b>Key ratios</b>	<b>30-06-2023</b>	<b>31-03-2023</b>	<b>Change %</b>	<b>31-12-2022</b>	<b>Change %</b>	<b>30-06-2022</b>	<b>Change %</b>
Shareholders' equity per share before dil., SEK	30.25	34.84	-13	31.61	-4	25.00	21
Outstanding no. shares before dilution, thousands	156,619	156,619	-	156,619	-	155,572	0.7
Outstanding no. shares after dilution, thousands	156,937	157,240	-0.2	156,994	0.0	156,579	0.2
No. shares upon full dilution, thousands	161,269	161,269	-	161,269	-	161,272	0.0
No. employees	655	648	1	635	3	625	5
Share price, SEK	219.50	243.00	-10	223.60	-2	171.65	28
Market capitalisation, SEK m	34,400	38,100	-10	35,000	-2	26,700	29

## Second quarter compared to the previous quarter

Operating profit for the second quarter decreased by 6 per cent. Both operating income and operating expenses were lower.

The operating margin decreased by one percentage point to 66 per cent and the return on shareholders' equity was 37 per cent.

### *Operating income*

Operating income decreased by 4 per cent compared to the previous quarter. Net interest income and fund commissions increased, while net brokerage income, net currency-related income and other income decreased.

Net brokerage income decreased by 25 per cent due to a decreased number of brokerage-generating notes and lower brokerage-generating turnover, which decreased by 16 per cent and 27 per cent respectively. Five and a half fewer trading days also impacted income negatively. Gross brokerage income per brokerage-generating turnover increased, however, from 10.5 to 11.1 basis points, a result of slightly higher brokerage income per SEK of turnover in the more favorable brokerage fee classes which pay a lower commission. Private Banking and Pro accounted for 27 per cent of brokerage income, an increase from 26 per cent the previous quarter.

Net currency-related income decreased by 22 per cent to SEK 65 million (83) due to lower turnover in foreign securities. Turnover in brokerage-generating foreign securities decreased by 20 per cent. Turnover in foreign funds also decreased. Brokerage-generating trading in foreign markets accounted for 16 per cent of total brokerage-generating turnover, an increase from 14 per cent in the first quarter.

Net fund commissions increased by 3 per cent due to higher average fund capital. The fund capital at the end of the quarter was 9 per cent higher than at the end of the previous quarter. Net inflow to funds amounted to nearly SEK 6 billion. Income per SEK of fund capital continued to decrease, however, due to increased capital in index funds. The share of fund capital in index funds was just over 42 per cent, an increase of nearly 2 percentage points since the previous quarter. As a result of this, income per SEK of fund capital decreased to 27.5 basis points at the end of the quarter.

Net interest income increased by 12 per cent, which was a result of higher interest income, although interest expenses also rose. Interest income increased mainly as a result of a higher return on surplus liquidity, which was SEK 356 million (279). The bond portfolio is tied to the 3M STIBOR, which rose during the quarter. Income from Avanza's internally financed lending increased as well and amounted to SEK 195 million (176). The average interest rate on internally financed lending increased from 3.60 per cent to 4.00 per cent. Mortgage rates directly track the Riksbank's policy rate, but the most recent rate hikes have had a delayed effect. The rate hike of 0.75 percentage points in November 2022 was first implemented on 1 February 2023 and therefore did not fully impact earnings until the second quarter. The policy rate hike of 0.50 percentage points in February affected mortgage rates on 1 May. The rate on margin loans was raised in early March and at the end of May. On 1 January 2023, Avanza began paying interest on deposits in the majority of customers' accounts. Interest expenses in the second quarter amounted to SEK 150 million (95). The average interest rate on deposits in the quarter was 1.05 per cent (0.66). The resolution fee and deposit guarantee fee were stable at SEK 11 million.

Other income decreased by 8 per cent, mainly due to lower income from Avanza Markets and stock lending. Income from Avanza Markets decreased to SEK 28 million (39) due to lower

trading activity and income from stock lending to SEK 15 million (18).

### *Operating expenses*

Operating expenses decreased by 1 per cent, mainly as a result of seasonally lower marketing costs. Personnel costs increased primarily as a result of more employees.

### *Credit losses*

Reported credit losses are attributable to calculations of expected credit losses according to IFRS 9. For more information, see Note 5.

### *Taxes*

In the quarter, the effective tax rate was unchanged at 13.5 per cent. The tax rate fluctuates between quarters depending on the share of income generated in the bank, where the ordinary corporate tax rate applies, in contrast with the insurance company, where a majority of the income is taxed according to the tax laws applicable to life insurance companies, which reduces the effective tax rate.

## January–June 2023 compared to January–June 2022

Operating profit increased by 30 per cent compared to the first half of 2022. Operating income as well as operating expenses increased.

The operating margin increased by four percentage points to 66 per cent while the return on shareholders' equity increased to 39 per cent.

### *Operating income*

Operating income increased by 23 per cent, a result of significantly higher net interest income. Net brokerage income and net currency-related income decreased, while net fund commissions and other income decreased slightly.

Net brokerage income decreased by 26 per cent due to lower customer activity. The number of brokerage-generating notes was 18 per cent lower and brokerage-generating turnover was 27 per cent lower. Gross brokerage income per brokerage-generating turnover increased slightly from 10.5 to 10.7 basis points.

Net currency-related income decreased by 33 per cent as a result of lower turnover in brokerage-generating foreign securities and foreign funds, which decreased by 32 per cent.

Net fund commissions decreased by 3 per cent due to lower average income per SEK of fund capital, which decreased from 31 to 28 basis points. This was a result of an increased share of capital in index funds. The share of fund capital in index funds was just over 42 per cent, compared to 38 per cent a year earlier. Average fund capital was 5 per cent higher.

Net interest income increased by 273 per cent, mainly due to higher market interest rates and an increased return on surplus liquidity. Income from internally financed lending also increased due to higher lending rates, even though lending volumes decreased. Interest expenses increased after Avanza started paying interest on customers' deposits on 1 January 2023 and introduced its own savings account for all customers in February 2023. Interest expenses amounted to SEK 245 million (0). The average interest rate on deposits during the first half of 2023 was 0.86 per cent. The resolution fee and deposit guarantee fee amounted to SEK 22 million (24).

Other income decreased by 1 per cent. Income from Avanza Markets decreased due to lower trading activity while income from stock lending increased to a corresponding



degree. As previously communicated, the limit on how much can be borrowed was raised from SEK 5 billion to SEK 10 billion in the third quarter 2022, and the number of shares and accounts included in the stock lending programme was also expanded. Income from Avanza Markets amounted to SEK 66 million (88) and income from stock lending to SEK 33 million (13). Income related to external deposits also increased.

#### *Operating expenses*

Operating expenses increased by 11 per cent to SEK 577 million, mainly due to increased personnel costs and higher other expenses. Personnel costs increased by 10 per cent as a result of more employees and a salary increase of 4 per cent as of 1 January 2023. The average number of employees increased by 6 per cent. Other expenses increased by 14 per cent, mainly because of higher costs for licenses and trading information. Amortisations increased due to the new backoffice system.

The costs to savings capital ratio increased to 16 basis points (14). The long-term target to spotlight efficiency and the focus on costs remain unchanged with a maximum costs to savings ratio of 12 basis points over time. During the last year and a half, market fluctuations have had a negative impact on the savings capital, which have affected the ratio. High cost-efficiency is still prioritised and makes Avanza resilient in various market conditions, at the same time that it provides an important competitive advantage.

Costs for 2023 are not expected to exceed SEK 1,160 million. The cost estimate includes salary increases of 4 per cent from 1 January 2023. Personnel costs will also increase due to the full-year effect of employees who began in 2022 as well as ongoing recruitments, according to the people plan for 2022. IT expenses are also expected to increase, mainly due to higher licensing costs, and as a result of weaker SEK and inflation. The full-year effect of the amortisation of the new back-office system is also contributing to higher costs in 2023.

#### *Credit losses*

Reported credit losses are attributable to calculations of expected credit losses according to IFRS 9. For more information, see Note 5.

#### *Taxes*

The effective tax rate decreased to 13.5 per cent (14.7) as a result of a higher share of income generated in the insurance company, where most of the income is taxed according to the laws applicable to life insurance companies, which reduces the effective tax rate.

The risk tax, or so-called bank tax, that was introduced for credit institutions in 2022, does not affect Avanza since the total liabilities in the bank fall below the threshold of SEK 150 billion.

### **Net interest income sensitivity**

The policy rate was raised by 50 basis points in the beginning of May and again by 25 basis points to 3.75 per cent in the beginning of July. The Riksbank's forecast is that the policy rate will be raised at least one more time this year. The Riksbank's next rate decision will be announced on 21 September 2023.

Changes in the policy rate affects the return on surplus liquidity which mainly is invested in covered bonds, as deposits with systemically important Nordic banks as well as with the Riksbank. The bond portfolio is tied to the 3M STIBOR. The portion invested in Riksbank Certificates and as deposits with the Riksbank is linked to the policy rate. Avanza's internally financed lending is comprised of mortgage loans to Private Banking customers and margin lending. The mortgage rate is directly tied to the policy rate, but the increases in the mortgage rate to reflect the latest policy rate hikes have been postponed a few months. The policy rate hike from May takes effect on the mortgage first on 1 August and the one from July on 1 November. The interest rate on margin lending is based on demand and the competitive landscape.

The cost side of net interest income mainly consists of interest payments on customer deposits. On 1 January, Avanza started paying interest on deposits in equity and fund accounts, investment savings accounts (ISK) and endowment insurance. Deposits in these accounts, including Avanza's own savings account which since February is available to all customers, represent 91 per cent of customers' total deposits excluding external savings accounts. Deposits in Avanza's own savings account amounted to SEK 14.8 billion as of 30 June 2023 and the interest rate was 3.25 per cent.

In a rising rate environment, it becomes harder to determine the impact of rate increases. Pricing of both deposits and lending becomes increasingly dependent on customer behaviour and the competitive landscape.

All else being equal, without accounting for changes in volume or customer behaviour, the competitive landscape or the bond portfolio's interest rate duration, a 1 percentage point decrease or raise of the policy rate would affect full-year net interest income by between SEK -270 million and SEK 600 million. The calculation is based on rates by the end of the second quarter and only highlights the sensitivity in the net interest income. The downside is lesser than the upside because all rate levels on deposits does not amount to 1 percentage point and therefore cannot be lowered by that much. On the upside, Avanza has absorbed the entire increase without sharing with customers, which would be implausible.

### **Seasonal effects**

Avanza has no major seasonal variations, except that the third quarter is typically characterised by lower personnel costs due to the summer vacation as well as seasonally lower Corporate Finance activity. Avanza's financial results are impacted by the stock market, volatility and the policy rate. Customer growth and net inflow are normally higher at the beginning of the year.

## Future outlook

Conditions in the savings market changed dramatically in 2022 as customer activity and the net inflow both decreased as a result of macroeconomic conditions and market turbulence. The new macroeconomic situation requires adaptability and underscores the importance of a sustainable business model. Avanza's customer-centric corporate culture and modern organisation are well-suited to capitalise on the opportunities that the changing market conditions have created and could mean in the future.

- Sweden has a well-functioning stock market and a strong savings tradition with a high share of the population owning stocks and funds. While Avanza already has a high market share of the equity-owning population, there is still good growth potential. Everyone in Sweden with a bank account who understands the importance of saving is a potential customer. Avanza's growth ambition includes attracting broader target groups – experienced and established investors as well as new ones – and to attract a larger share of existing customers' savings with new products and services. Growth among new customers is expected to increase Avanza's share of fund savings, which along with the growth targets in pensions and mortgages reduces the sensitivity to market fluctuations.
- A long-term shift in society has left individuals with more responsibility for their personal finances. Everyone needs a cash buffer when unforeseen events occur. Savings are necessary at every stage of life. There is also a large savings gap between men and women. Women save relatively less and to a greater extent in savings accounts. At the same time, the number of female shareholders is increasing in Sweden and for Avanza. The savings capital held by women on Avanza's platform, however, only amounts to 25 per cent. Avanza has expanded its efforts to motivate and inspire more women to save.
- Digitisation is creating new opportunities and here Avanza's strong brand, user experience and customer satisfaction are major strengths when new competition enters the savings market. Avanza's cost-effectiveness and proven business model are also a strength.
- Avanza is well-positioned in terms of regulations on increased transparency, higher consumer protection and

higher digital development in the financial markets. Avanza puts its customers first and cherish clear and transparent pricing. Avanza has always advocated low fees and a long-term approach, steering clear of commission-driven advice and instead developing tools on the platform to help customers make their own investment decisions and customise savings based on individual needs.

- Avanza's no-fee pension offer, together with a broad offering and digital tools, are strong competitive advantages as transfer rights for unit-linked insurance policies was expanded and strengthened in 2021 and 2022. New technology and Open Finance regulations at the same time pave the way for more tools and services to be developed.
- A major transfer of assets from older to younger generations is ongoing. The older generation has accumulated tremendous wealth, which will impact many younger people in a positive way, not to mention the future of the capital markets and demand for Avanza's services. Over the last ten-year period, Avanza has attracted a large share of young customers. While they generally have less financial resources than older customers, which affects the relationship between customer inflow and growth in savings capital and income here and now, there is great potential if Avanza continues to create attractive offers and gives them good reasons to stay on the platform. Avanza has a low churn of 1.2 per cent.
- Since the start, Avanza has stressed lower prices and public education in the areas of saving and investing. The user experience and investments in information and education are important factors as interest and demand for sustainable investments grow. Furthermore, it attracts interest from a wider group of savers.
- Avanza's large customer base and strong brand provides an attractive platform for interesting collaborations that can strengthen the customer offering and user experience.

For more information on long-term trends, see Avanza's Annual Report at [avanza.se/ir](https://avanza.se/ir). Also see page 12 for more on significant risks and uncertainty factors.

## Nine quarters in summary

Quarterly overview, SEK m	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net brokerage income	172	229	196	216	215	328	354	330	334
Fund commissions, net	147	144	137	141	143	157	176	173	161
Currency-related income, net	65	83	65	80	86	133	135	114	129
Net interest income	390	349	369	222	115	83	82	83	80
Other income, net	59	64	81	81	58	66	78	67	50
<b>Operating income</b>	<b>833</b>	<b>868</b>	<b>847</b>	<b>740</b>	<b>618</b>	<b>768</b>	<b>824</b>	<b>767</b>	<b>754</b>
Personnel	-183	-178	-166	-141	-170	-159	-159	-125	-145
Marketing	-2	-11	-7	-8	-5	-9	-7	-5	-3
Depreciation, amortisation and impairment	-22	-22	-21	-21	-21	-18	-18	-18	-17
Other expenses	-80	-79	-79	-68	-77	-63	-68	-45	-51
<b>Operating expenses before credit losses</b>	<b>-287</b>	<b>-289</b>	<b>-273</b>	<b>-238</b>	<b>-272</b>	<b>-249</b>	<b>-253</b>	<b>-192</b>	<b>-216</b>
Credit losses, net	0	0	-1	0	-1	2	0	-1	-1
<b>Operating profit</b>	<b>546</b>	<b>579</b>	<b>573</b>	<b>502</b>	<b>345</b>	<b>521</b>	<b>571</b>	<b>574</b>	<b>536</b>
<b>Adjusted operating profit<sup>1</sup></b>	<b>546</b>	<b>579</b>	<b>573</b>	<b>502</b>	<b>345</b>	<b>521</b>	<b>571</b>	<b>574</b>	<b>536</b>
Operating margin, %	66	67	68	68	56	68	69	75	71
Earnings per share before dil., SEK	3.02	3.20	3.16	2.78	1.90	2.85	3.11	3.10	2.91
Shareholders' equity per share before dilution, SEK	30.25	34.84	31.61	28.23	25.00	32.78	30.21	30.04	26.58
Return on shareholders' equity, %	37	38	42	42	26	36	41	44	46
Net inflow	16,100	17,000	-7,450	6,030	8,400	16,600	17,900	18,400	22,900
No. of new customers, net	24,000	41,100	12,700	24,100	19,700	60,100	71,800	70,100	85,100
No. of customers at the end of the period	1,841,900	1,817,800	1,776,700	1,764,000	1,739,900	1,720,200	1,660,100	1,588,400	1,518,200
Savings capital at the end of the period	736,900	715,700	663,900	639,900	652,700	740,900	809,600	735,000	713,600
Income to savings capital ratio, %	0.46	0.50	0.52	0.46	0.35	0.40	0.43	0.42	0.44
Costs to savings capital ratio, %	0.16	0.17	0.17	0.15	0.16	0.13	0.13	0.11	0.13

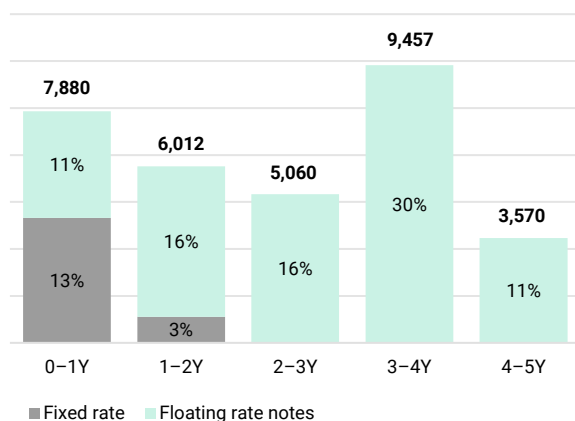
1) No items affecting comparability during reported periods.

## Financial position

Avanza is self-financed through equity and customer deposits. Deposits and borrowing from the public are spread across a very large number of households and amounted as of 30 June 2023 to SEK 58.8 billion, an increase of 8 per cent from the beginning of the year. The majority of deposits are covered by the government deposit guarantee. Loans to the public increased by 7 per cent to SEK 20.6 billion as of 30 June. All lending is secured by listed securities or pledges on homes or tenant-owned apartments. The average loan-to-value ratio for mortgages by the end of the period amounted to 38 per cent and for margin lending to 27 per cent. Between 2001 and the first half of 2023, actual and expected credit losses amounted to SEK 16 million, or an average of 0.02 per cent per year. Avanza has no realised credit losses attributable to events after 2011. Lending as a share of deposits amounted to 35.0 per cent as of 30 June.

Surplus liquidity is mainly invested in covered bonds, Riksbank Certificates and as deposits with the Riksbank and systemically important Nordic banks, and to a lesser extent bonds issued by the Swedish government and municipalities. All of Avanza's assets have high liquidity and all covered bonds have the highest bond rating with Standard & Poor's (AAA) or Moody's (Aaa). The average fixed interest term regarding interest bearing securities is a maximum of 3 months, of which 84 per cent are floating rate notes as of 30 June. Including Riksbank Certificates with one week's fixed interest term, 96 per cent had variable coupons. Interest rate risk is limited as Avanza intends, and normally has the capacity, to hold its bonds to maturity. To cope with short-term fluctuations in deposits and lending from/to the general public, a significant share of the assets is held on account and is disposable immediately or on the following business day. Avanza's bond portfolio has an even maturity structure annually, quarterly and to a certain extent monthly, meaning

**Maturity structure of interest bearing securities as of 30 June 2023 (SEK m, nominal value)**



Financial position <sup>1</sup>	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Common Equity Tier 1 (CET1) capital, SEK m	3,572	3,504	3,402	3,148	2,979	3,000	2,966	2,799	2,647
Total capital, SEK m	3,572	3,504	3,402	3,148	2,979	3,000	2,966	2,799	2,647
Common Equity Tier 1 ratio, %	28.2	26.3	26.2	25.3	24.0	23.1	24.0	26.2	25.0
Total capital ratio, %	28.2	26.3	26.2	25.3	24.0	23.1	24.0	26.2	25.0
Total risk-based capital requirement, % <sup>3</sup>	16.1	15.1	15.1	15.1	12.6	12.5	12.6	12.9	13.0
Leverage ratio, % <sup>2,3</sup>	5.4	5.6	5.5	4.6	4.4	4.5	4.8	4.5	4.7
Lending/deposits, %	35.0	38.6	35.5	37.2	38.2	38.9	37.8	38.3	40.7

1) Refers to the consolidated situation.

2) Regulatory requirement of 3 per cent effective as of 28 June 2021.

3) As of Q3 2022, the SFSA decided on a risk-based Pillar 2 requirement of 3.59 per cent and a Pillar 2 guidance of 0.9 per cent regarding the leverage ratio.

that large negative changes in surplus liquidity normally are managed with the help of ongoing maturities. Avanza is also a monetary counterparty to the Riksbank and all bonds can be pledged to the Riksbank. Consequently, the risk of having to sell bond holdings in advance at a lower market value is limited, reducing the risk of negative price movements due to changes in credit spreads or interest rates. If Avanza still has to sell bonds in advance, the effect on earnings is limited. The amortised cost of the bonds as of 30 June was SEK 100 million higher than the fair value.

Avanza's capitalisation is governed by the regulatory requirement of a 3 per cent leverage ratio and the Swedish Financial Supervisory Authority's (SFSA) Pillar 2 guidance of an additional 0.9 per cent. The leverage ratio is mainly driven by changes in customers deposits. As of 30 June, Avanza's leverage ratio for the consolidated situation was 5.4 per cent. This means that deposits can increase by SEK 25 billion without risking to fall short of the requirement of 3.9 per cent. The margin to the leverage ratio requirement is sound. Avanza's capital structure is continuously evaluated from a capital efficiency perspective in part to identify opportunities to issue Additional Tier 1 capital if market conditions improve. Details on own funds and capital requirements for the consolidated situation can be found in Note 8.

## 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, reputation and long-term profitability of the business.

A detailed description of the Group's risks, risk exposure and risk management can be found in Avanza's Annual Report for 2022, pages 18–19, 44–47 and Note 35. No significant risks have arisen beyond those described in the Annual Report and in this report.

Avanza does not engage, and has not previously engaged, in proprietary trading in securities.

The last year's rising inflation, higher energy prices and higher interest rates risk affecting the ability of households to save. If a new savings pattern persists, there is a risk that it could hurt the financial sector. From a historical perspective, however, the household savings ratio has always recovered over time. At the same time, rising rates positively affect returns on Avanza's surplus liquidity.

The Swedish financial market has performed strongly for many years. At the same time, the last few years' market turbulence has negatively impacted the willingness to take risk and, as a result, stock market activity has decreased, which negatively affect Avanza's commission income. Reduced risk appetite together with higher deposit rates could also lead to capital transfers from risk assets to savings accounts and securities with lower risk and where Avanza's compensation is lower. Reduced risk appetite and higher interest rates could also affect households' willingness to amortise, which is happening.

Market uncertainty and changing macroeconomic factors could also impact Avanza's credit risk and financial position. Turmoil broke out in the banking sector in the first quarter after bank collapses in the U.S. and the UBS takeover of Credit Suisse. Avanza's financial position differs markedly from the banks that faced problems and the risks are not deemed to have increased; see also Financial position above.

In May, the EU Commission proposed a ban on commissions on all investment services without advice. Since Avanza does not offer advice, the external fund business and Avanza Markets would be affected. At this point it is still a proposal, which has to be negotiated within the EU and introduced into Swedish law – if it reaches that point – which is expected to take several years at least. Avanza regards the proposal as regrettable and not in the best interest of savers and has voiced its opposition through the Swedish Securities Markets Association, among other ways. If the proposal nevertheless does pass, Avanza has various alternatives for adapting its business model.

The EU is also planning to ban the sale of order flows. This does not affect Avanza, which does not sell order flows.

In the second quarter 2021, the subsidiary Avanza Bank AB reported itself to the Swedish Authority for Privacy Protection (Sw. Integritetsskyddsmyndigheten) due to a potential breach of the General Data Protection Regulation (GDPR). This was after Avanza inadvertently activated functions which enabled Facebook to collect personal data from Avanza's website in

encrypted form. Facebook has confirmed that the information has not been used for its own or other firms' commercial purposes and that the data has been deleted. If Facebook has used the information, which we do not know, it was only related to Avanza's own marketing. Avanza immediately shut down the functions once the error was detected. Avanza's assessment is that no customers were put at harm. The case by the Swedish Authority for Privacy Protection is under way and it is still too early to determine whether there will be any financial consequences, which however cannot be ruled out.

### **The Parent Company Avanza Bank Holding AB (publ)**

Avanza Bank Holding AB (publ) is the Parent Company of the Avanza Group and does not conduct any operations beside the role as owner of its subsidiaries. The Parent Company does not report any revenues. The operating result for the first six months 2023 was SEK –20 million (SEK –17m). The Parent Company's equity per the end of June 2023 amounted to SEK 764 million (SEK 1,981m per 31 December 2022) and liquid assets amounted to SEK 4 million (SEK 6m per 31 December 2022).

The dividend for 2022 of SEK 1,175 million (SEK 1,431m) was paid to shareholders in April 2023 following a resolution by the Annual General Meeting in March.

## Other corporate events

### Executive Management

In the beginning of April, Rikard Josefson notified the Board of Directors that he intends to leave Avanza as CEO at the latest by the end of June 2024. The recruitment of a successor is in progress.

Anders Karlsson assumed his role as Chief Product & Technology Officer (CPTO) and a member of Group Management in June. Anders previously served as Product Director at Klarna and has extensive experience in product management, customer experience and business transformation. His experience in the financial sector stretches far back to positions within Handelsbanken and Nasdaq. Anders Karlsson succeeded Peter Strömberg, who resigned from Group Management in January.

Avanza's Group Management currently consists of ten members, evenly distributed between men and women.

### Annual General Meeting 2023

The Annual General Meeting on 30 March 2023 resolved that the Board of Directors shall comprise ten members without deputies.

The Chairman of the Board and Board members were re-elected. John Hedberg was elected as a new member of the Board.

The proposed dividend of SEK 7.50 per share was approved.

The income statements and balance sheets for the Parent Company and the Group for the financial year 2022 were adopted.

Avanza's Annual and Sustainability Report for 2022 was published on 24 February 2023.

### Incentive programmes

The Annual General Meeting 2020 approved a new incentive programme based on warrants (2020/2023). The incentive programme extends for three years and comprises a maximum of 2,250,000 warrants entitling the holder to subscribe for an equal number of shares. If all the warrants are exercised, the incentive programme will result in maximum dilution of 1.44 per cent.

The Annual General Meeting 2021 approved three new incentive programmes based on warrants (2021/2024, 2022/2025 and 2023/2026). Each programme extends for three years and comprises a maximum of 1,200,000 warrants entitling the holder to subscribe for an equal number of shares. If all the warrants are exercised, each incentive programme will result in maximum dilution of 0.77 per cent.

### Repurchase of the company's own shares

The Board of Directors was authorised by the Annual General Meeting 2023 to acquire the company's 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 have been repurchased in 2023 and the company holds no repurchased shares as of 30 June 2023.

### New issues of shares

The Annual General Meeting 2023 resolved to authorise the Board of Directors, on one or several occasions prior to the next Annual General Meeting, with or without derogation from the shareholders' pre-emption rights, to resolve to issue new shares. The total number of shares that may be issued may not exceed a number that increases the share capital by more than 10 percent based on the total share capital of the company at the time of the Annual General Meeting 2023. Payment may be made in cash and/or with non-cash consideration or set-off against a claim or otherwise with conditions.

### Transactions with associated parties

Avanza's transactions with associated parties are presented in the Annual Report for 2022, Note 36. No significant changes have subsequently taken place.

### Significant events after the end of the reporting period

There have been no significant events after the end of the period.

## Consolidated Income Statement

SEK m	Note	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
<b>Operating income</b>						
Commission income	1, 2	517	573	1,122	1,356	2,512
Commission expenses	2	-73	-71	-159	-168	-331
Interest income calculated using the effective interest method	3	608	149	1,115	264	935
Other interest and similar income	3	-0	-	1	-	1
Interest expenses	3	-218	-34	-377	-66	-147
Net result of financial transactions		-0	0	-2	-0	-1
Other operating income		0	0	0	0	4
<b>Total operating income</b>		<b>833</b>	<b>618</b>	<b>1,701</b>	<b>1,385</b>	<b>2,973</b>
<b>Operating expenses</b>						
General administrative expenses		-257	-241	-508	-458	-900
Depreciation, amortisation and impairment		-22	-21	-44	-38	-81
Other operating expenses		-8	-10	-25	-25	-50
<b>Total operating expenses before credit losses</b>		<b>-287</b>	<b>-272</b>	<b>-577</b>	<b>-520</b>	<b>-1,031</b>
<b>Operating profit before credit losses</b>		<b>546</b>	<b>346</b>	<b>1,125</b>	<b>865</b>	<b>1,941</b>
Credit losses, net		0	-1	0	0	-1
<b>Operating profit</b>		<b>546</b>	<b>345</b>	<b>1,125</b>	<b>865</b>	<b>1,940</b>
Tax on profit for the period		-74	-49	-152	-127	-274
<b>Profit for the period<sup>1</sup></b>		<b>472</b>	<b>296</b>	<b>973</b>	<b>739</b>	<b>1,666</b>
Earnings per share before dilution, SEK		3.02	1.90	6.21	4.75	10.69
Earnings per share after dilution, SEK		3.01	1.88	6.19	4.69	10.67
Average no. shares before dilution, thousands		156,619	155,572	156,619	155,572	155,916
Average no. shares after dilution, thousands		157,017	157,087	157,169	157,405	156,209

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

## Consolidated statement of other comprehensive income

SEK m	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
<b>Profit for the period</b>	<b>472</b>	<b>296</b>	<b>973</b>	<b>739</b>	<b>1,666</b>
<i>Items that will be reversed to the Income Statement</i>					
Changes in value of financial instruments <sup>1</sup>	7	-95	13	-150	-116
Tax on changes in value of financial instruments <sup>1</sup>	-1	20	-3	31	24
<i>Items that will not be reversed to the Income Statement</i>					
Changes in value of shares and participations	-21	-	-21	-	-
Tax on changes in value of shares and participations	-	-	-	-	-
<b>Total other comprehensive income after tax</b>	<b>-16</b>	<b>-75</b>	<b>-11</b>	<b>-119</b>	<b>-92</b>
<b>Total profit or loss and other comprehensive income after tax<sup>2</sup></b>	<b>457</b>	<b>220</b>	<b>962</b>	<b>620</b>	<b>1,574</b>

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, condensed

SEK m	Note	30-06-2023	31-12-2022
<b>Assets</b>			
Cash and balances with central banks		6,973	4,915
Treasury bills eligible for refinancing		3,998	802
Loans to credit institutions	4	2,793	2,052
Loans to the public	5	20,553	19,259
Bonds		28,326	31,789
Shares and participations		232	237
Assets in insurance operations		205,797	180,337
Intangible fixed assets		97	107
Right-of-use assets		77	87
Tangible fixed assets		58	60
Other assets		741	837
Prepaid expenses and accrued income		525	608
<b>Total assets</b>		<b>270,168</b>	<b>241,091</b>
<b>Liabilities and shareholders' equity</b>			
Deposits and borrowing from the public		58,799	54,308
Liabilities in insurance operations		205,799	180,339
Lease liability		73	83
Other liabilities		586	1,260
Accrued expenses and deferred income		173	150
Shareholders' equity		4,738	4,951
<b>Total liabilities and shareholders' equity</b>		<b>270,168</b>	<b>241,091</b>

## Changes in the Group's shareholders' equity

SEK m	Share capital	Other contributed capital	Fair value reserve	Retained earnings	Total equity
<b>January - June 2022</b>					
<b>Shareholders' equity 31-12-2021</b>	<b>78</b>	<b>477</b>	<b>157</b>	<b>3,989</b>	<b>4,700</b>
Profit after tax reported in the income statement	-	-	-	739	739
Other comprehensive income for the period	-	-	-119	-	-119
Total comprehensive income for the period	-	-	-119	739	620
<b>Transactions with owners</b>					
Dividend paid	-	-	-	-1,431	-1,431
Warrants issue	-	-5	-	5	-
<b>Shareholders' equity 30-06-2022</b>	<b>78</b>	<b>472</b>	<b>38</b>	<b>3,301</b>	<b>3,889</b>
<b>January - December 2022</b>					
<b>Shareholders' equity 31-12-2021</b>	<b>78</b>	<b>477</b>	<b>157</b>	<b>3,989</b>	<b>4,700</b>
Profit after tax reported in the income statement	-	-	-	1,666	1,666
Other comprehensive income for the period	-	-	-92	-	-92
Total comprehensive income for the period	-	-	-92	1,666	1,574
<b>Transactions with owners</b>					
Dividend paid	-	-	-	-1,431	-1,431
New issue (exercise of share warrants)	1	90	-	5	96
Warrants issue	-	12	-	-	12
<b>Shareholders' equity 31-12-2022</b>	<b>78</b>	<b>579</b>	<b>65</b>	<b>4,229</b>	<b>4,951</b>
<b>January - June 2023</b>					
<b>Shareholders' equity 31-12-2022</b>	<b>78</b>	<b>579</b>	<b>65</b>	<b>4,229</b>	<b>4,951</b>
Profit after tax reported in the income statement	-	-	-	973	973
Other comprehensive income for the period	-	-	-11	-	-11
Total comprehensive income for the period	-	-	-11	973	962
<b>Transactions with owners</b>					
Dividend paid	-	-	-	-1,175	-1,175
Warrants issue	-	-4	-	4	-
<b>Shareholders' equity 30-06-2023</b>	<b>78</b>	<b>574</b>	<b>54</b>	<b>4,032</b>	<b>4,738</b>

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



## Consolidated Cash Flow Statement, condensed

SEK m	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun
<b>Operating activities</b>				
Operating profit	546	345	1,125	865
Adjustment for items not included in cash flow	22	21	45	39
Taxes paid	-31	4,069	-600	3,455
Changes in operating activities' assets and liabilities	5,221	1,571	3,199	4,702
<b>Cash flow from operating activities</b>	<b>5,758</b>	<b>6,006</b>	<b>3,768</b>	<b>9,061</b>
<b>Investment operations</b>				
Acquisition and disposals of intangible and tangible fixed asset	-8	-16	-11	-31
Acquisition of shares and participations	-15	-	-15	-
Investment in treasury bills eligible for refinancing	-3,198	187	-3,196	655
Investment in bonds	-655	-3,111	3,456	-6,388
<b>Cash flow from investment operations</b>	<b>-3,877</b>	<b>-2,940</b>	<b>233</b>	<b>-5,764</b>
<b>Financial operations</b>				
Amortisation lease liability	-11	-10	-21	-19
Cash dividend	-1,175	-1,431	-1,175	-1,431
<b>Cash flow from financial operations</b>	<b>-1,185</b>	<b>-1,441</b>	<b>-1,196</b>	<b>-1,451</b>
<b>Cash flow for the period</b>	<b>696</b>	<b>1,625</b>	<b>2,805</b>	<b>1,847</b>
Liquid assets at the beginning of the period <sup>1</sup>	9,050	5,252	6,942	5,030
Liquid assets at the end of the period <sup>1</sup>	9,747	6,877	9,747	6,877
<b>Change</b>	<b>696</b>	<b>1,625</b>	<b>2,805</b>	<b>1,847</b>

1) Liquid assets are defined as cash and balances with central banks as well as loans to credit institutions excluding pledged assets. At the end of the period SEK 19 million (SEK 19m) of consolidated liquid assets are pledged as collaterals.

## Parent Company Income Statement, condensed

SEK m	2023 Jan-Jun	2022 Jan-Jun
<b>Operating expenses</b>		
Administration expenses	-15	-10
Other operating expenses	-5	-7
<b>Operating profit/loss</b>	<b>-20</b>	<b>-17</b>
<b>Profit/loss from financial investments</b>		
Profit/loss from participations in Group companies	-	-
Interest income and similar items	1	-
Interest expenses and similar items	0	0
<b>Profit/loss before tax and appropriations</b>	<b>-19</b>	<b>-17</b>
<b>Appropriations</b>		
Group contribution	-7	47
<b>Profit/loss before tax</b>	<b>-26</b>	<b>30</b>
Tax on profit/loss for the period	5	-6
<b>Profit/loss for the period</b>	<b>-21</b>	<b>24</b>

## Parent Company statement of comprehensive income

SEK m	2023 Jan-Jun	2022 Jan-Jun
<b>Profit/loss for the period</b>	<b>-21</b>	<b>24</b>
<i>Items that will not be reversed to the income statement</i>		
Changes in value of shares and participations	-21	-
Tax on changes in value of shares and participations	-	-
<b>Total other comprehensive income after tax</b>	<b>-21</b>	<b>-</b>
<b>Total profit/loss and other comprehensive income after tax</b>	<b>-42</b>	<b>24</b>

## Parent Company Balance Sheet, condensed

SEK m	30-06-2023	31-12-2022
<b>Assets</b>		
Financial fixed assets	660	663
Current receivables <sup>1</sup>	108	1,331
Cash and bank balances	4	6
<b>Total assets</b>	<b>772</b>	<b>2,000</b>
<b>Shareholders' equity and liabilities</b>		
Restricted shareholders' equity	78	78
Unrestricted shareholders' equity	686	1,903
Current liabilities	7	19
<b>Total shareholders' equity and liabilities</b>	<b>772</b>	<b>2,000</b>

1) Of which receivables from subsidiaries SEK 93 million (SEK 1,321m as of 31 December 2022).

## 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 are unchanged from those applied in the Annual Report 2022.

The information on pages 1-14 is an integrated part of this financial report.

### Note 1 Revenue from contracts with customers

SEK m	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Trading in commission-generating securities	266	327	607	826	1,438
Fund savings	158	157	315	333	635
Corporate services	2	3	2	5	11
Other commission income	91	87	197	192	429
<b>Total</b>	<b>517</b>	<b>573</b>	<b>1,122</b>	<b>1,356</b>	<b>2,512</b>
<i>Timing of revenue recognition</i>					
Service or goods transferred to customer at a specific point in time	517	573	1,122	1,356	2,512
Service or goods transferred to customer over time	-	-	-	-	-
<b>Total</b>	<b>517</b>	<b>573</b>	<b>1,122</b>	<b>1,356</b>	<b>2,512</b>

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 Net commission income

SEK m	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
<b>Commission income</b>					
Brokerage income	207	250	473	630	1 111
Fund commissions	153	147	302	309	596
Currency-related income	65	86	147	220	365
Other commission income <sup>1</sup>	93	89	200	196	439
<b>Total commission income</b>	<b>517</b>	<b>573</b>	<b>1 122</b>	<b>1 356</b>	<b>2 512</b>
<b>Commission expenses</b>					
Transaction costs <sup>2</sup>	-34	-35	-72	-87	-156
Payment services commissions	-23	-22	-48	-48	-91
Other commission expenses <sup>3</sup>	-16	-14	-39	-33	-84
<b>Total commission expenses</b>	<b>-73</b>	<b>-71</b>	<b>-159</b>	<b>-168</b>	<b>-331</b>
<b>Total net commission income</b>	<b>443</b>	<b>502</b>	<b>964</b>	<b>1 188</b>	<b>2 181</b>

1) Includes mainly income from Avanza Markets, but also from Corporate Finance, stock lending, compensation for distribution, advertising sales, subscriptions and customers' add-on services.

2) Costs directly related to brokerage income.

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

**Note 3 Net interest income**

SEK m	2023	2022	2023	2022	2022
	Q2	Q2	Jan-Jun	Jan-Jun	Jan-Dec
<b>Interest income</b>					
Interest income from loans to credit institutions	93	3	162	3	86
Interest income from loans to the public <sup>1</sup>	254	118	481	225	558
Interest income from interest-bearing securities	262	28	472	35	290
Other interest income	0	-	1	-	1
<b>Total interest income</b>	<b>608</b>	<b>149</b>	<b>1,116</b>	<b>264</b>	<b>936</b>
<b>Interest expenses</b>					
Interest expenses for loans to credit institutions	0	-2	0	-5	-6
Interest expenses for deposits from the public <sup>1</sup>	-209	-20	-354	-36	-94
Resolution and state deposit guarantee fee	-11	-12	-22	-24	-44
Other interest expenses	1	-1	-1	-1	-2
<b>Total interest expenses</b>	<b>-218</b>	<b>-34</b>	<b>-377</b>	<b>-66</b>	<b>-147</b>
<b>Total net interest income</b>	<b>390</b>	<b>115</b>	<b>739</b>	<b>198</b>	<b>789</b>

<sup>1</sup> Q2 2023 includes interest income of SEK 58 million related to customers' credit accounts, which are matched by an equal interest expense. For Q2 2022, the corresponding amount was SEK 20 million and SEK 85 million for the full year 2022.

**Note 4 Lending to credit institutions**

Client fund receivables, attributable to banking business, amounted at the end of the period to SEK 805 million (SEK 1,667m as of 31 December 2022) which are reported net against client fund payables of SEK 805 million (SEK 1,667m as of 31 December 2022). Of the liquid assets of SEK 9,765 million as per the end of the period, SEK 19 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 of realised and expected credit losses. At the end of the period the accumulated provisions for expected credit losses amounted to SEK 9 million (SEK 9m as of 31 December 2022). Thus, the accumulated provision for expected credit losses has affected profits for the period by SEK 0 million.

SEK 1,416 million (SEK 0m as of 31 December 2022) 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 remainder of lending to the public amounted to SEK 19,137 million, of which SEK 7,899 million (SEK 8,037m as of 31 December 2022) with collateral in the form of securities and SEK 11,238 million (SEK 11,222m as of 31 December 2022) with collateral in the form of houses and tenant-owned apartments. Regarding mortgage loans SEK 12,832 million (SEK 13,081m as of 31 December 2022) has been granted at the end of the period, implying that the commitment for granted, undisbursed mortgage loans amount to SEK 1,588 million (SEK 1,853m as of 31 December 2022).

**Note 6 Financial instruments****Classification of financial instruments**

30-06-2023 SEK m	Fair value via Income Statement	Amortised cost	Fair value via Other comprehensive income	Non-financial instruments	Total
<b>Assets</b>					
Cash and balances with central banks	-	6,973	-	-	6,973
Treasury bills eligible for refinancing	-	3,998	-	-	3,998
Loans to credit institutions	-	2,793	-	-	2,793
Loans to the public	-	20,553	-	-	20,553
Bonds	-	21,203 <sup>1</sup>	7,123	-	28,326
Shares and participations	1	15	216	-	232
Assets in insurance operations	191,629	14,168	-	-	205,797
Intangible fixed assets	-	-	-	97	97
Right-of-use asset	-	-	-	77	77
Tangible assets	-	-	-	58	58
Other assets	-	741	-	0	741
Prepaid expenses and accrued income	-	401	-	124	525
<b>Total assets</b>	<b>191,629</b>	<b>70,845</b>	<b>7,339</b>	<b>355</b>	<b>270,168</b>
<b>Liabilities</b>					
Deposits and borrowing from the public	-	58,799	-	-	58,799
Liabilities in insurance operations	205,797	-	-	2	205,799
Lease liabilities	-	-	-	73	73
Other liabilities	-	474	-	113	586
Accrued expenses and deferred income	-	83	-	90	173
<b>Total liabilities</b>	<b>205,797</b>	<b>59,355</b>	<b>-</b>	<b>278</b>	<b>265,430</b>

<sup>1</sup>) Fair value amounts to SEK 21,103 million.

**Financial instruments valued at fair value**

30-06-2023, SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Equities	106,598	–	216	106,814
Fund units	81,296	–	–	81,296
Bonds and other interest-bearing securities	8,864	426	–	9,290
Other securities	1,495	73	–	1,568
<b>Total assets</b>	<b>198,253</b>	<b>499</b>	<b>216</b>	<b>198,968</b>
<b>Liabilities</b>				
Liabilities in insurance operations (investment agreements)	–	205,797	–	205,797
<b>Total liabilities</b>	<b>–</b>	<b>205,797</b>	<b>–</b>	<b>205,797</b>

*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. Fair value is determined by using the official bid rate on the closing date. The majority of equities and funds pertaining to the insurance operations as well as bonds and other interest-bearing securities in Avanza's liquidity portfolio are included in this category. 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.
- Level 2 – The fair value of securities without an active market is determined, initially, by obtaining pricing information from operators who quote daily prices, mainly the 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. Bonds that are less liquid can be found at this level and are measured on the yield curve. 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). This category's stockholdings refer to an unlisted ownership in Stabelo Group AB. When there is a lack of active market, the choice of valuation model in level 3 is governed by what is deemed appropriate for the individual instrument. In these cases, assumptions that cannot be directly derived from a market can be applied. These assumptions are then based on experience and knowledge of valuation in financial markets. In cases where it is considered necessary, relevant adjustments are made to reflect fair value, in order to accurately reflect the parameters that exist in the financial instruments and that should be reflected in its valuation.

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. No instruments have been reclassified since the end of last year.

**Note 7 Capital requirement for the financial conglomerate**

The table below 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).

<b>SEK m</b>	<b>30-06-2023</b>	<b>31-12-2022</b>
<b>Own funds per sector</b>		
Own funds for regulated units in the insurance sector <sup>1</sup>	3,347	3,006
Own funds for regulated units within the banking and investment services sector	3,239	2,990
<b>Total own funds</b>	<b>6,586</b>	<b>5,996</b>
<b>Capital requirement per sector</b>		
Capital requirement for regulated units in the insurance sector <sup>1</sup>	2,128	1,795
Capital requirement for regulated units within the banking and investment services sector	1,936	1,863
<b>Total capital requirement</b>	<b>4,064</b>	<b>3,658</b>
<b>Capital surplus</b>	<b>2,522</b>	<b>2,338</b>
<b>Own funds/Capital requirement</b>	<b>1.62</b>	<b>1.64</b>

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 Capital adequacy and liquidity information

The information in this section refers to the consolidated situation, which consists of Avanza Bank Holding AB (publ), Avanza Bank AB (publ) and Avanza Fonder AB and presents the aggregate capital requirement and own funds. Disclosures are provided in accordance with the Swedish Financial Supervisory Authority's (SFSA) regulations and general guidelines (FFFS 2014:12) on prudential requirements and capital buffers, the general guidelines (FFFS 2008:25) regarding annual reports at credit institutions and securities companies, and Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms (CRR) and the regulation (FFFS 2010:7) on managing liquidity risks for credit institutions and securities companies. Further information provided annually can be found at [www.avanza.se/ir](http://www.avanza.se/ir).

In October 2021, the EU Commission published a proposal on how parts of Basel 3 will be implemented in EU law with amendments to CRR and Directive 2013/36/EU. The parts that could affect Avanza's capital requirements mainly concern revisions to the standardised approach for credit risk related to mortgages and the standardised approach for operational risk. The other changes are expected to have less impact on Avanza's capital requirements.

The SFSA completed its latest review and evaluation (SREP) of Avanza during the third quarter 2022. In conjunction, the SFSA decided on a risk-based Pillar 2 requirement of total 3.59 per cent for the consolidated situation distributed between credit related concentration risk (0.96 per cent) and interest rate risk in the banking book (2.63 per cent). Three quarters of the capital requirement shall be covered by Tier 1 capital, of which at least three quarters must be Common Equity Tier 1 capital. Furthermore, the SFSA has informed Avanza regarding the Pillar 2-guidance concerning leverage ratio, 0.9 per cent on group level, beyond the minimum requirement for the leverage ratio of 3.0 per cent. The guidance must be covered by CET1 capital. Common Equity Tier-1. The liquidity buffer applied in calculating the LCR at the Group level, may consist of at most 50 percent covered bonds issued by Swedish issuing institutes. Avanza is highly liquid with a liquidity coverage ratio well above the requirement.

The SFSA decided in September 2021 to raise the countercyclical buffer value to 1 per cent, to take effect from September 29, 2022. Avanza has taken the new buffer level into account in the capital requirements. From 22 June 2023, the countercyclical capital buffer is 2 per cent.

To ensure that Avanza meets the risk-based capital and leverage ratio requirements, Avanza monitor external as well as internal buffer requirements. Avanza is well-capitalised to manage current and upcoming requirements.

Avanza has authorisation from the SFSA to include the revenue recognised during the year when calculating its capital adequacy ratio.

Own funds, SEK m	30-06-2023	31-12-2022
<b>Common Equity Tier 1 (CET1) capital</b>		
Shareholders' equity according to the balance sheet	4,081	4,694
Foreseeable dividend	-401	-1,175
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>3,680</b>	<b>3,519</b>
Additional value adjustments	-11	-9
Intangible assets (net of related tax liability)	-97	-107
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)	-	-
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>-108</b>	<b>-117</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>3,572</b>	<b>3,402</b>
Additional Tier 1 (AT1) capital	-	-
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>3,572</b>	<b>3,402</b>
<b>Tier 2 (T2) capital: instruments and provisions</b>		
Capital instruments and the related share premium accounts	-	-
<b>Tier 2 (T2) capital</b>	<b>-</b>	<b>-</b>
<b>Total capital (TC = T1 + T2)</b>	<b>3,572</b>	<b>3,402</b>

<b>Risk exposure amount and capital requirement, SEK m</b>	<b>30-06-2023</b>		<b>31-12-2022</b>	
<b>Risk exposure amount</b>				
Credit risk according to the standardised approach	8,859		9,182	
of which exposures to institutions	546		396	
of which exposures to corporates	65		83	
of which retail exposures	243		320	
of which exposures secured by mortgages on immovable property	3,958		3,959	
of which exposures in default risk weight	19		44	
of which exposures to covered bonds	2,648		3,016	
of which exposures to equity	673		689	
of which exposures to other items	707		676	
Market risk (position risk)	1		0	
Settlement risk	3		3	
Credit valuation adjustment risk according to the standardised method	–		–	
Operational risk according to the standardised approach	3,812		3,812	
<b>Total risk exposure amount</b>	<b>12,676</b>		<b>12,998</b>	
<b>Capital requirement</b>				
Credit risk according to the standardised approach	709	5.6%	735	5.7%
of which exposures to institutions	44	0.3%	32	0.2%
of which exposures to corporates	5	0.0%	7	0.1%
of which retail exposures	19	0.2%	26	0.2%
of which exposures secured by mortgages on immovable property	317	2.5%	317	2.4%
of which exposures in default	1	0.0%	4	0.0%
of which exposures in the form of covered bonds	212	1.7%	241	1.9%
of which equity exposures	54	0.4%	55	0.4%
of which other items	57	0.4%	54	0.4%
Market risk (position risk)	0	0.0%	0	0.0%
Settlement risk	0	0.0%	0	0.0%
Credit valuation adjustment risk according to the standardised method	–	0.0%	–	0.0%
Operational risk according to the standardised approach	305	2.4%	305	2.3%
<b>Capital requirement</b>	<b>1,014</b>	<b>8.0%</b>	<b>1,040</b>	<b>8.0%</b>
Total own funds	3,572	28.2%	3,402	26.2%
Minimum own funds requirement (Pillar 1)	1,014	8.0%	1,040	8.0%
Combined buffer requirement	570	4.5%	455	3.5%
Additional own funds requirement (Pillar 2) <sup>1</sup>	455	3.6%	467	3.6%
Pillar 2 guidance	–	–	–	–
Total risk-based capital requirement (desired level of own funds)	2,040	16.1%	1,961	15.1%
Capital surplus after risk-based capital requirement	1,532	12.1%	1,441	11.1%
<b>Leverage ratio</b>				
Leverage ratio total exposure measure	66,318		62,464	
Leverage ratio, %	5.4%		5.5%	
Tier 1 capital	3,572	5.4%	3,402	5.5%
Minimum own funds requirement (Pillar 1)	1,990	3.0%	1,874	3.0%
Additional own funds requirement (Pillar 2)	–	–	–	–
Leverage ratio guidance	597	0.9%	562	0.9%
Total leverage ratio requirement (desired level of own funds)	2,586	3.9%	2,436	3.9%
Capital surplus after leverage ratio requirement	985	1.5%	966	1.5%

1) The additional own fund requirement are equivalent to the Swedish FSA's decided Pillar 2 requirements.

## Financial reports

Key metrics, SEK m		30-06-2023	31-03-2023	31-12-2022	30-09-2022	30-06-2022
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	3,572	3,504	3,402	3,148	2,979
2	Tier 1 capital	3,572	3,504	3,402	3,148	2,979
3	Total capital	3,572	3,504	3,402	3,148	2,979
<b>Risk-weighted exposure amounts</b>						
4	Total risk-weighted exposure amount	12,676	13,314	12,998	12,448	12,395
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	28.2%	26.3%	26.2%	25.3%	24.0%
6	Tier 1 ratio (%)	28.2%	26.3%	26.2%	25.3%	24.0%
7	Total capital ratio (%)	28.2%	26.3%	26.2%	25.3%	24.0%
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.6%	3.6%	3.6%	3.6%	2.1%
EU 7b	of which: to be made up of CET1 capital (percentage points)	2.0%	2.0%	2.0%	2.0%	1.2%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.7%	2.7%	2.7%	2.7%	1.6%
EU 7d	Total SREP own funds requirements (%)	11.6%	11.6%	11.6%	11.6%	10.1%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>						
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 (%)	2.0%	1.0%	1.0%	1.0%	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 (%)	4.5%	3.5%	3.5%	3.5%	2.5%
EU 11a	Overall capital requirements (%)	16.1%	15.1%	15.1%	15.1%	12.6%
12	CET1 available after meeting the total SREP own funds requirements (%)	16.6%	14.7%	14.6%	13.7%	13.9%
<b>Leverage ratio</b>						
13	Leverage ratio total exposure measure	66,318	62,607	62,464	67,844	67,061
14	Leverage ratio (%)	5.4%	5.6%	5.5%	4.6%	4.4%
<b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>						
EU 14d	Leverage ratio buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14e	Overall leverage ratio requirement (%)	3.0%	3.0%	3.0%	3.0%	3.0%
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	17,339	16,370	17,464	18,169	17,539
EU 16a	Cash outflows - Total weighted value	6,598	6,650	6,687	6,552	6,322
EU 16b	Cash inflows - Total weighted value	2,891	3,225	4,303	5,321	6,349
16	Total net cash outflows (adjusted value)	3,707	3,586	3,075	2,545	1,931
17	Liquidity coverage ratio (%)	471%	469%	649%	820%	962%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	55,097	50,924	51,878	55,050	54,877
19	Total required stable funding	28,347	28,731	29,317	31,104	31,773
20	NSFR ratio (%)	194%	177%	177%	177%	173%

### Additional information on liquidity

Pursuant to FFFS 2010:7, Avanza reports its liquidity risk positions. Liquidity risk is the risk that Avanza cannot meet its payment obligations at maturity without the cost of obtaining means of payment rising significantly. Avanza's payment obligations mainly come from the deposits that Avanza Bank's customers do not place in various financial instruments or products. When this occurs, deposits arise that Avanza manages.

To manage the liquidity, Avanza's Board of Directors has established internal rules on selecting and approving counterparties as well as investment alternatives and maturities. The distribution of responsibilities and reporting have also mainly been predetermined.

The liquidity reserve is financed by deposits from the public and on equity. Avanza's liquidity is invested in covered bonds, bonds and issued by the Swedish government or Swedish municipalities. A smaller percentage is invested in systematically important Nordic banks and the Riksbank. Avanza Bank AB is a member of the Swedish Riksbank.

Avanza does not engage in proprietary trading in securities and all interest-bearing financial instruments are held to maturity. The overarching concern in liquidity management is that Avanza's customers can get their deposits back at any time. As a result, deposits are distributed across various counterparties, instruments and maturities, so that the portfolio matures consistently over time. Avanza's payment obligations are in SEK and surplus liquidity is therefore invested in SEK. Avanza does not take currency risk.

Liquidity reserve, SEKm		30-06-2023	31-12-2022
Liquid assets		9,555	6,376
Covered bonds and securities issued by governments and municipalities		29,476	29,090
<b>Total liquid assets</b>		<b>39,031</b>	<b>35,466</b>
Sources of funding, SEKm		30-06-2023	31-12-2022
Deposits and borrowing from the public		58,799	54,308
Lease liability		73	83
Other liabilities		1,203	1,306
Accrued expenses and deferred income		160	140
Shareholders' equity		4,081	4,694
<b>Total liabilities and shareholders' equity</b>		<b>64,315</b>	<b>60,531</b>



The Board of Directors and 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, 13 July 2023

Sven Hagströmer  
Chairman of the board

Magnus Dybeck  
Member of the board

Catharina Eklöf  
Member of the board

Jonas Hagströmer  
Member of the board

John Hedberg  
Member of the board

Linda Hellström  
Member of the board

Johan Roos  
Member of the board

Sofia Sundström  
Member of the board

Hans Toll  
Member of the board

Leemon Wu  
Member of the board

Rikard Josefson  
CEO

## For additional information



Rikard Josefson, CEO  
+46 (0)70 206 69 55



Anna Casselblad, CFO  
+46 (0)8 409 420 11



Sofia Svavar, Chief Communications & IR Officer  
+46 (0)8 409 420 17  
[ir@avanza.se](mailto:ir@avanza.se)

This information is information that Avanza Bank Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, at 07.45 (CEST) on 14 July 2023.

A webcast presentation will be held by Rikard Josefson, CEO, and Anna Casselblad, CFO, on 14 July 2023 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](https://avanza.se/ir). Further information and registration for participation is available at [investors.avanza.se/en/ir/calendar/upcoming-events](https://investors.avanza.se/en/ir/calendar/upcoming-events).

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

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

### Contact information

Visiting address: Regeringsgatan 103, Stockholm  
Postal address: Box 1399, SE-111 93 Stockholm  
Telephone: +46 (0)8 562 250 00  
Email: [ir@avanza.se](mailto:ir@avanza.se)  
Corp. Identity no: 556274-8458  
Registered office: Stockholm  
Website: [avanza.se](https://avanza.se)  
Corporate web: [avanza.se/ir](https://avanza.se/ir)

### Upcoming publication dates for monthly statistics

July 2023	3 August 2023
August 2023	5 September 2023
September 2023	4 October 2023

### Financial calendar

Interim Report January – September (new)	20 October 2023
Preliminary Financial Statement 2023	19 January 2024

# Definitions

The measures and key ratios used in the financial report are defined below. Some key ratios are alternative performance measures (APM), which are financial measures that are not defined within IFRS or other applicable regulations such as capital adequacy and solvency. APM are applicable when relevant to describe Avanza's operations and financial situation. APM are not directly comparable to other corporations. Financial key ratios and APM are described in the note references below.

## Client funds<sup>2)</sup>

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

## Costs per customer<sup>2)</sup>

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 ratio<sup>2)</sup>

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 level<sup>1)</sup>

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

## Currency related income, net<sup>2)</sup>

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

## Customer<sup>2)</sup>

Individual or company with at least one account with holdings or an external mortgage.

## Deposits<sup>2)</sup>

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 share<sup>1)</sup>

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

## eNPS

Employee Net Promoter Score, i.e., employees' recommendation level, according to Avanza's pulse surveys.

## Equity per share<sup>2)</sup>

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

## External deposits<sup>2)</sup>

Savings accounts in external banks and credit market companies opened and managed via Avanza's platform.

## External mortgages<sup>2)</sup>

External mortgages in financial institutions opened and managed via Avanza's platform.

## Fund commissions, net<sup>2)</sup>

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.

## Gross brokerage income/Turnover in brokerage-generating securities<sup>2)</sup>

Gross brokerage income in relation to turnover excluding investment fund trading and Avanza Markets. The ratio shows the effect of trading in various brokerage fee classes.

## Income per customer<sup>2)</sup>

Operating income in relation to the average number of customers during the period. The ratio shows the effect of trading activity, trading in various brokerage fee classes and price changes.

## Income to savings capital ratio<sup>2)</sup>

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<sup>2)</sup>

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 expected credit losses.

## Lending/Deposits<sup>1)</sup>

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 expected credit losses, in relation to deposits by the public as per the balance sheet less the portion which is covered in its entirety by cash pledged on endowment insurance accounts and which entirely corresponds to the lending to the public, and the addition of client fund deposits.

## Leverage Ratio<sup>3)</sup>

Leverage ratio is a non-risk-weighted measure showing Tier 1 capital and the total exposure amount according to Article 429 of the CRR.

## Note<sup>2)</sup>

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

## Net brokerage income<sup>2)</sup>

Gross brokerage income less direct costs.

## Net inflow<sup>2)</sup>

Deposits, less withdrawals, of liquid assets and securities.

## Operating margin<sup>2)</sup>

Operating profit/loss in relation to operating income.

## Own funds<sup>3)</sup>

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.

## P/E ratio<sup>2)</sup>

Share price in relation to earnings per share.

## Profit margin<sup>2)</sup>

Profit/loss after tax in relation to operating income.

## Return on shareholders' equity<sup>2)</sup>

Profit/loss after tax in relation to the average shareholders' equity during the period. Recalculated at an annual basis.

## Savings capital<sup>2)</sup>

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 customer<sup>2)</sup>

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 capital<sup>3)</sup>

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

## Solvency capital requirement<sup>3)</sup>

Estimated capital requirements under Solvency 2 rules.

## The 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.

## 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 private pension adjusted for undistributed premiums in plan agreements. The data are published with a quarterly lag.

## Turnover<sup>2)</sup>

Turnover in security trading.

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

2) Financial or other key ratios that can be traced in Avanza's Excel spreadsheets with financial histories, published quarterly on [avanza.se/keydata](http://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.