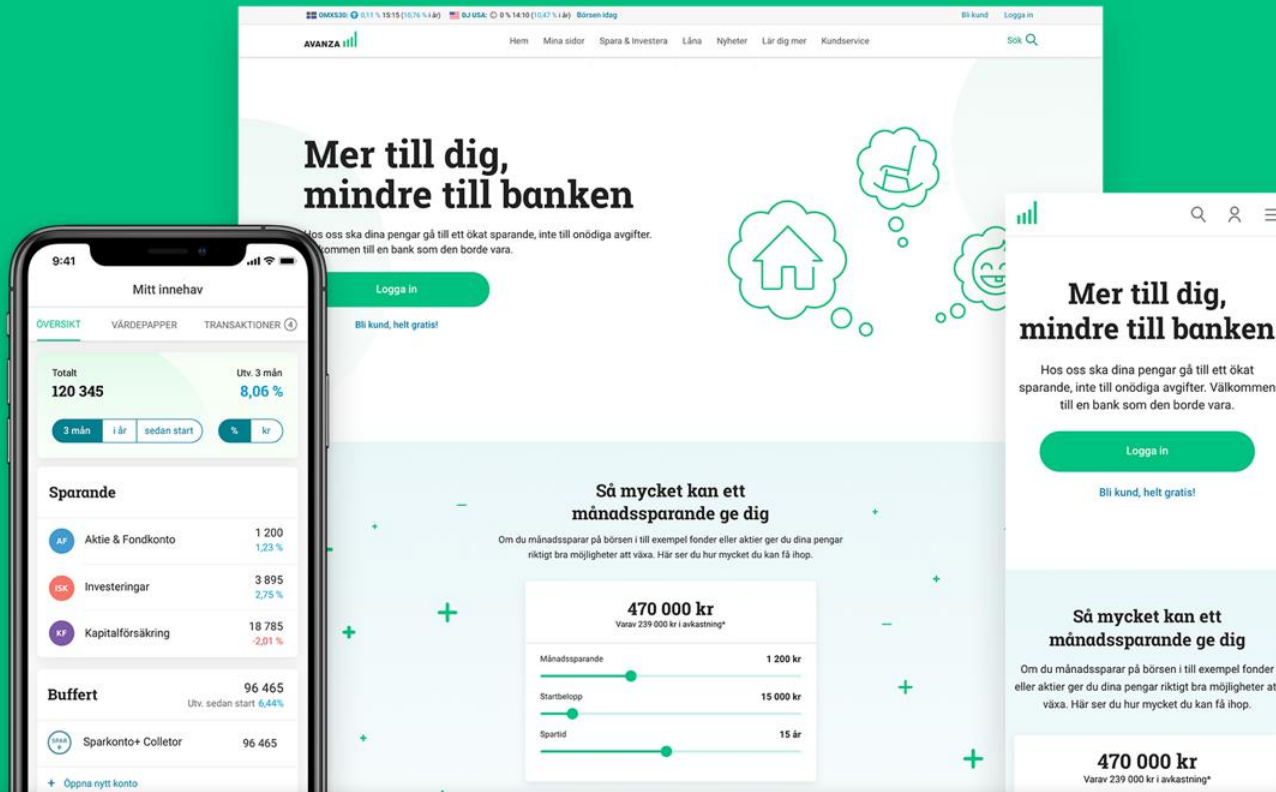


Company presentation

September 2020



AVANZA

Sweden's leading platform for savings and investments

- Founded in 1999
- Most satisfied savings customers in Sweden for 10 consecutive years
- 1,164,000 customers
- SEK 494 bn in savings capital
- 472 employees
- 4.9% market share of the Swedish savings market



Customer satisfaction and employee engagement create shareholder value over time



Long-term targets

- Customer satisfaction & Employee engagement
 - Growth in customers and savings capital
 - Scalability and cost efficiencies (top modern IT platform)



Customer proposition

- Cheaper, better and simpler offering
 - High user experience
 - Broad range of product
- Information, education and decision-making tools



Growth potential

- Occupational pension business
- Focus on broader customer groups
- Strong potential in existing customer base



Revenues and costs

- More stable revenues through funds and mortgages
 - High scalability
 - Cost control vital

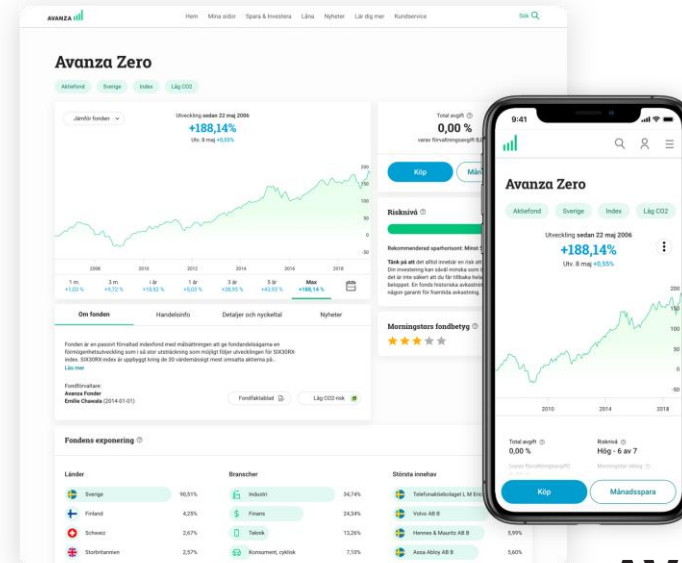
High customer satisfaction

Creating a better future for millions of people

- Price leadership
- Wide range of products
- Decision-making tools
- Best customer service and user experience

Customer promise – more to you, less to the bank

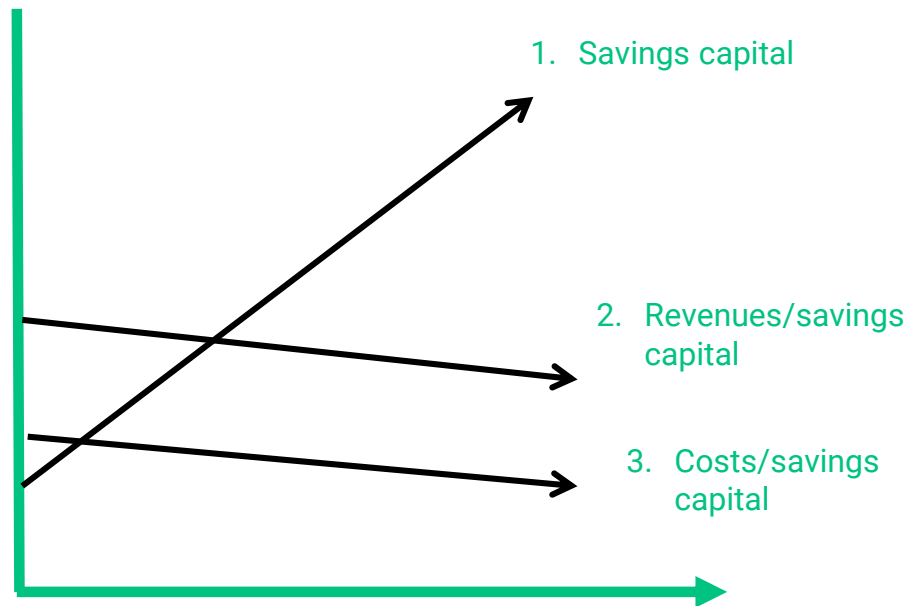
To give our customers a better return on their savings than any other bank or pension company, due to low fees, better tools and education



Growth strategy built on scale

1. Growth in savings capital

- Customer satisfaction
 - Innovation and user experience
- ➔
- Customer growth
 - Net inflow



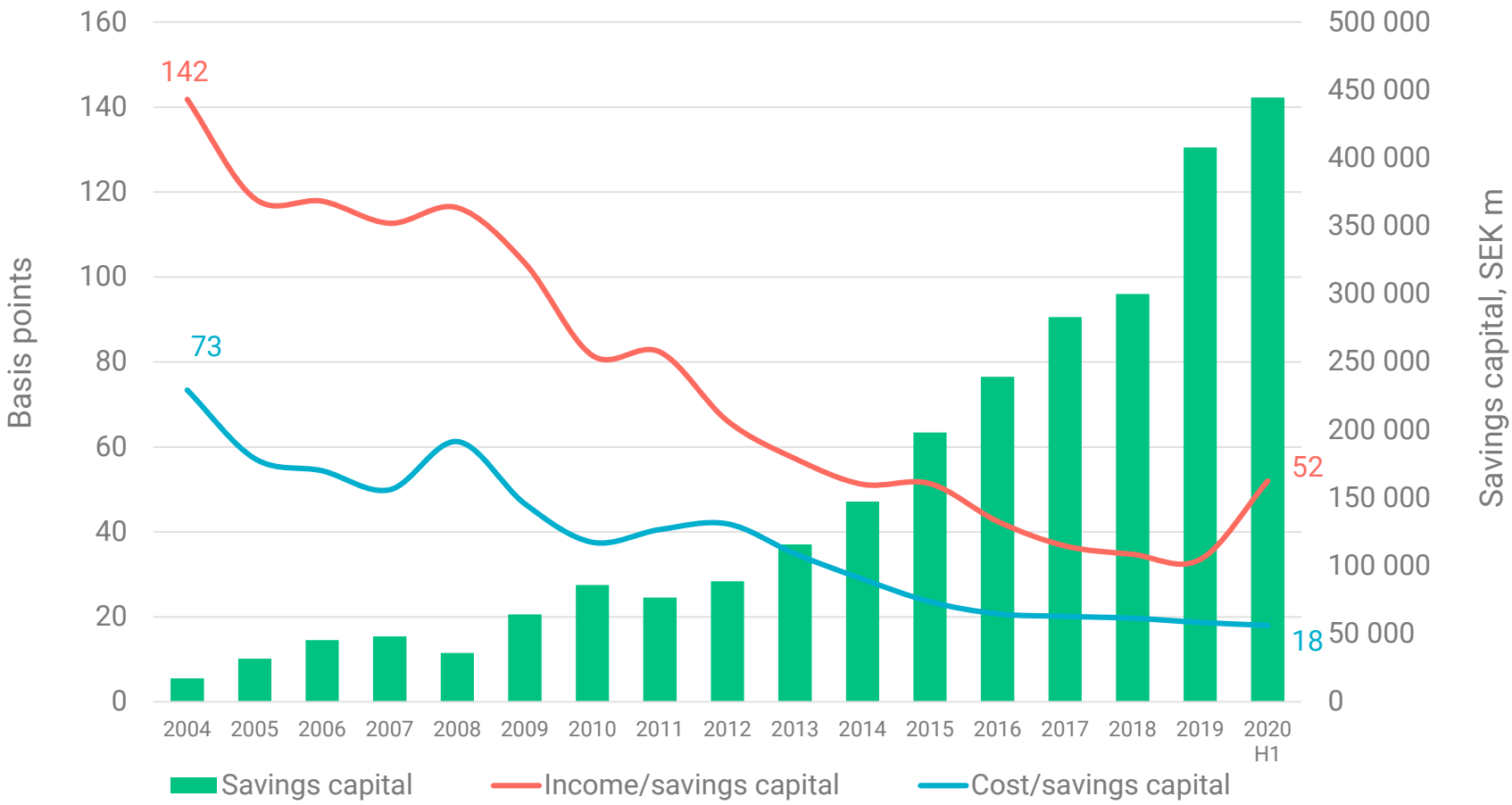
2. Revenues/savings capital

- No fixed fees
- Revenues mainly based on transaction fees, net interest income (NII) and distribution fees from mutual funds
- NII and transaction revenues tend to be inversely correlated

3. Costs/savings capital

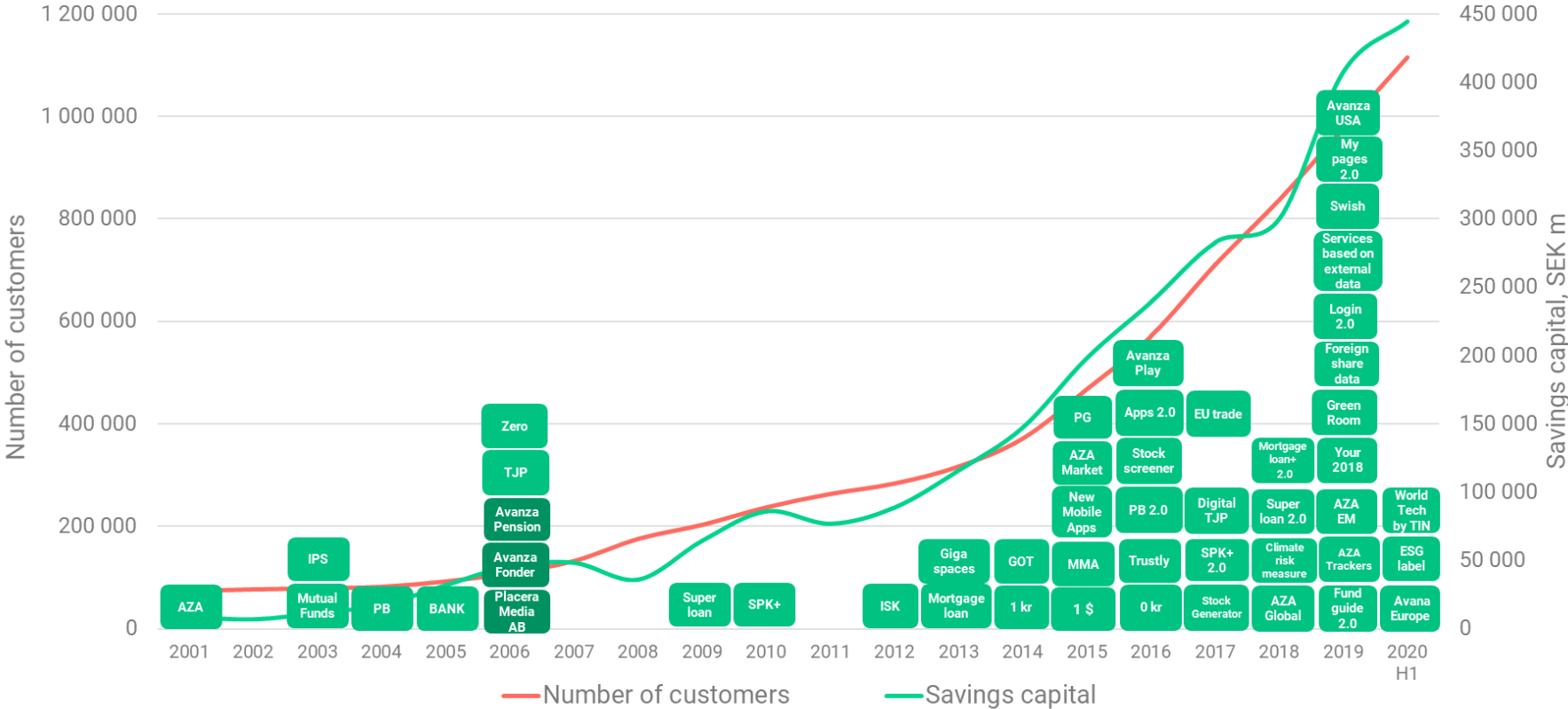
- Mainly fixed costs, tight cost control
- High scalability
- Long-term aim to reach a cost/savings capital of 16 bps

Leading cost position



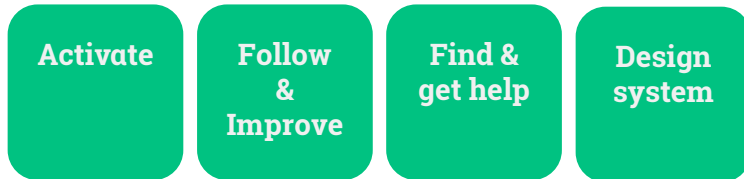
In 2018, cost/savings capital exclude the Swedish Financial Supervisory Authority's administrative fee of SEK 35 million on Försäkringsaktiebolaget Avanza Pension.

A history of growth built on innovation



In-house development by 23 teams

Customer journey



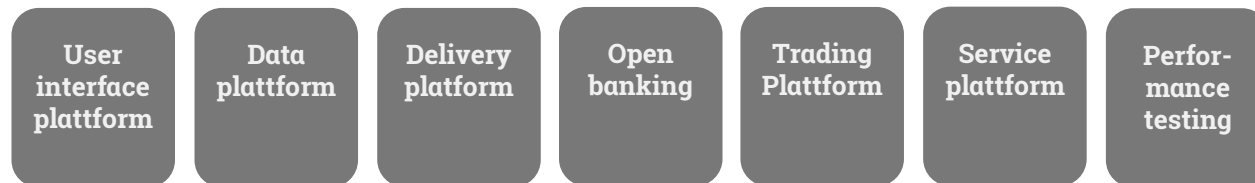
Products



Business platform



Technical platform



Launches to make Avanza more relevant for a broader audience

Avanza Global
Gå till fondens sida

Avanza Zero

Avanza Emerging Markets
Gå till fondens sida **Köp**

Avanza USA
Gå till fondens sida **Köp**

AVANZA

Hem Mina sidor Spara & Investera Låna Nyheter Lär dig mer Kundservice Sök

Mer till dig, mindre till banken

Hos oss ska dina pengar gå till ett ökat sparande, inte till onödiga avgifter. Välkommen till en bank som den borde vara.

Logga in
Bli kund, helt gratis!

Hurra! Årets Bank har Sveriges nöjdhaste kunden 9 år i rad
Tack!

Billigare bolån till alla!
Få 1,38% i bunden ränta i tre år. Från 190109
Ansök om Bolån+

Flytta din pension till oss
Och få upp till 1 miljon mer!
Se hur vi har räknat

Så mycket kan ett månadssparande ge dig

Om du månadssparar på börsen i till exempel fonder eller aktier ger du dina pengar riktigt bra möjligheter att växa. Här ser du hur mycket du kan få ihop.

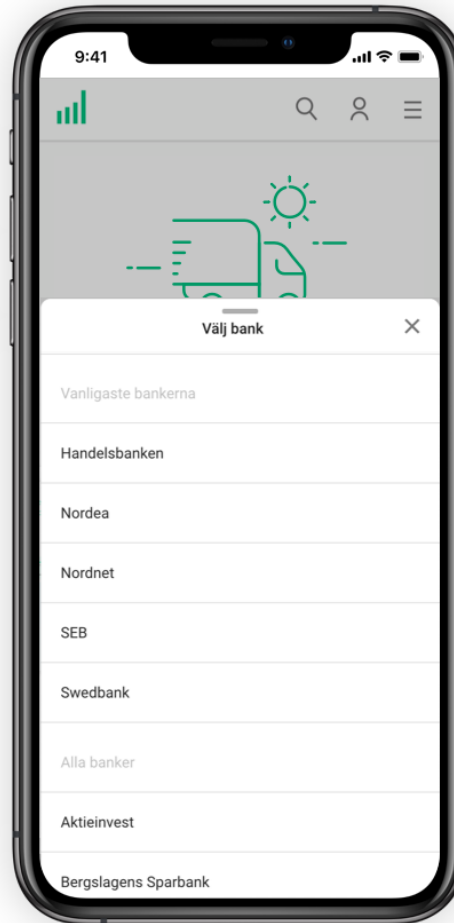
470 000 kr
Varav 259 000 kr i avkastning*

Månadssparande	1 200 kr
Startbelopp	15 000 kr
Spartid	15 år

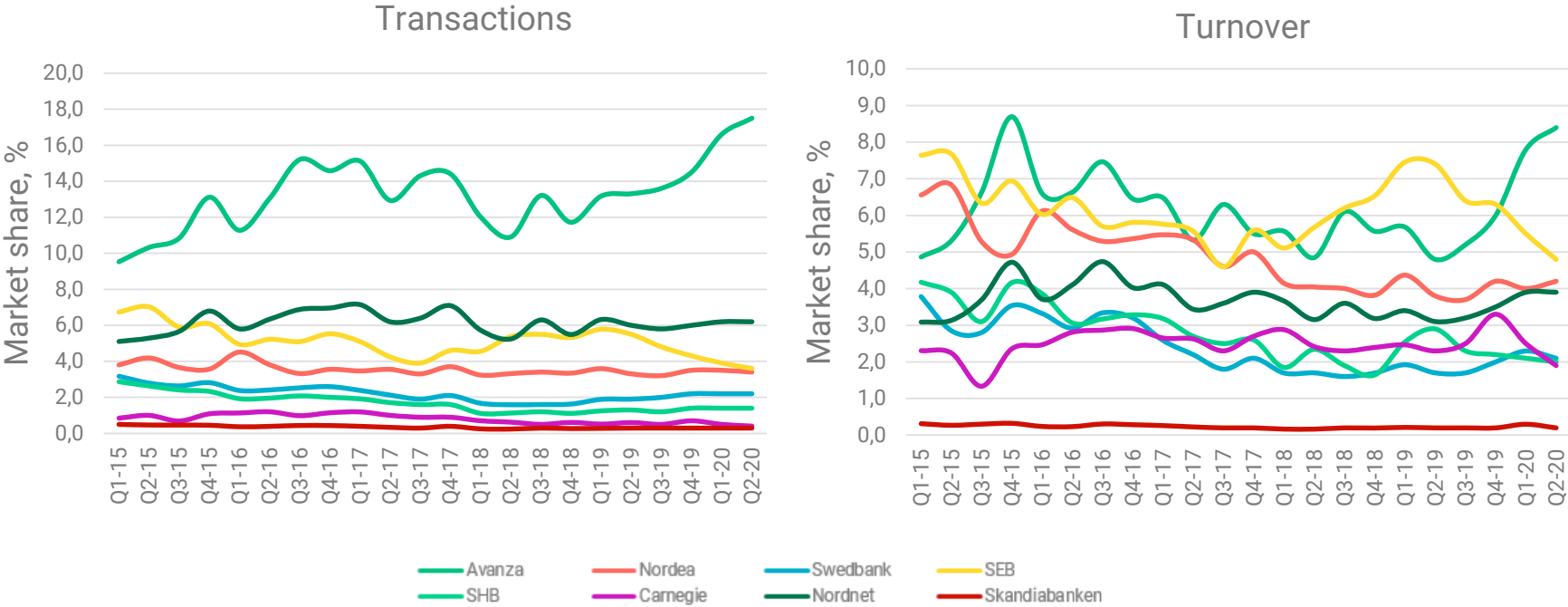
*0 har räknat med ett du för 0,46 % i årsavkastning. Det motsvarar avkastningen på Stockholmsbörsen (SSEBX) de senaste 20 åren, 1999-2018. Historisk avkastning är ingen garanti för framtida avkastning.
Så här har vi räknat

Börja månadsspara

Customer value with real open banking

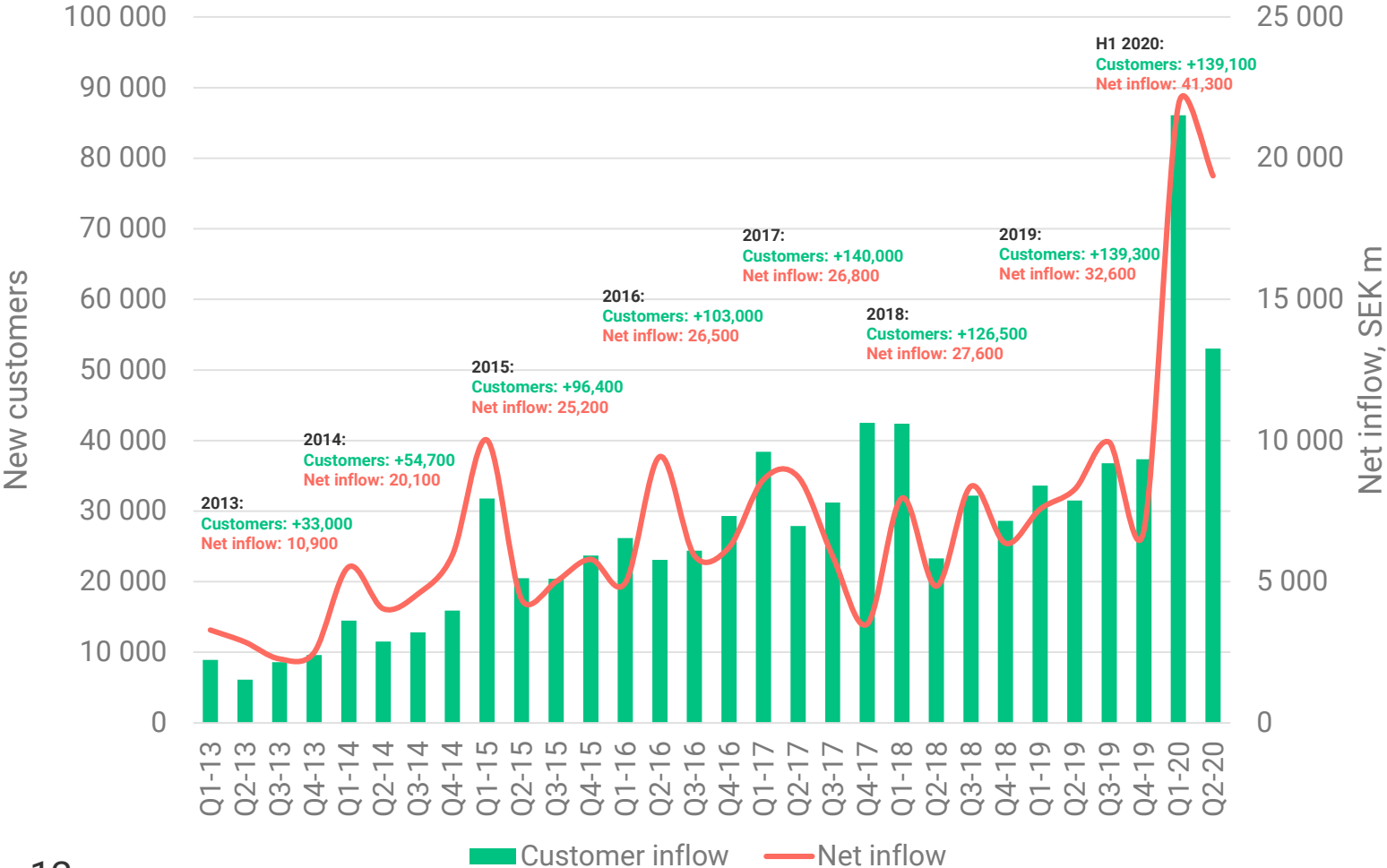


Largest Swedish participant in stock market transactions on Nasdaq OMX and First North

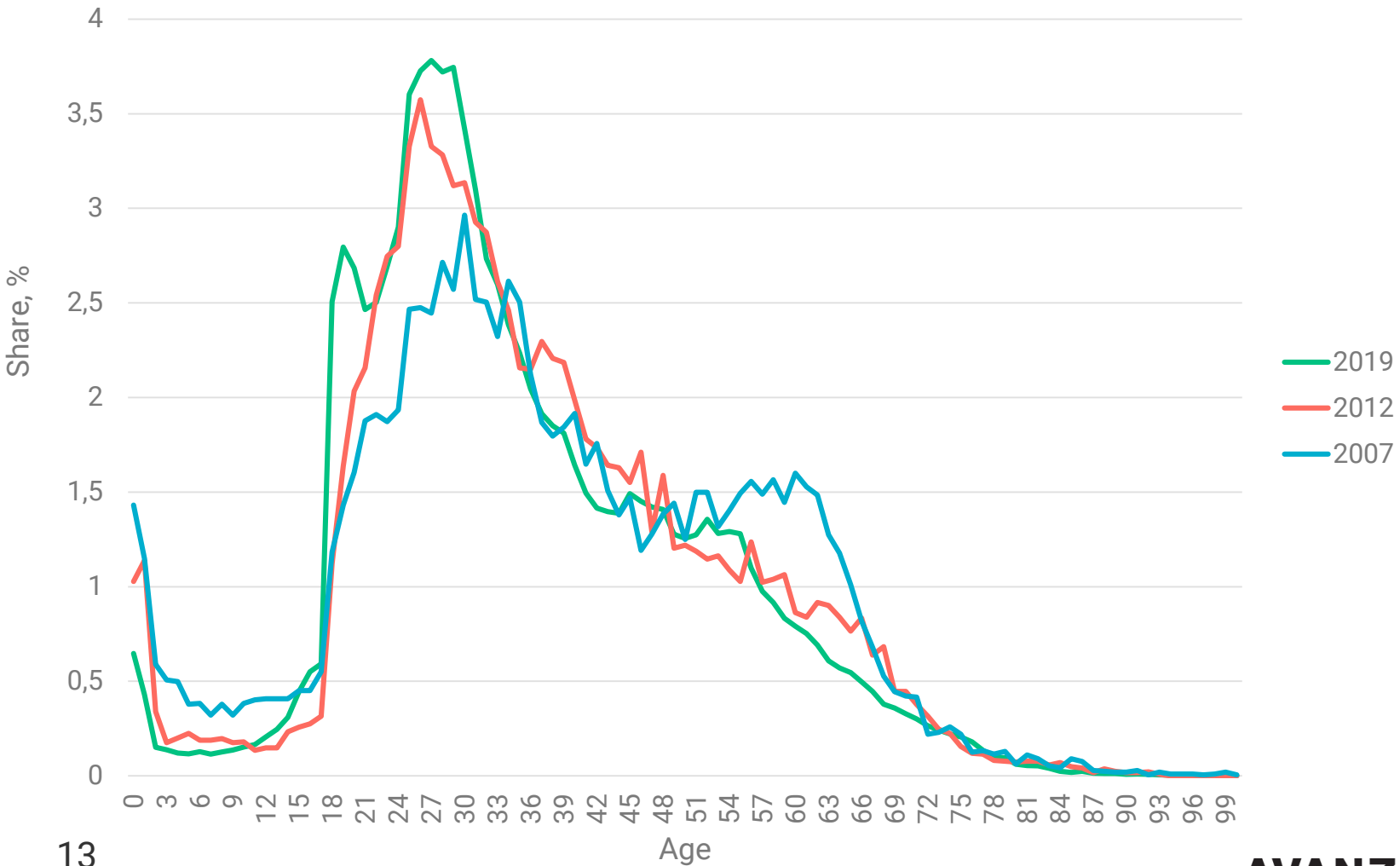


- Market share of 17.5% in terms of transactions and 8.4% in turnover in Q2 2020

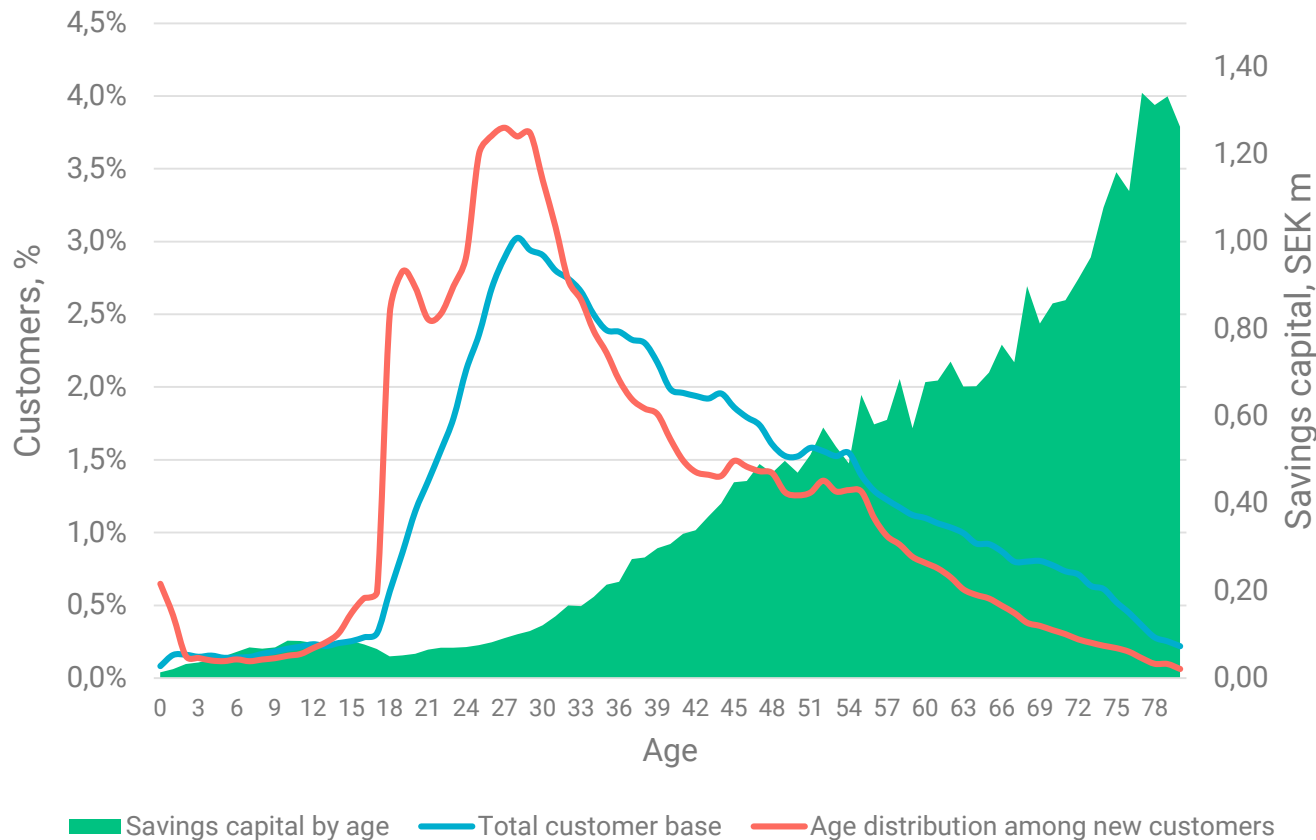
Customer growth drives net inflow



Age distribution among new customers



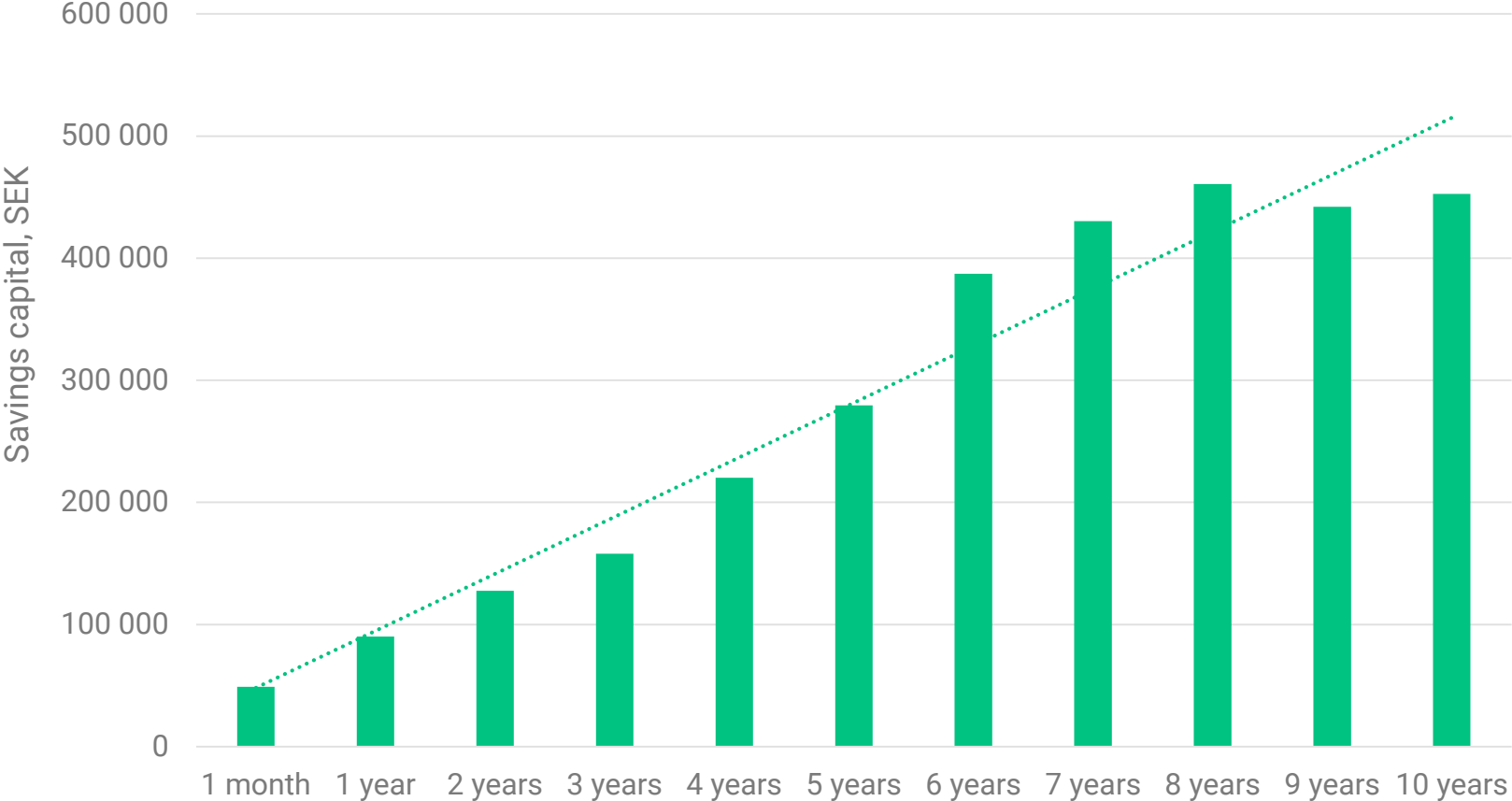
Strong long-term potential in existing customer base



Market penetration

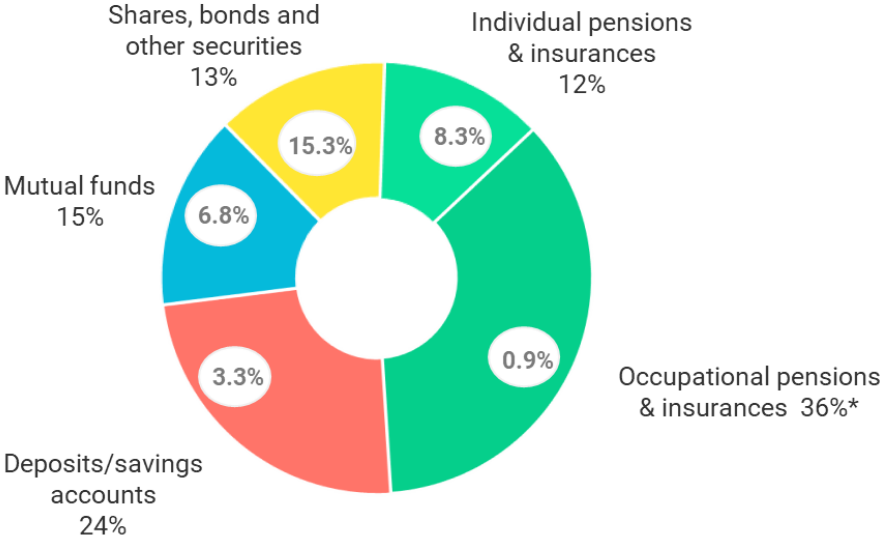
- Total share of Swedish savings market: 4.9% as of Q2 2020
- Total share of Swedish population: 9.1% as of 1 November 2019
 - ages 20-29: 15.3%
 - ages 30-39: 17.8%
 - ages 40-49: 13.3%
- Highest penetration in urban areas. Stockholm region, snapshot (Women/Men) as of 1 November 2019:
 - ages 20-29: 15%/25%
 - ages 30-39: 19%/29%
 - ages 40-49: 14%/23%
 - ages 50-59: 12%/17%
 - ages 60-69: 9%/13%

Savings capital grow by number of years at Avanza



■ Average savings capital per customer (excluding customers with > SEK 10m in savings capital)

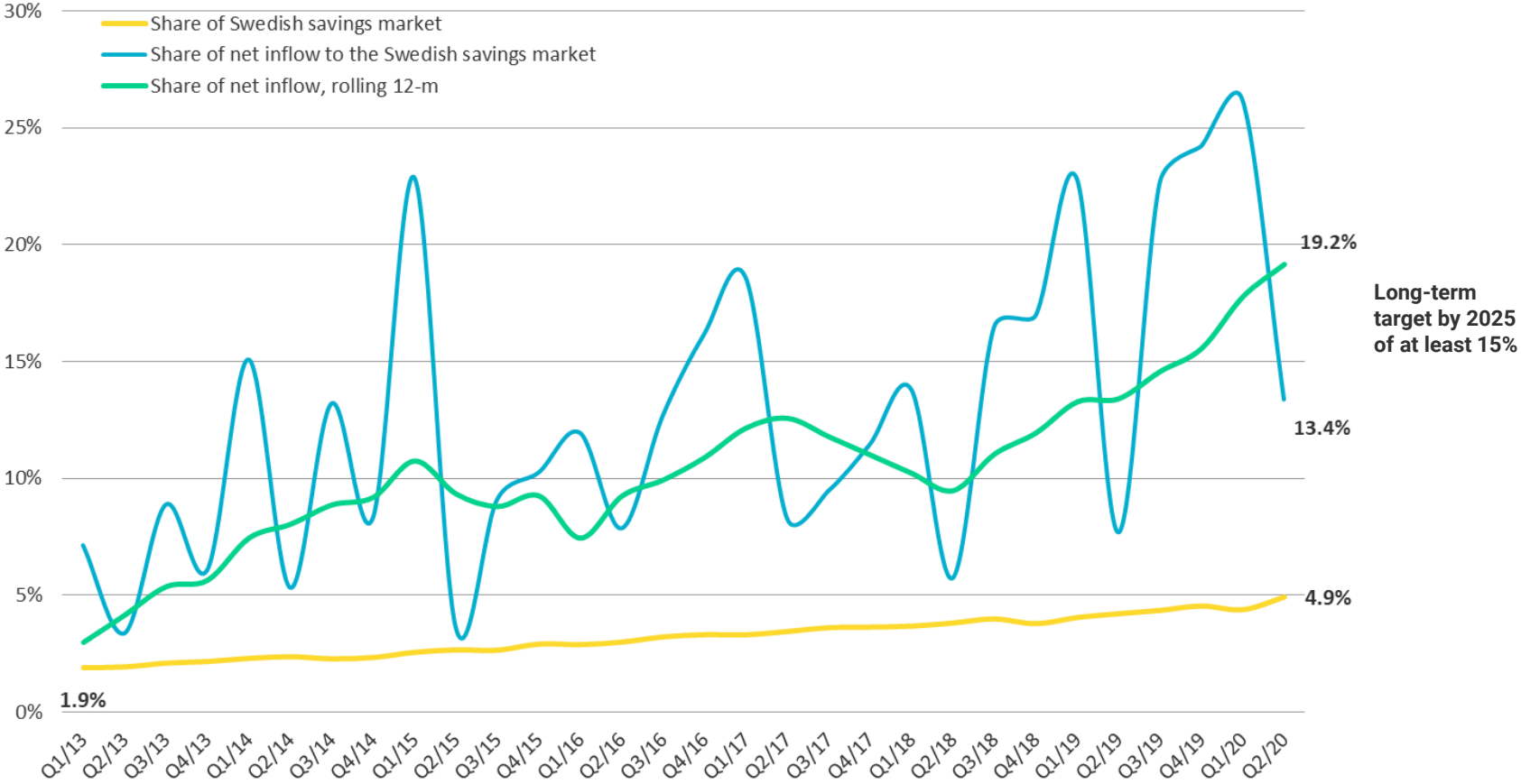
Significant growth potential with a 4.9% market share of the Swedish savings market



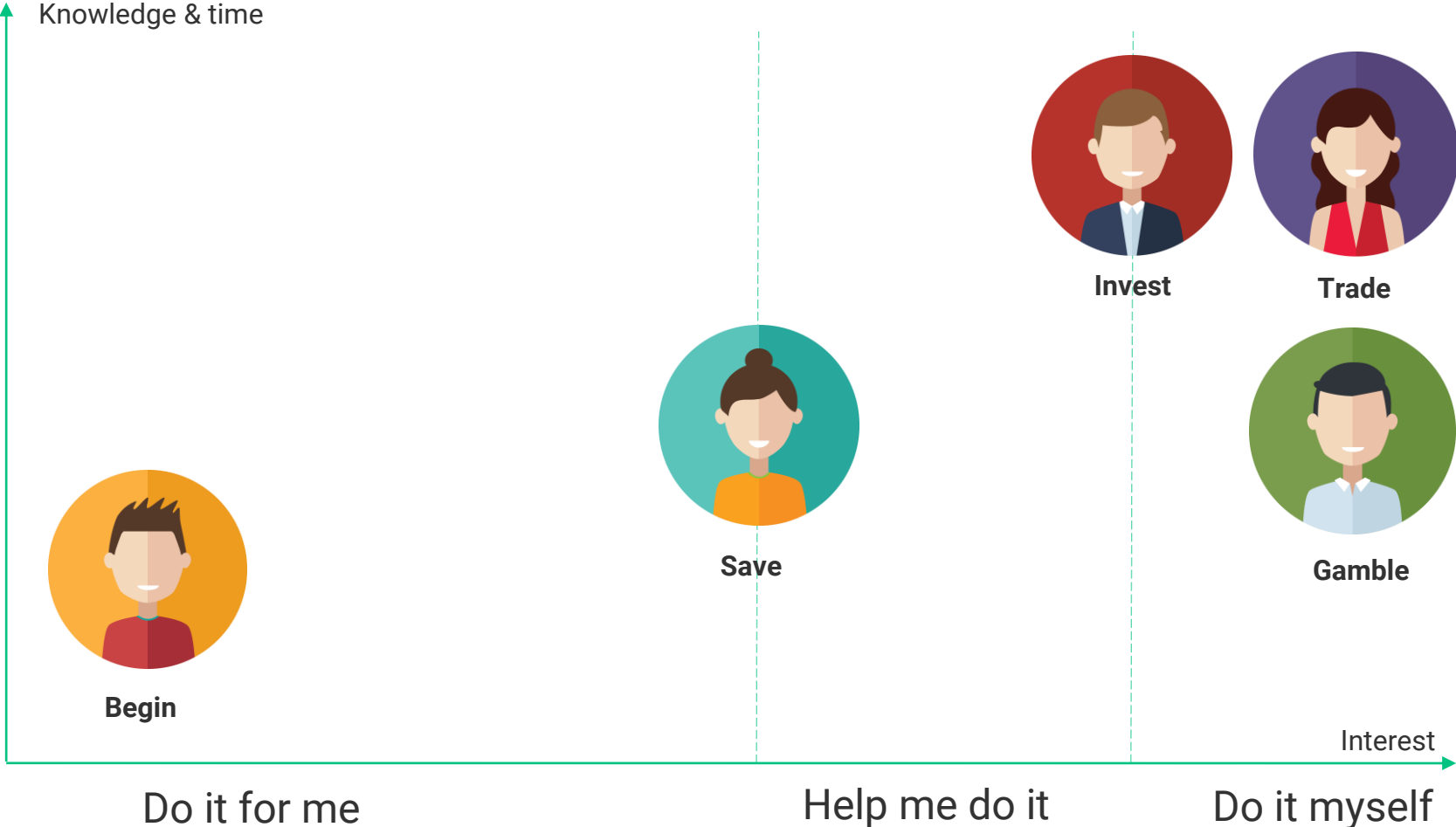
- The Swedish savings market SEK 9,047 bn
- Annual market growth of on average 9% last ten years
- An estimated 80% of the Swedish population saves in funds and 11% own shares

The white circles refer to Avanza's share of each savings area.
 * An estimated 50% of the market is addressable for Avanza

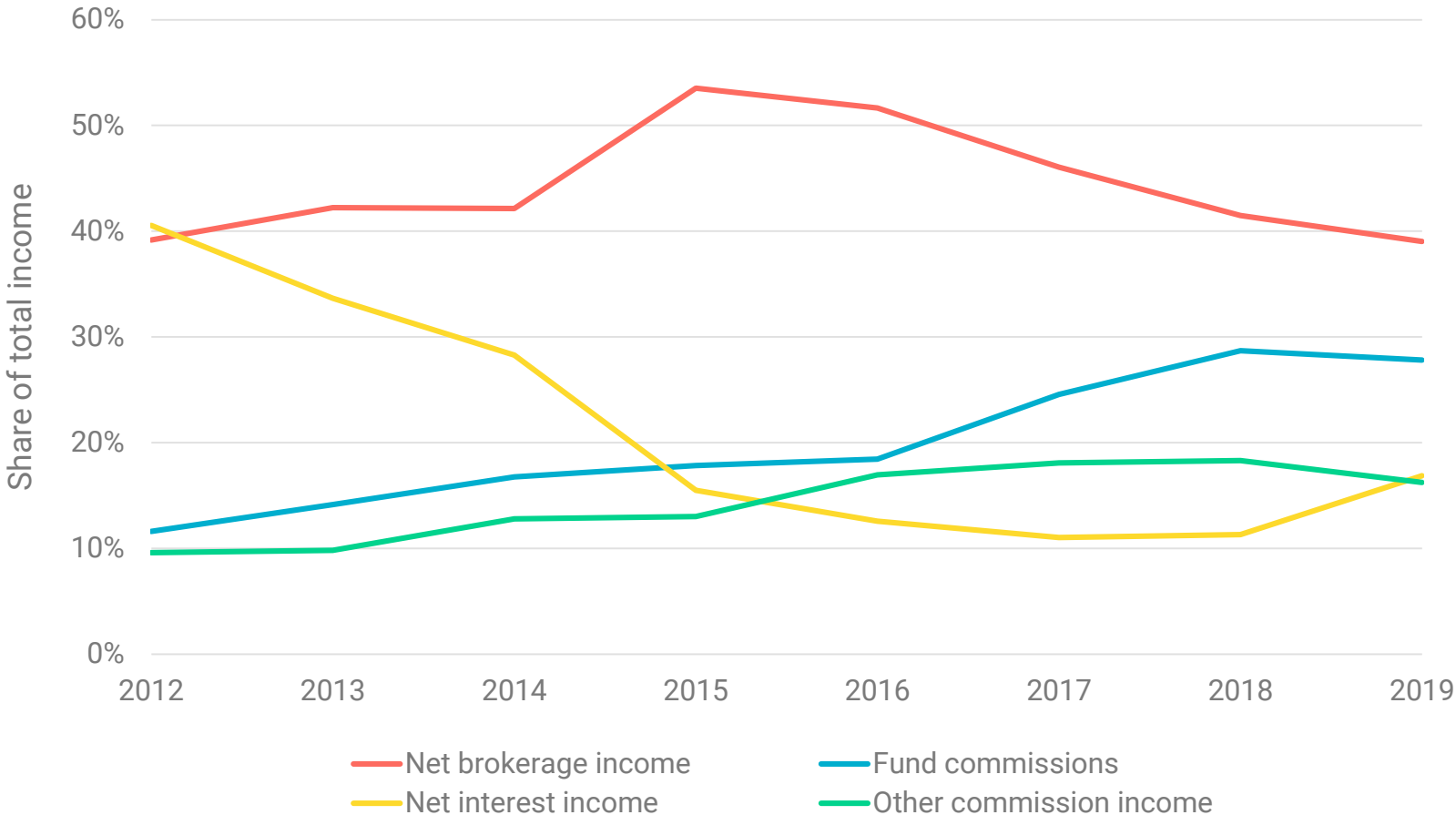
Market share of 19.2% rolling 12M of net savings on the Swedish savings market



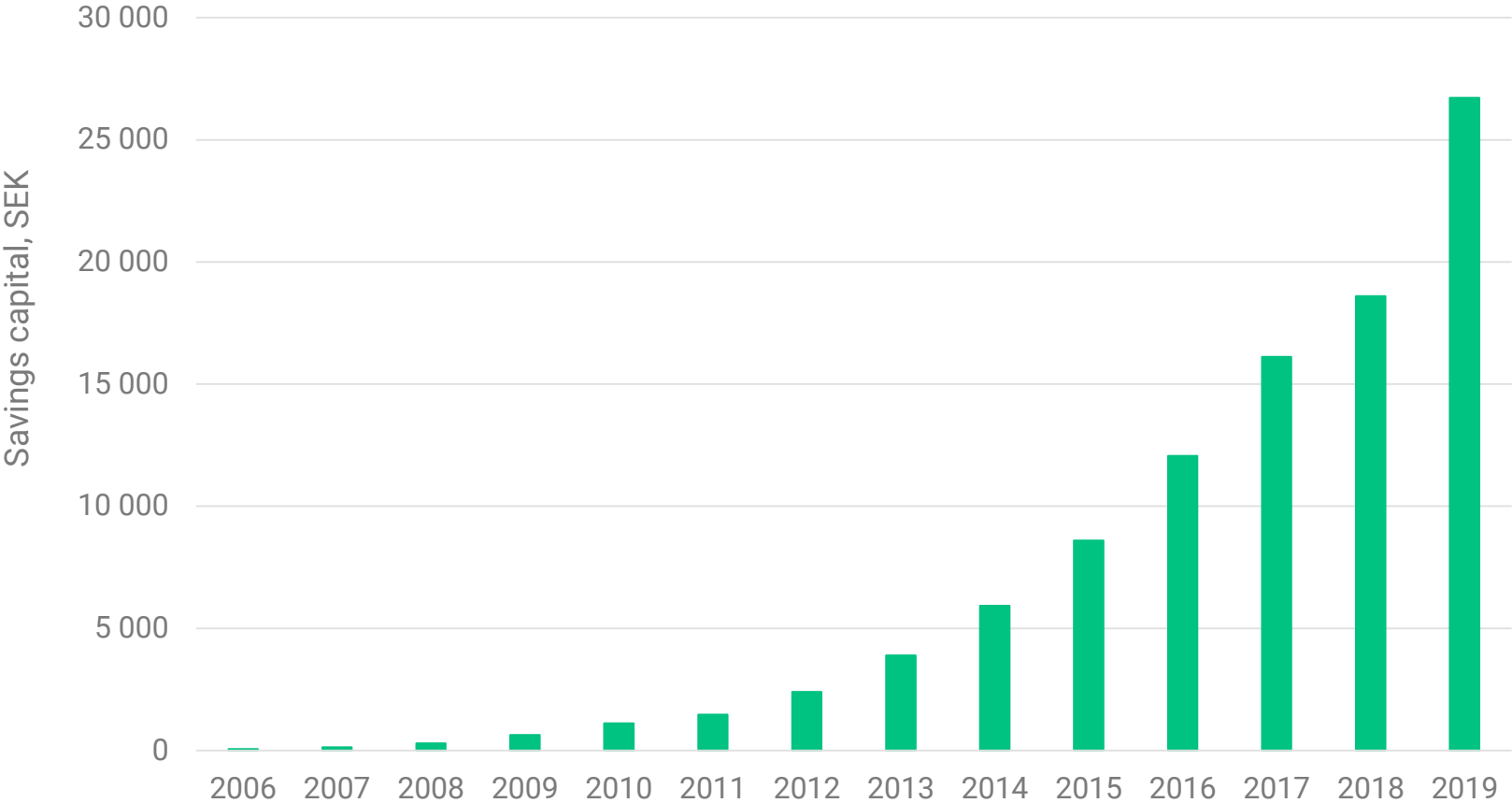
Growth potential in broader customer groups



Strategy for more recurring income



Strong growth in occupational pension



Growth drivers in the Swedish savings market

- Digitisation and open banking create new needs and customer behaviours
- More reasons for customers to take responsibility for their own savings
- Increased focus on sustainable investments
- Our focus is on attracting new and broader customer groups as well as keeping current customers happy
 - Product innovation and evolution
 - User experience increasingly important
 - Price remains important

As always... key success factors for Avanza

- Customer satisfaction – keep the No 1 position
- Continuous growth in both number of customers and volume
- Create possibilities for continued strong innovation



Employee engagement key

Appendix

Operations	24-26
Financials	27-35
Balance sheet data	36-38
Contact details	39

Performance on targets 2019

Long-term targets	Outcome 2019	Comments
Sweden's most satisfied savers according to Swedish Quality Index	√	Achieved in 2019 for the tenth consecutive year
Engaged employees, eNPS of at least 45	54	Very strong ambassadorship
Market share of at least 10% R 12M of the total net inflow to the Swedish savings market	15.6%	
1 million customers 2020	976,400	Target achieved in January 2020
Cost growth should not outpace income growth	√	Income growth 13,8% Cost growth 10,6%, excluding fee and one-off write down
Dividend of at least 70% of net profit for the year	79%	Dividend SEK 2.30 per share

New long-term targets by 2025

The new targets are still focused on customer satisfaction and employee engagement, but also on growth in savings capital. Targets connected to sustainability are added

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 45

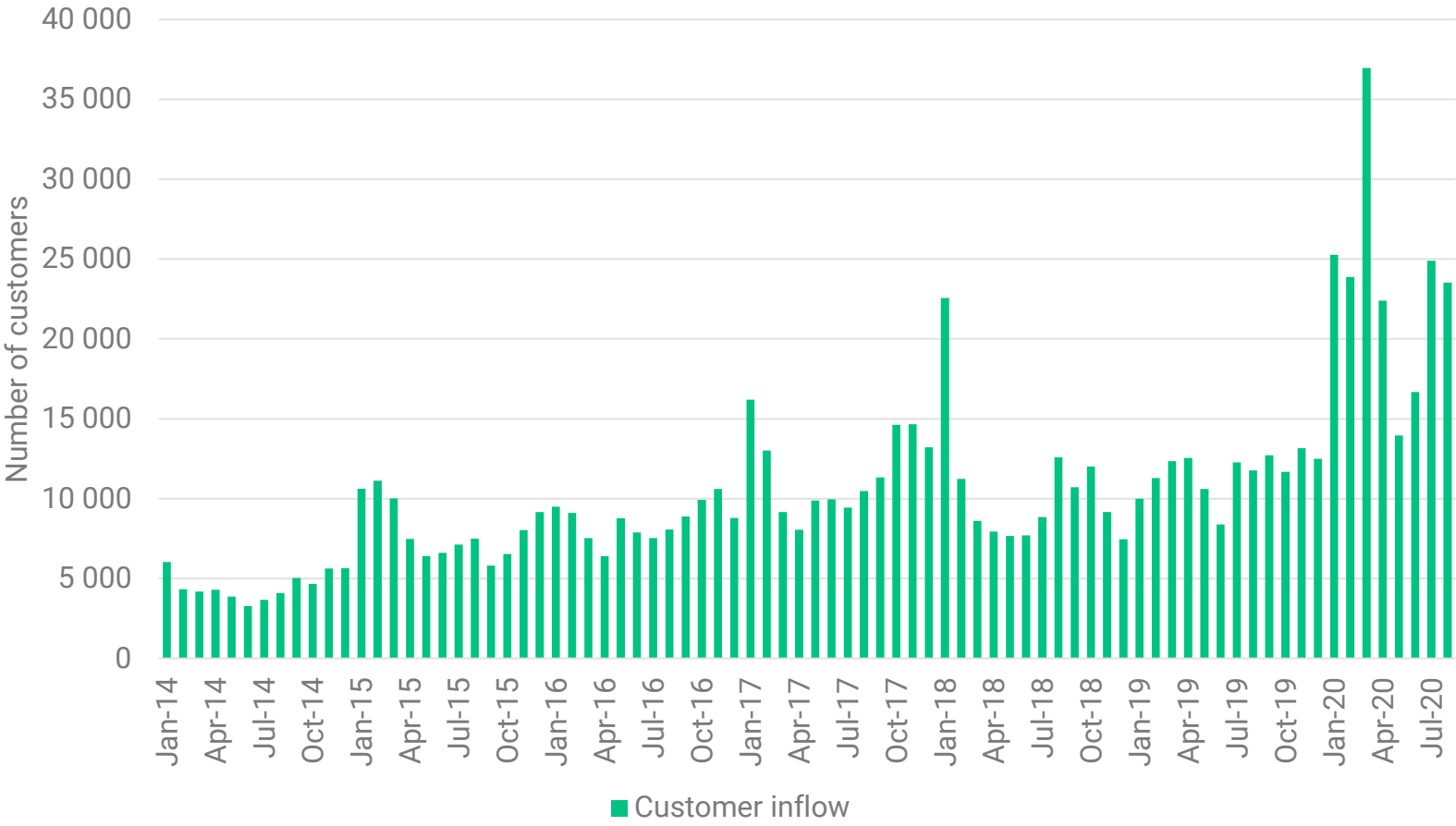
Long-term value growth:

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

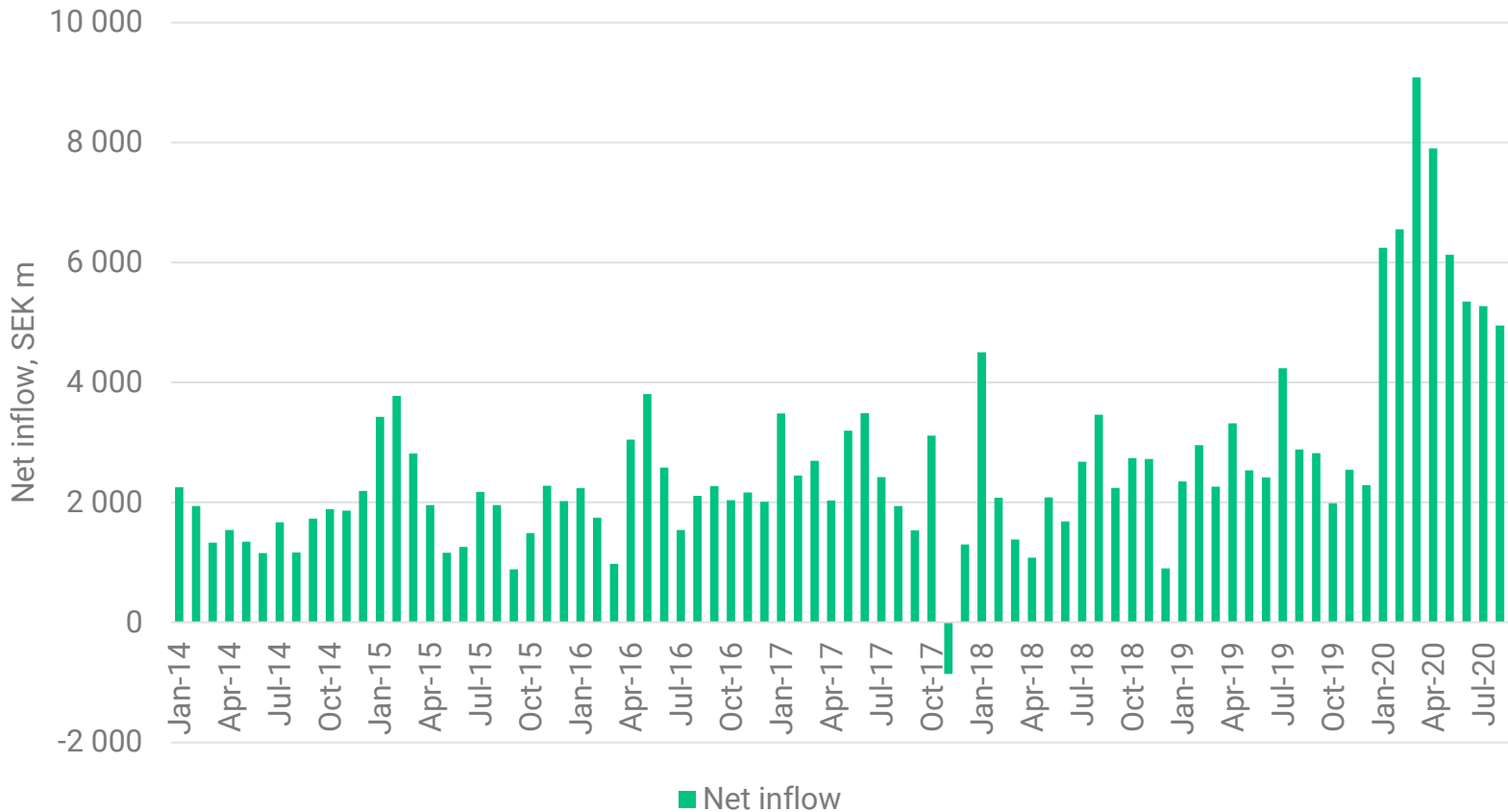
Sustainability:

- Increased share of capital in sustainable investments
- Increased share of customers who save in sustainable alternatives
- Be regarded as the leading sustainable brand and the natural choice for sustainable savings
- Increase the share of female to 50 per cent of new customers
- Organisation with parity between women and men
- Become climate positive

Customer inflow of 187,500 in 2020 (+110% Y/Y)



Net inflow of SEK 51,500m in 2020 (+124% Y/Y)

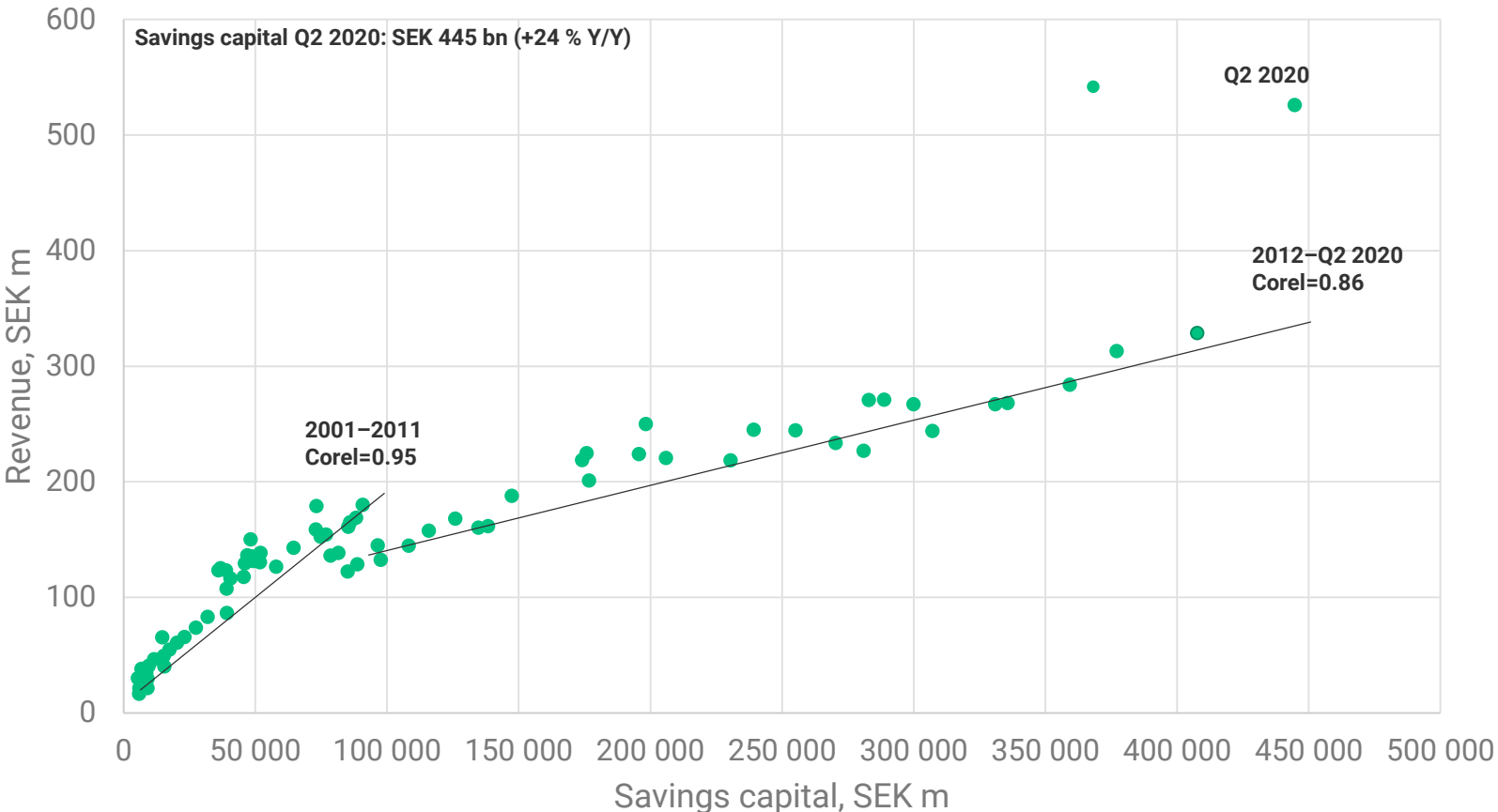


* Net outflow in November 2017 is explained by a few withdrawals amounting to SEK 2,200m, connected to customers' M&A activities.

Financial overview

	Q2 20	Q1 20	Δ %	Q2 19	Δ %
Operating income, SEK m	526	542	-3	284	85
Operating expenses, SEK m	-185	-179	4	-166	12
Operating profit, SEK m	333	361	-8	117	184
Operating margin, %	63	67	-3	41	22
Income to savings capital ratio, %	0.52	0.56	-0.04	0.33	0.19
Costs to savings capital ratio, %	0.18	0.18	-0.00	0.19	-0.01
ROE, %	56	64	-8	27	29
EPS, SEK	1.83	1.98	-8	0.67	173

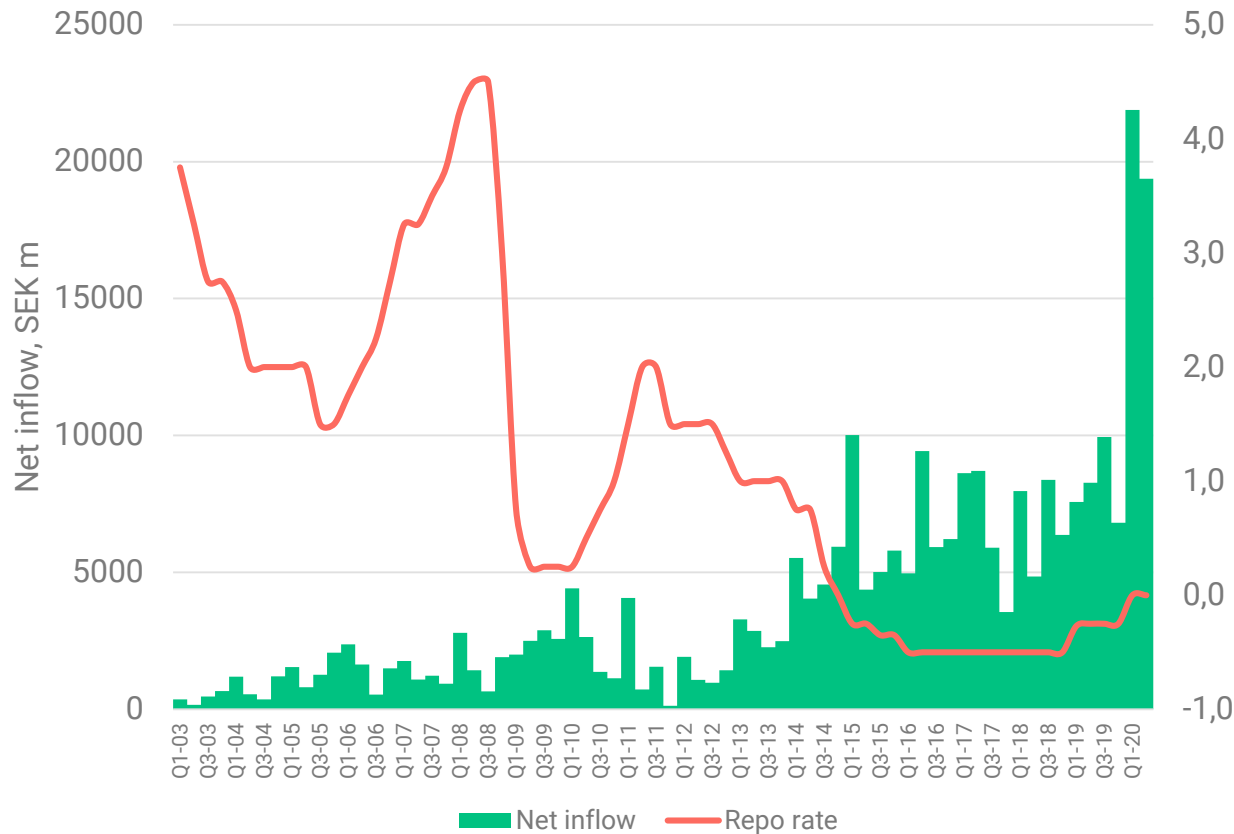
Relationship between long-term savings capital growth and revenue growth



Long-term revenue development

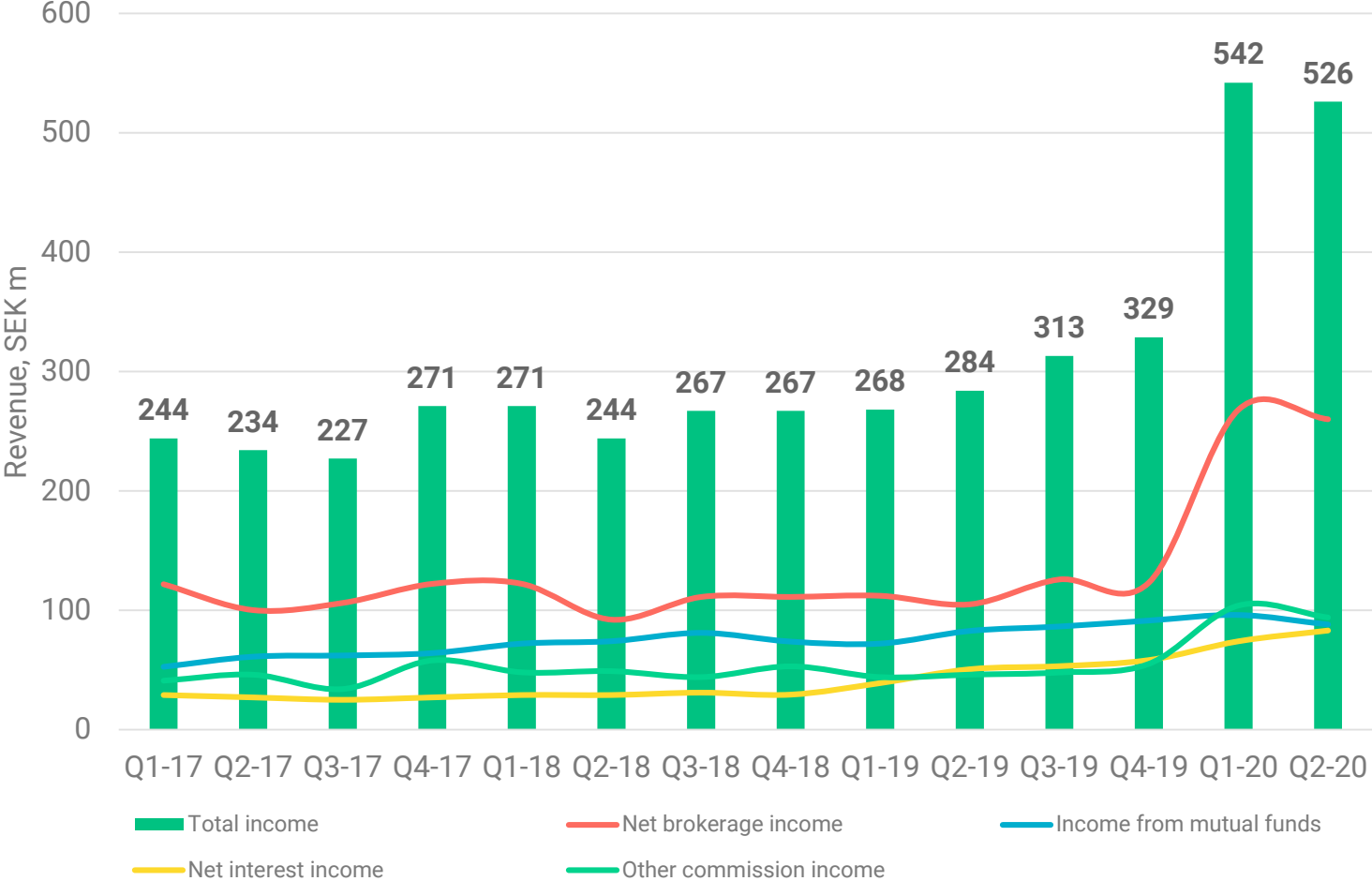


Historical correlation between low market rates and growth



- Historical negative repo rate between 2015 and 2019. Repo rate raised to 0.00% on 8 January 2020
- Low repo rate creates a good growth environment but puts pressure on NII (100 bps repo rate change affects NII by around SEK 400 m at Q2-20 volumes)

Revenue development



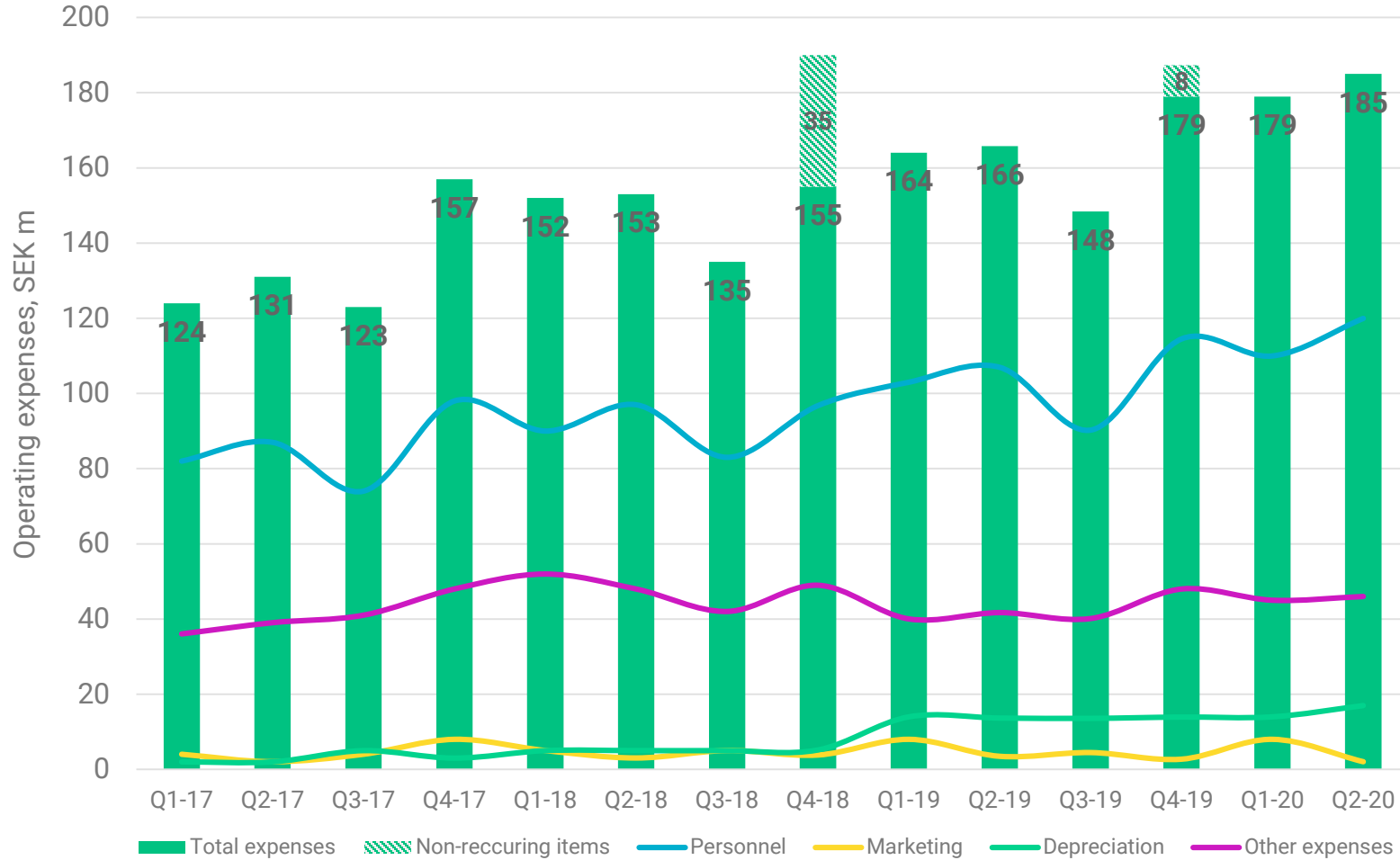
Income split 6M 2020

	SEK m	% of income	% of specific savings capital	% of total savings capital
Shares, bonds, options (transactions)	528	49	0.48	0.26
Mutual funds	184	17	0.34	0.09
Net interest income	157	15	0.42	0.08
Other**	198	19		0.10
Total	1,067	100	0.52	0.52

* Based on deposits

** Corporate finance fees, foreign exchange, AZA Markets, subscription and advertising income, additional services

Cost development

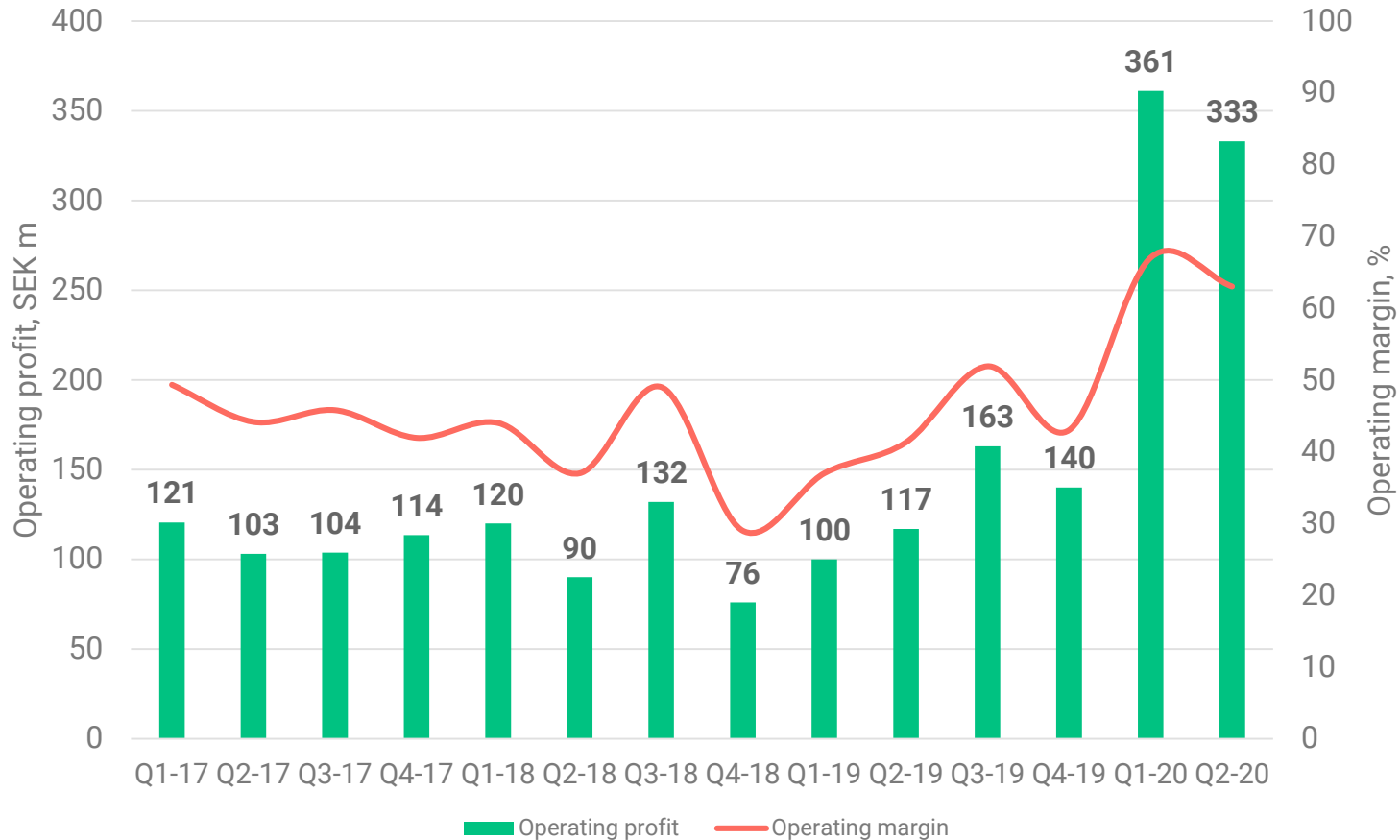


Q4 2018 including the Swedish Financial Supervisory Authority's administrative fee of SEK 35 million on the subsidiary Försäkringsaktiebolaget Avanza Pension
 Q4 2019 including one-off write-down of SEK 8.3 million

Costs 6M 2020

	SEK m	% of total costs	% of total income
Personnel	-231	64	22
IT	-38	11	4
External services	-15	4	1
Marketing & Sales	-10	3	1
Depreciation	-31	9	3
Other	-38	10	4
Total costs before credit losses	-364	100	34
Credit losses, net	-4		
Profit/loss from participations in associated companies	-4		

Operating margin of 63% in Q2 2020



Operating profit in Q4 2018 is affected negatively by the Swedish Financial Supervisory Authority's administrative fee of SEK 35 million on the subsidiary Försäkringsaktiebolaget Avanza Pension.

Balance sheet, 30 June 2020

Assets	SEK m	Liabilities & equity	SEK m
Lending to credit institutions*	4,647	Deposits	45,265
Lending to the public	15,090	Liabilities in insurance operations	124,620
Bonds and other interest bearing securities	25,662	Other liabilities	1,858
Assets in insurance operations	124,619	Subordinated liabilities	100
Other assets	3,997	Equity	2,173
Total assets	174,016	Total liabilities and equity	174,016

Comments

- Mainly self-financed through shareholders' equity and customer deposits
- Surplus-liquidity of SEK 32,406m invested in covered bonds, at the Riksbank and O/N (including SEK 2,097 m deposits in client fund accounts)

* Incl. balances at central banks and treasury bills eligible for refinancing

Capital surplus for the Group

SEK m	30 June 2020
Shareholders' equity	2,173
Solvency capital	1,369
Less non-distributable solvency capital	-229
Subordinated loan	70
Additional value adjustments	-28
Intangible assets and deferred tax receivables	-73
Own funds before dividend adjustment	3,282
Capital requirement Pillar 1	-1,788
Buffer requirement	-200
Capital requirement Pillar 2	-120
Capital requirement	2,108
Capital surplus before dividend	1,175
Capital surplus per share, SEK	7.64
Total capital ratio (consolidated situation), %	17.1

Historical financial key data 2001 – Q2 2020

is available in Excel at:

avanza.se/keydata

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