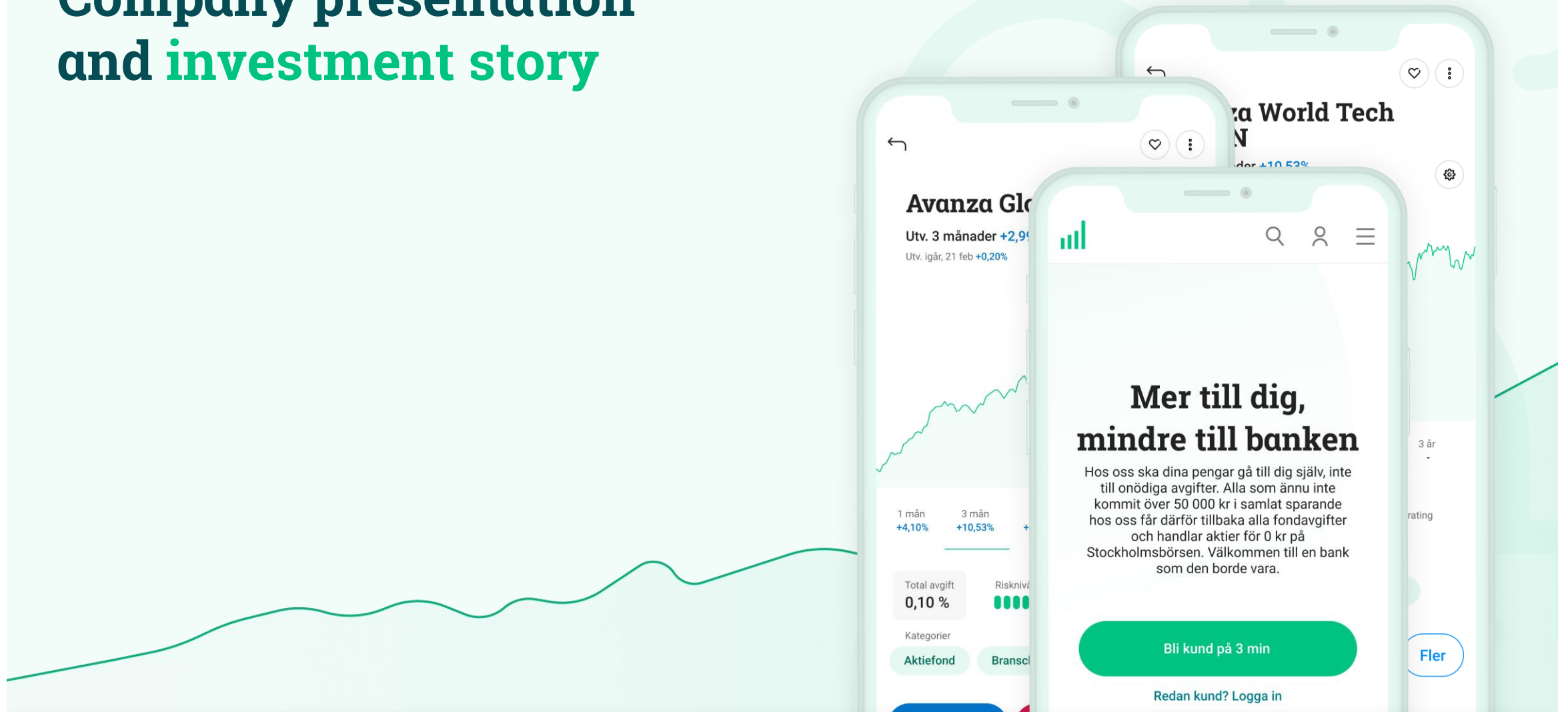
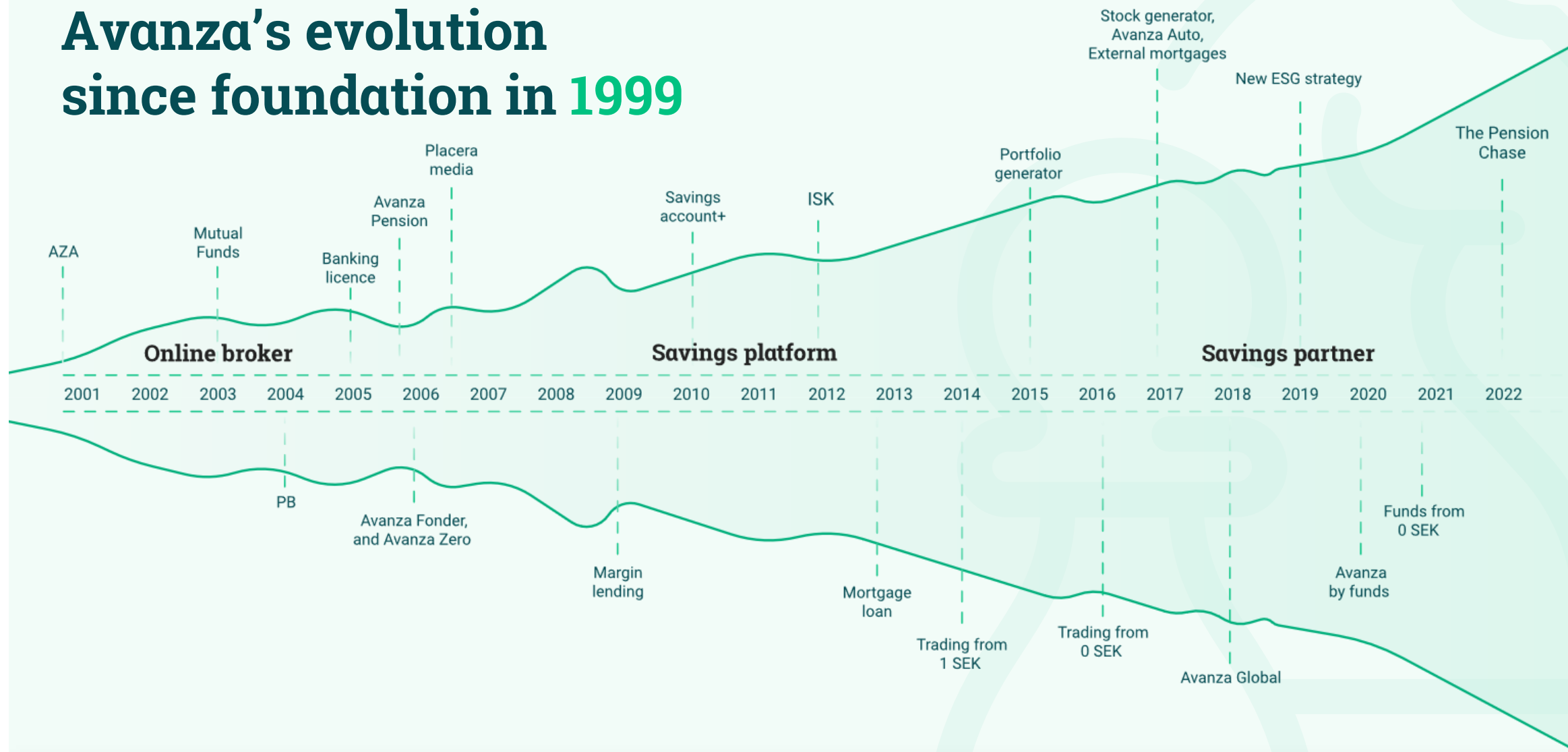


November 2023

Company presentation and investment story



Avanza's evolution since foundation in 1999



Sweden's **leading** platform for savings and investments

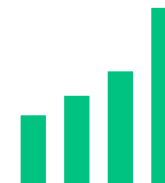


No. 1 long-term target to have the
most satisfied savings customers in Sweden –
won for the last 13 consecutive years



1,882,000
customers

SEK 700 bn
in savings
capital



671
employees and
eNPS of
58

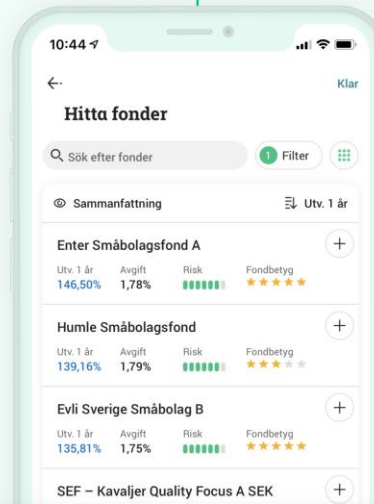
6.5% market share of the
Swedish savings market

Over 80 000 investment opportunities, together with decision-making tools, inspiration and education

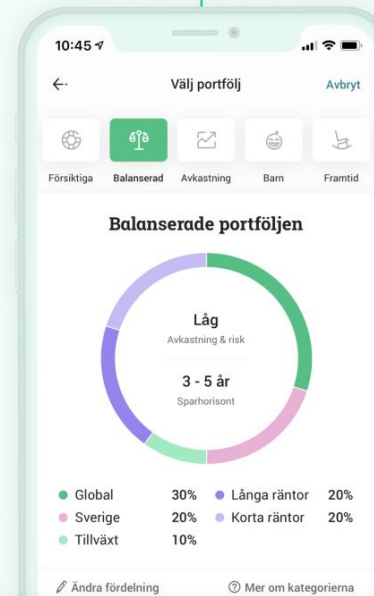
Securities trading



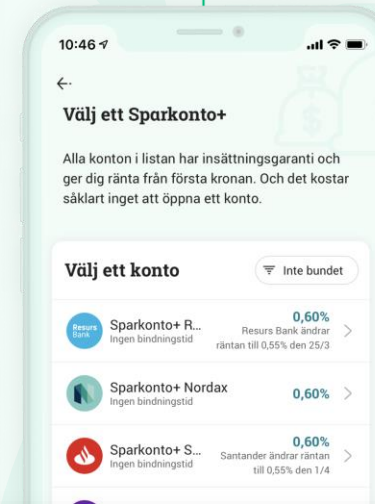
Mutual funds



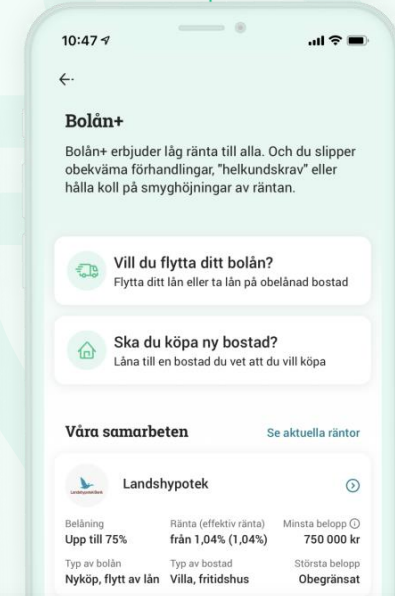
Retirement plans



Savings accounts

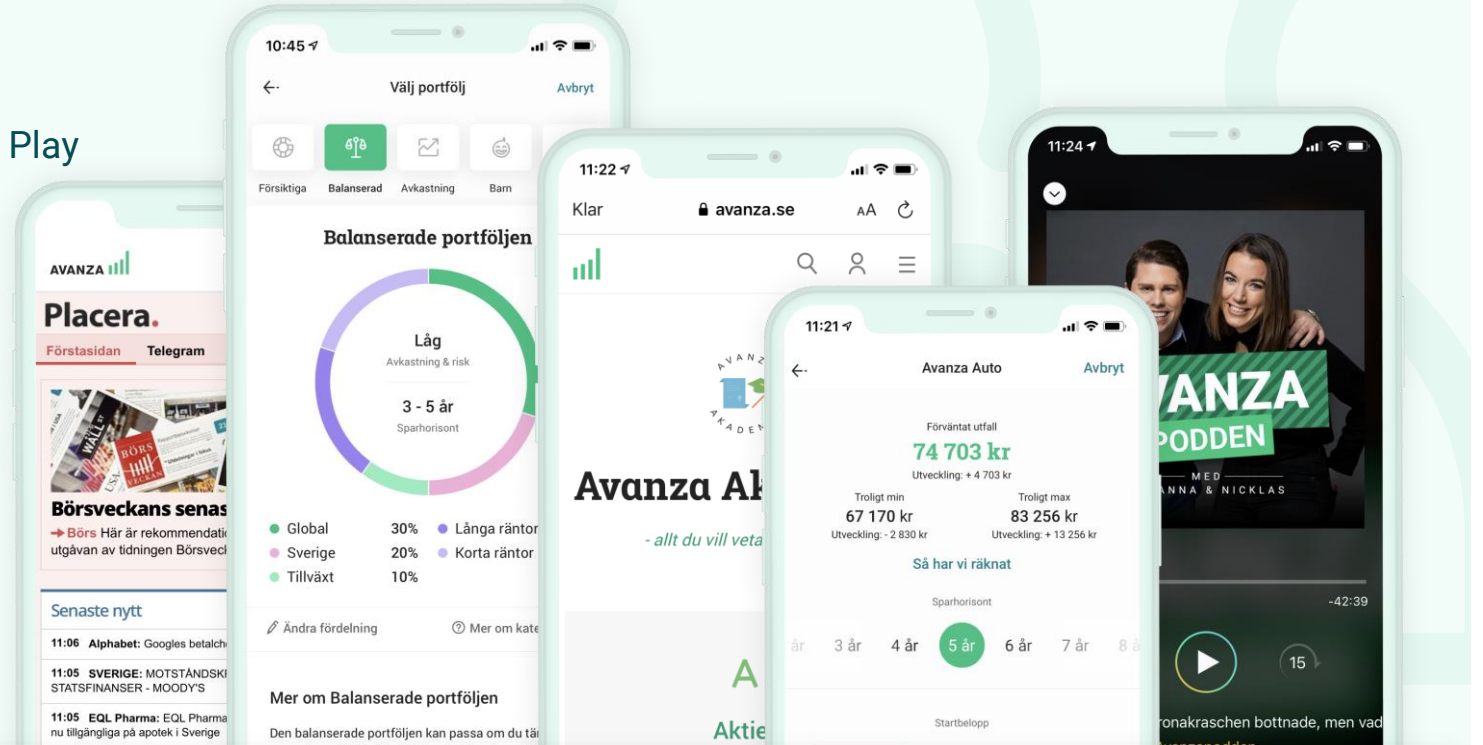


Mortgages and margin lending

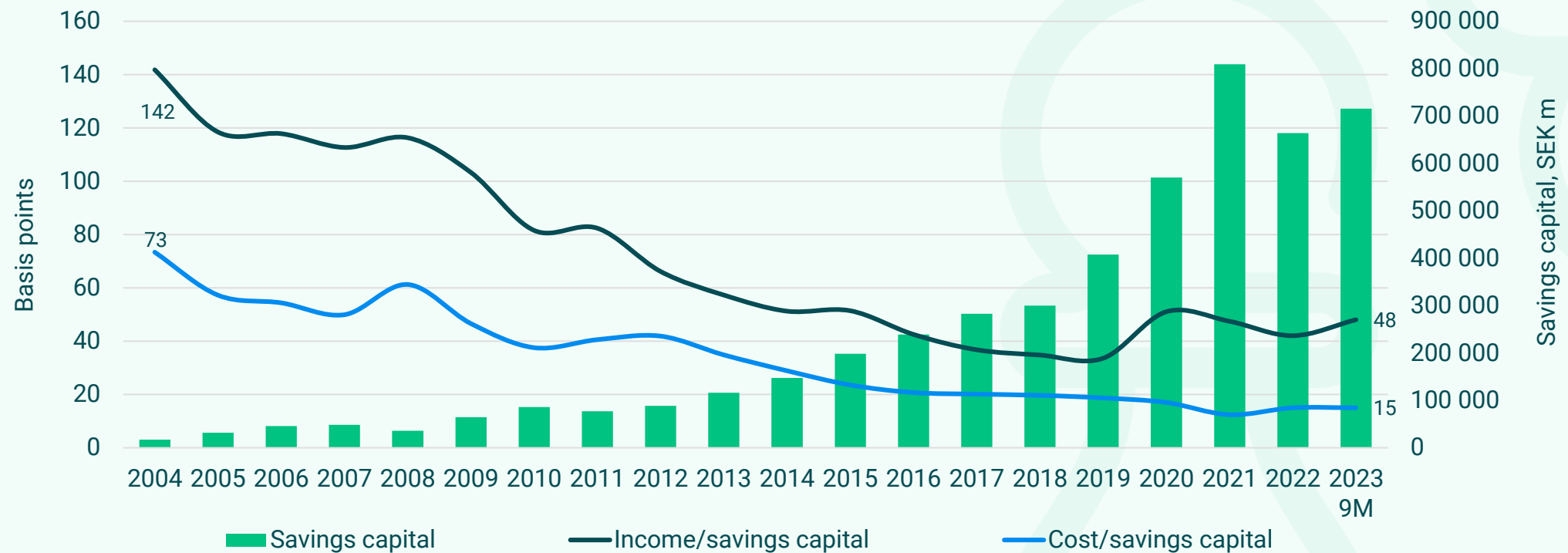


We don't give advice, but **focus on decision-making tools**

- The Avanza Academy
- The Avanza blog, podcasts and Avanza Play
- Auto funds
- Portfolio generator
- Stock generator
- Independent news site Placera



Business model built on scale



Capital light, fee-based business model

2022	% of income
Net brokerage income	32
Fund commissions, net	19
Currency-related income, net	12
Net interest income (NII)	27
Other income, net ¹⁾	10

1) Mainly income from Avanza Markets, compensation for distribution and stock lending, but also advertising sales, subscriptions and customer's add-on services.

- Mainly fixed costs, ~70% staff related
- High scalability
- Self-financed through shareholders' equity and customer deposits
- High interest rate sensitivity
- Capital-efficient and low risk balance sheet

Strong position and asset quality

Limited on balance sheet lending

SEK 21.2 bn



No realised credit losses
for over 10 years

On balance sheet deposits

SEK 61.2 bn

29.1%

CET1 ratio

5.4%

Leverage ratio

Solid financial position

39%

ROE

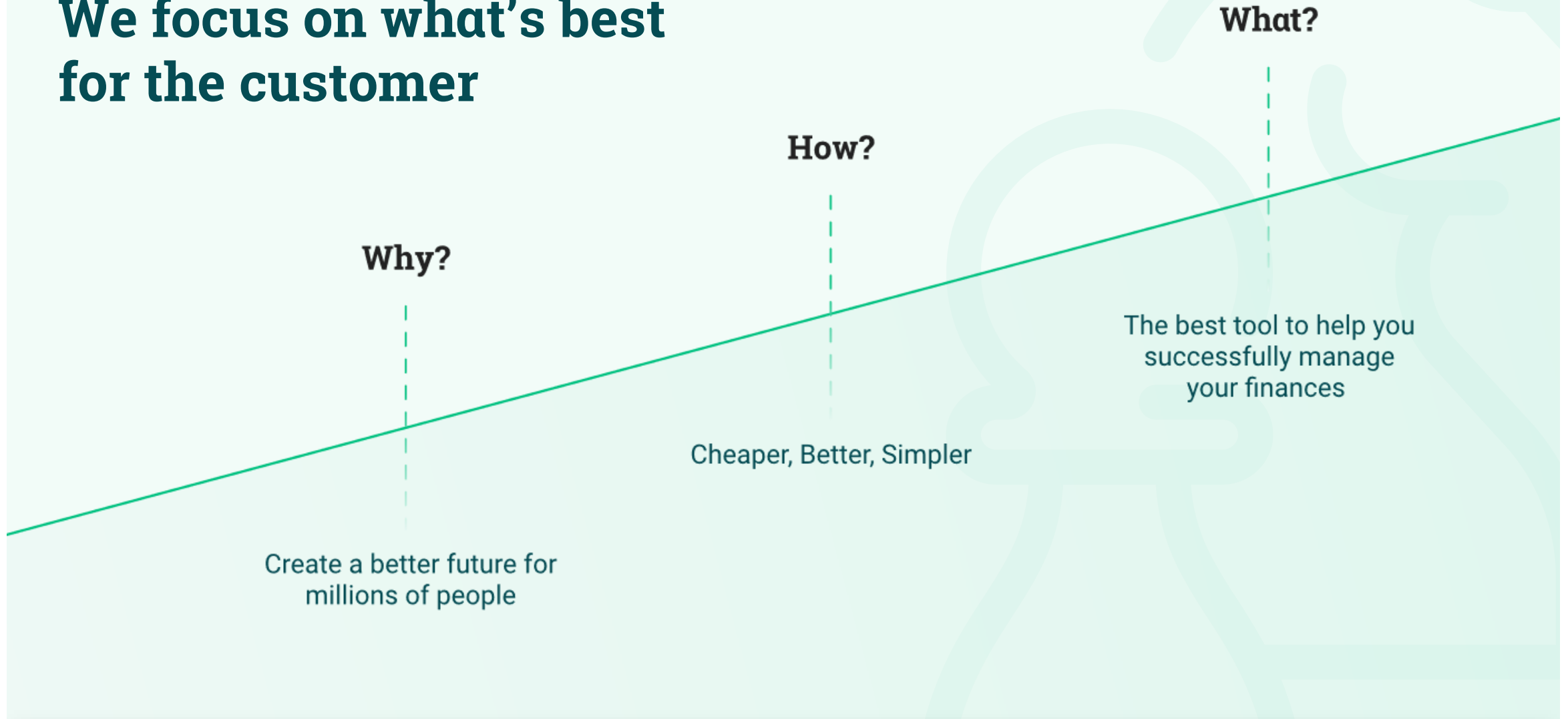
58%

Profit margin

99.7%

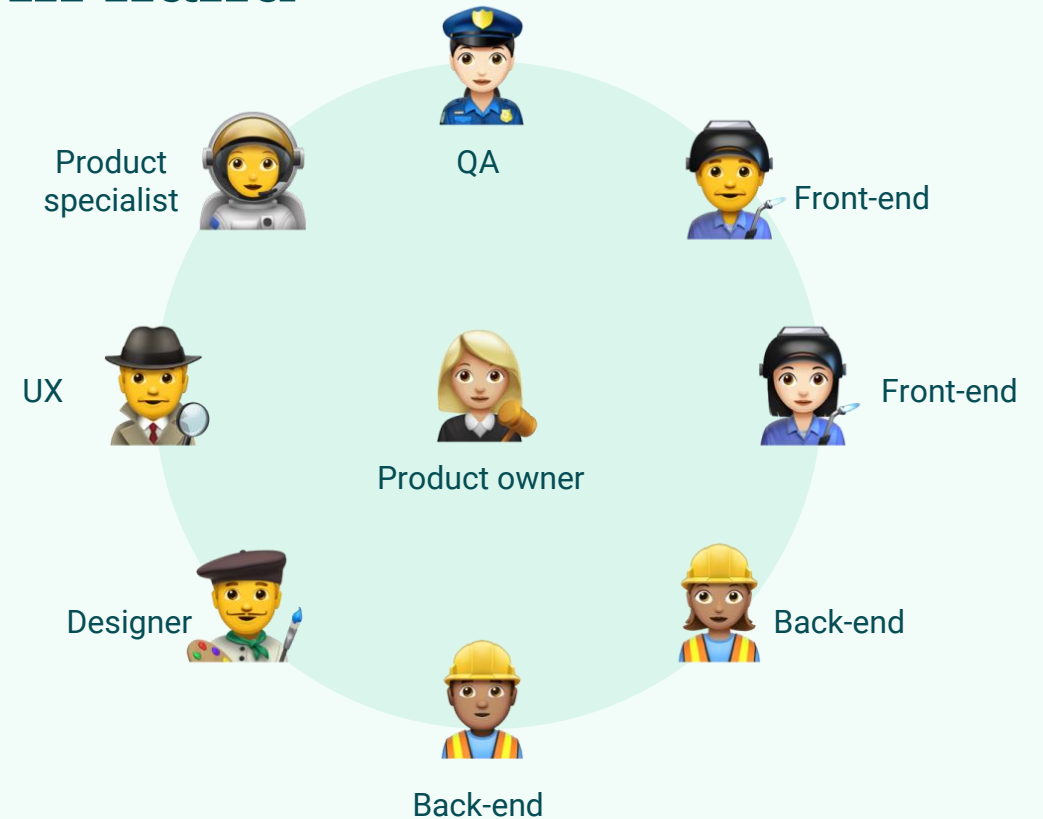
High platform
availability

We focus on what's best for the customer



A typical Avanza development team, where business and IT go hand in hand

- Full expertise for their respective domain
- Innovation, business development and maintenance are done within each team
- They define their own mission and sets their own goals, linked with the overall vision and targets



We innovate together with our customers

Customers can sign up as test users to early releases of new functionality and provide feedback.

We meet with hundreds of customers for interviews and user tests each year.

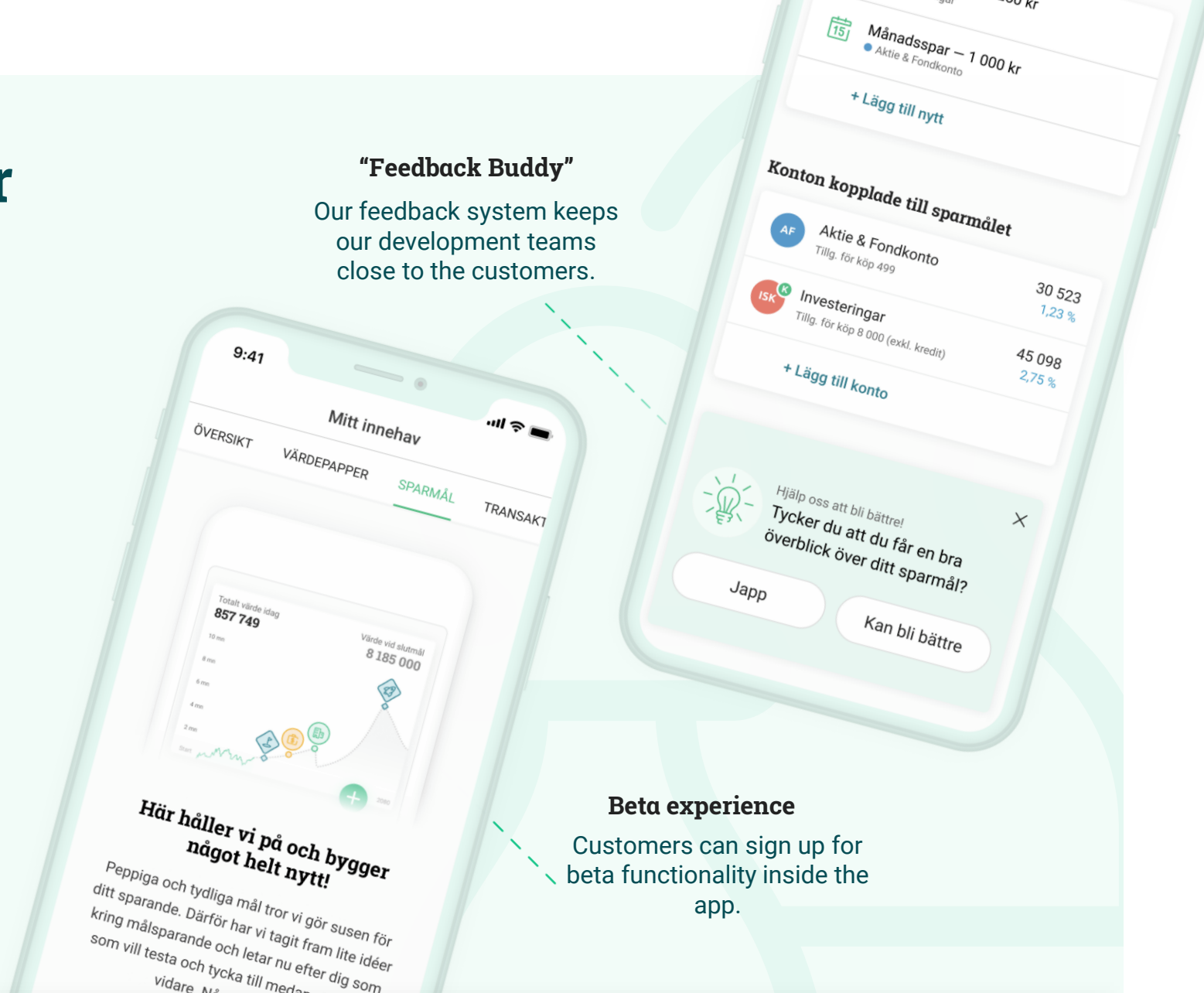
And get, tens of thousands of twitter feedback, app reviews and customer service messages, which are also a vital part of the development feedback to the teams.

"Feedback Buddy"

Our feedback system keeps our development teams close to the customers.

Beta experience

Customers can sign up for beta functionality inside the app.



A diversified customer base of close to 2 million

Our customers have different types of behaviours and needs – our offering includes something for everyone



Novice

Risk-averse, is not active and wants everything to run smoothly with minimal effort



Save

Takes an interest in their economy, but needs some help and would like to learn more



Invest

Very interested in savings and has a well thought out long-term strategy for their investments



Trade

Professional trader, very active and makes both long- and short-term investments



For fun

Sees investing as a hobby, makes decisions based on gut feeling or recommendations and hopes for "skyrockets"

A strong brand and a loyal customer base

NPS
43 

Highest considered financial company in Sweden in Kantar Public's yearly survey



Daily active users
R12M ~ 360,000



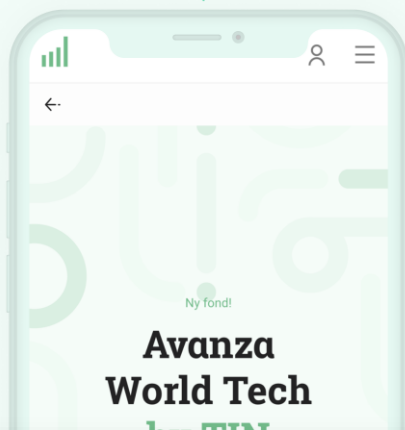
Most satisfied savings customers in Sweden –
won for the last 13 consecutive years

Churn, %
0.8

Our superior customer experience, also makes us the perfect partner for product challengers

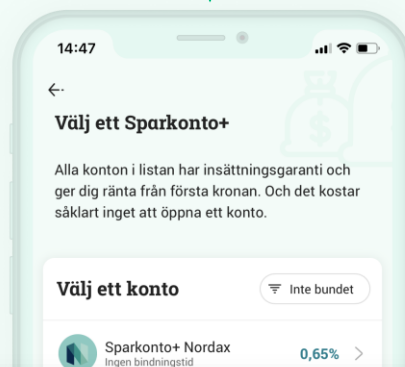
Mutual fund platform

Over 1,300 external funds on the platform and exclusive cooperations for actively managed funds



Third party savings

High yielding savings accounts with a number of partner banks



Mortgages

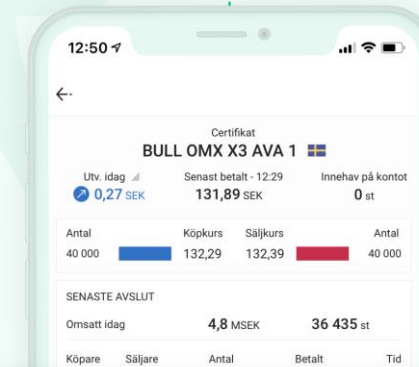
Our partners deliver low interest mortgages through our interface



Morgan Stanley

Exchange traded products

Exclusive exchange traded products with 0 brokerage fees



Social, environmental and economic sustainability are reflected in what we do and who we are

Sustainable organization

We work actively to increase gender equality, diversity and employee engagement. We are tracking our climate impact, striving to reduce our ecological footprint, working towards net zero emissions.

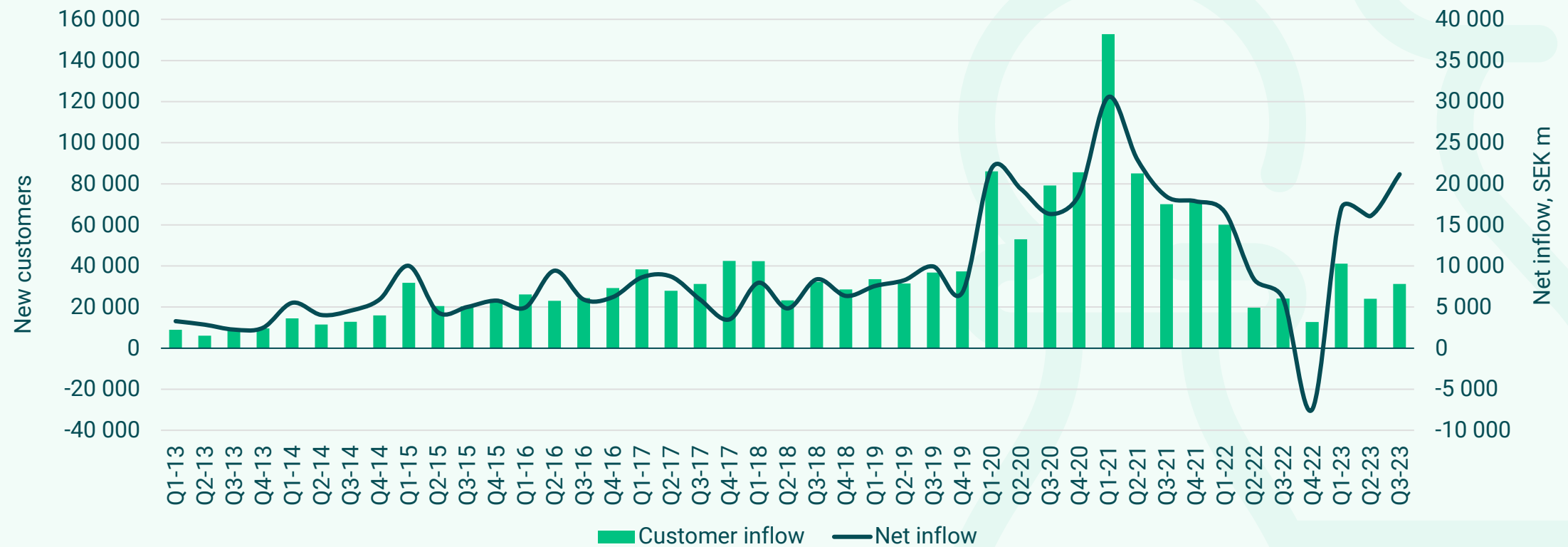
Educate & Challenge

Working for improved financial literacy, more transparency in the finance market and for increased gender equality in savings.

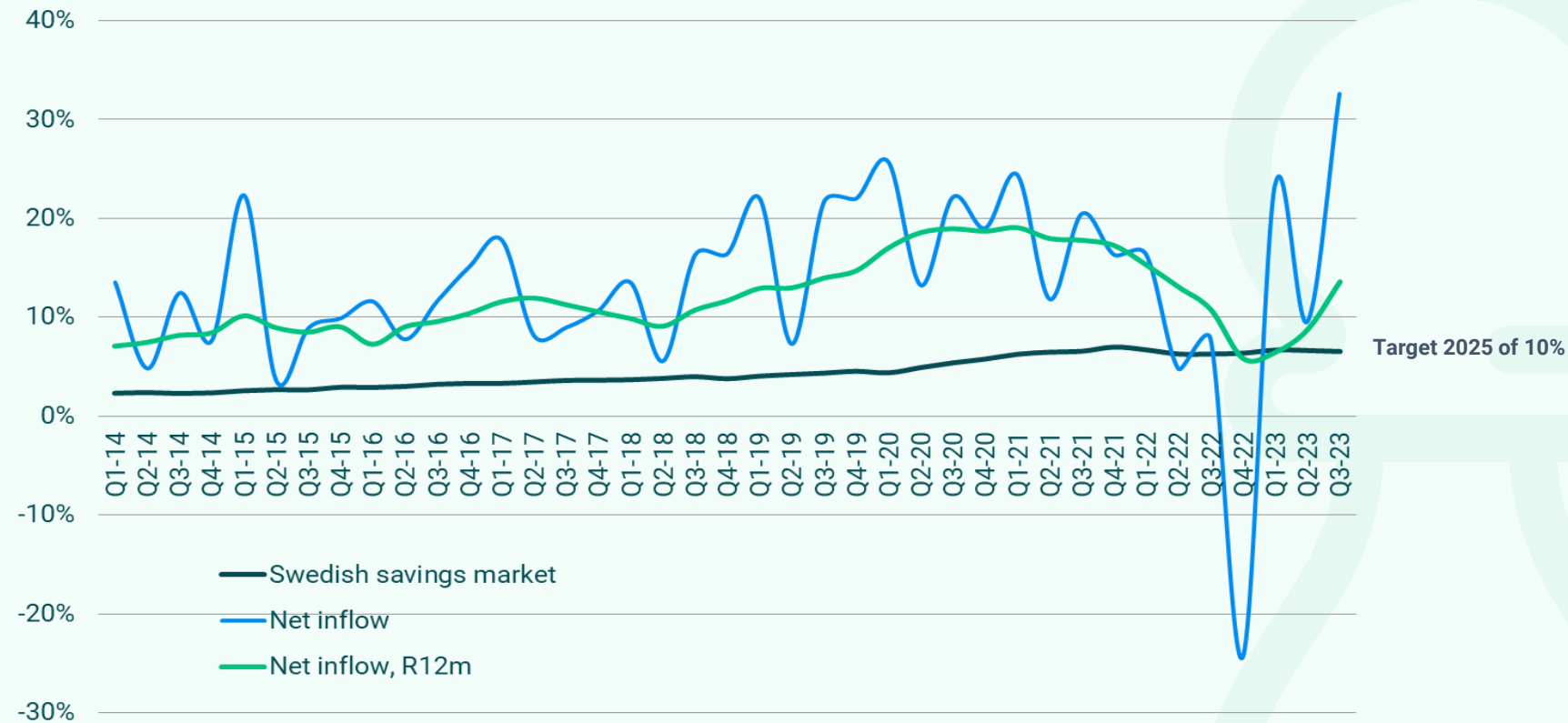
Sustainable investment

Offering sustainable alternatives. Avanza does not offer investment advice, but we do make it easier for our customers to make sustainable investments, through concise information, decision support and education.

Customer growth drives net inflow



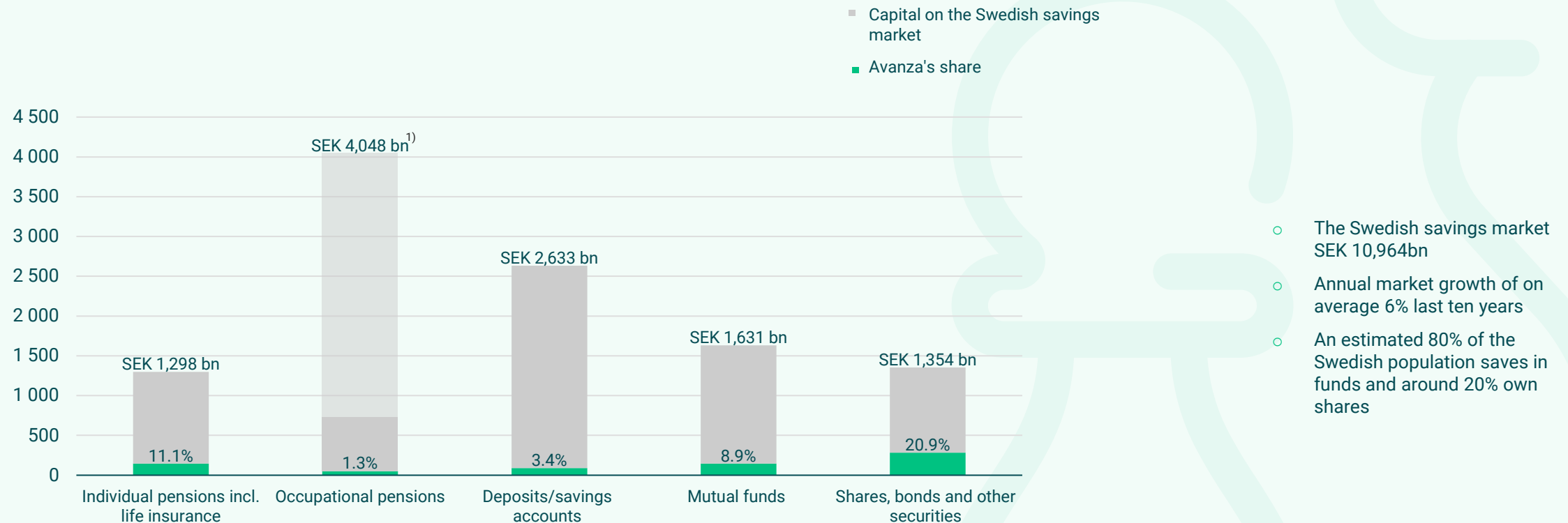
Market share of 14% rolling 12M of net savings on the Swedish savings market



The fourth quarter 2022, includes an insurance portfolio transfer of collectively agreed occupational pensions of SEK 2.4 billion to Futur Pension

The net inflow to Avanza is seasonally higher in Q3 and lower in Q2 and Q4. In Q2 this is due to dividends, tax refunds, higher pension premiums and partly annual payments to contractual pensions, which are not included in Avanza's customer offering.

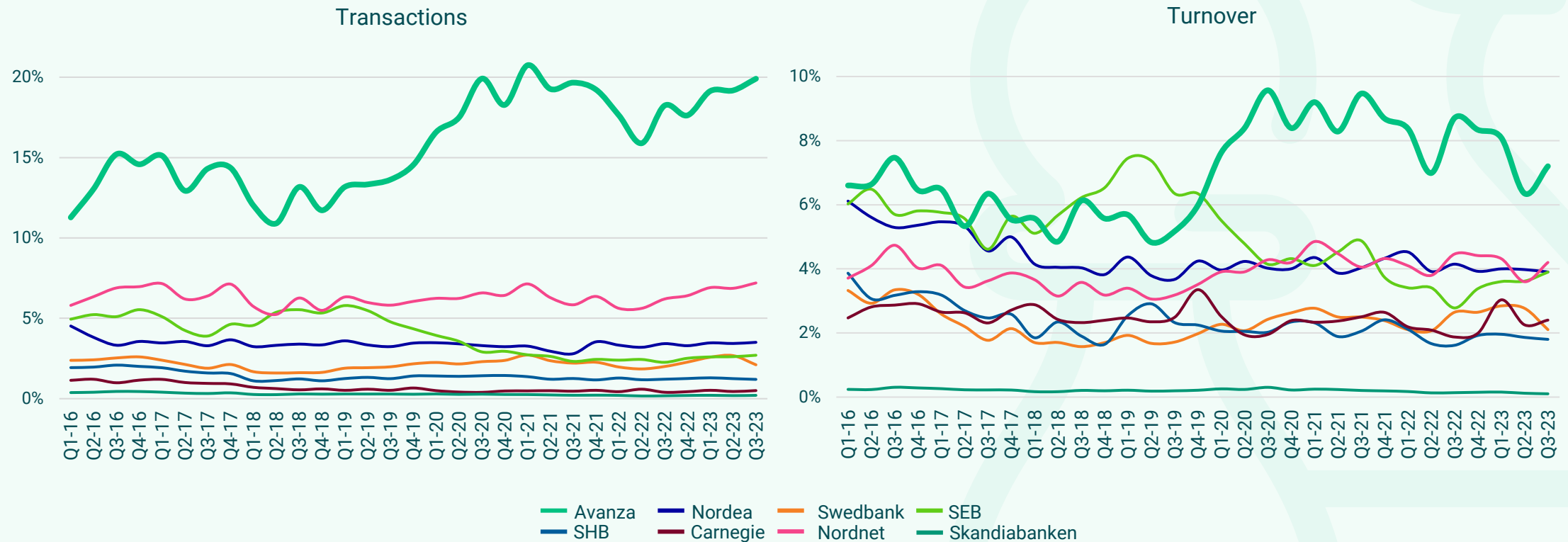
Significant growth potential with a 6.5% market share of the Swedish savings market



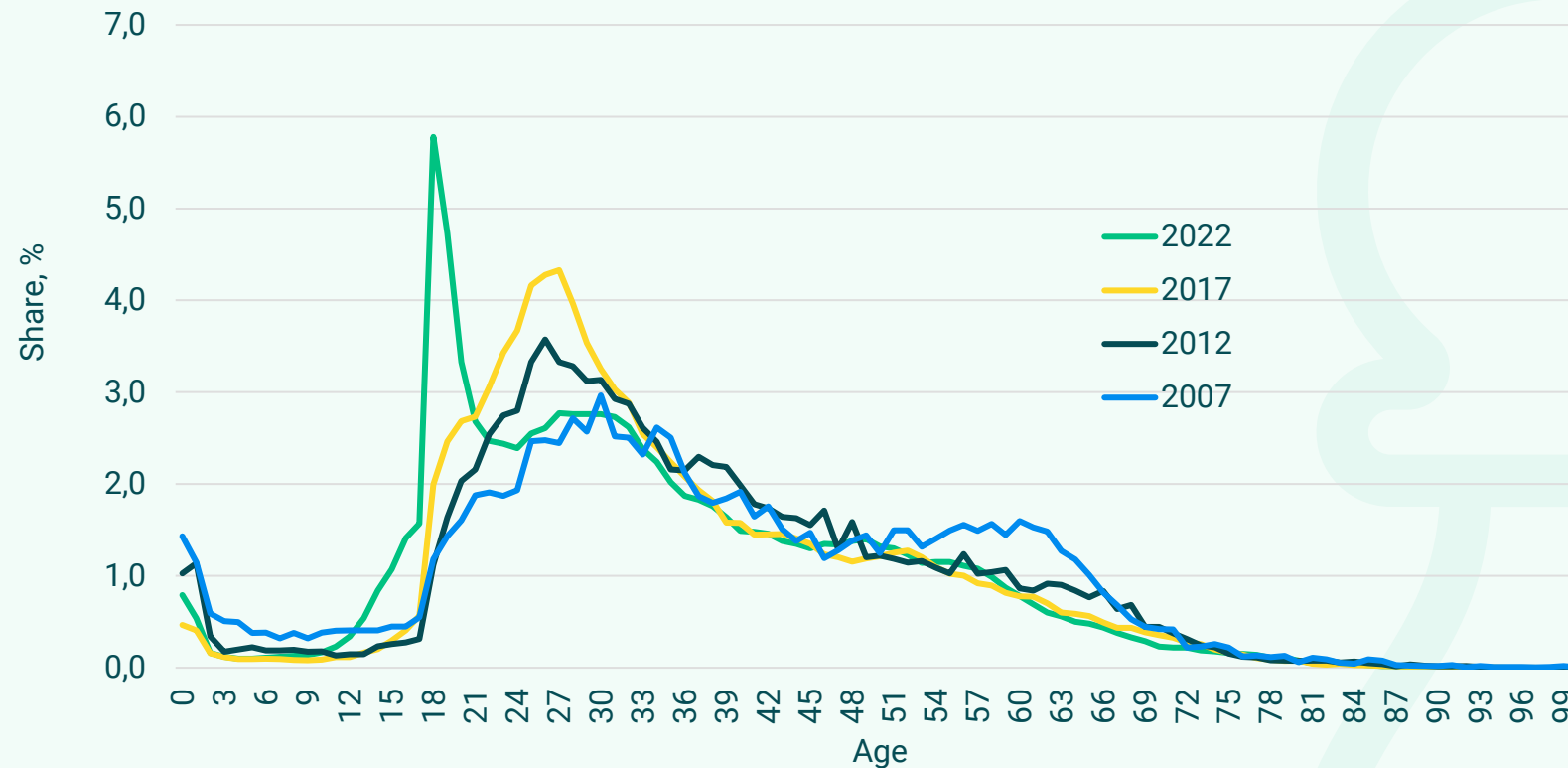
¹⁾ The occupational pension market can be divided into traditional life and unit-linked insurance. Unit linked amounts for around 40 per cent, of which Avanza is active in the portion outside collectively agreed occupational pensions, which at the end of 2022 was valued at SEK 728 billion.

The largest Swedish participant in stock market transactions and turnover on Nasdaq OMX and First North

- Market share of 19.9% in terms of transactions and 7.2% of turnover in Q3 2023



Age distribution among new customers



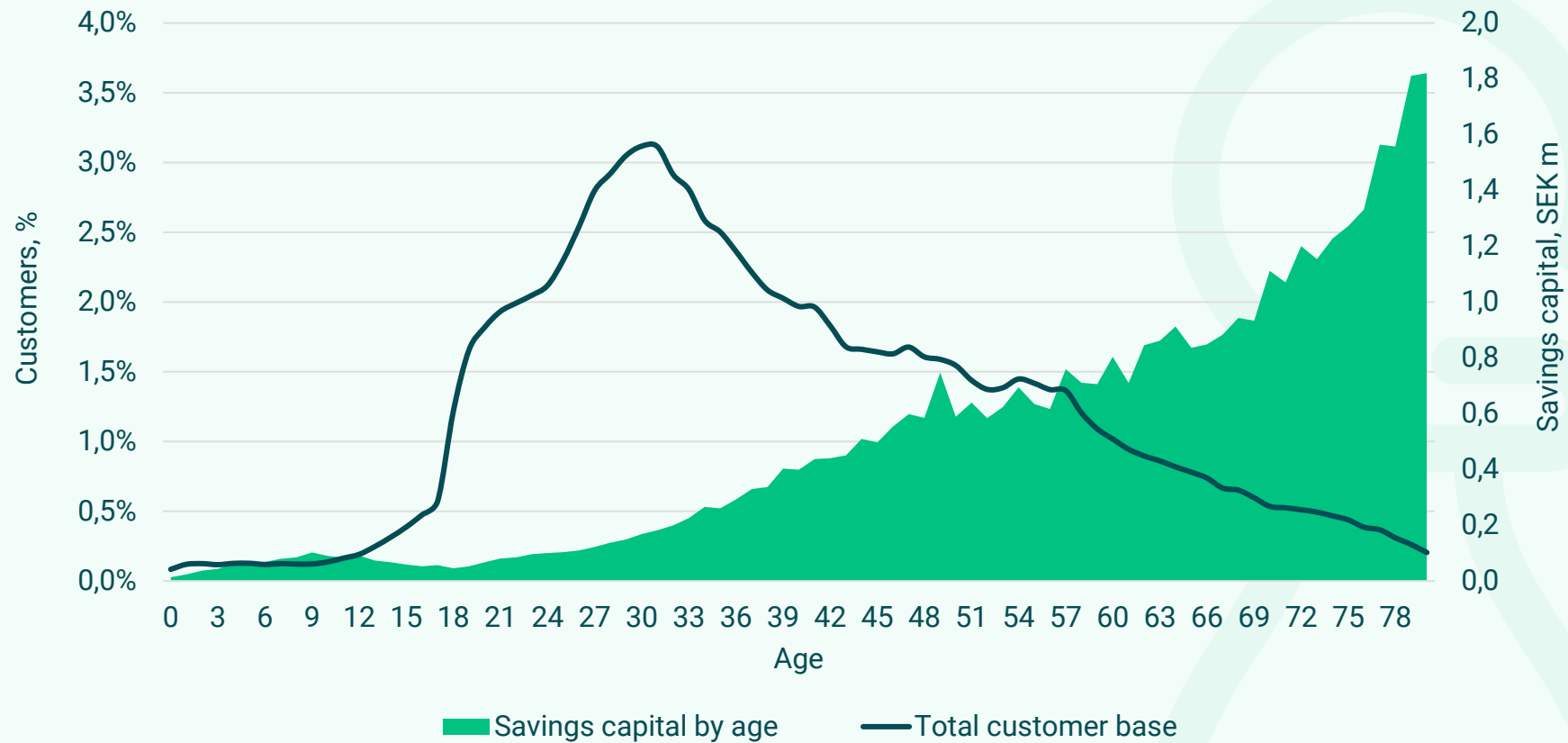
Market penetration

- Total share of Swedish population: 16.5% as of 1 November 2022
 - ages 20-29: 31.5%
 - ages 30-39: 31.0%
 - ages 40-49: 23.2%
- Highest penetration in urban areas. Stockholm region, snapshot (Women/Men) as of 1 November 2022:
 - ages 20-29: 30%/43%
 - ages 30-39: 33%/44%
 - ages 40-49: 24%/35%
 - ages 50-59: 21%/27%
 - ages 60-69: 16%/20%

Potential in both existing and new customers

- Increasing share of wallet in existing customer base
- Continue to attract young people and keep them happy as wealth grow by age
- The broad offering makes us relevant for larger groups of people
- Increased savings among women
- Regulation and digitisation have decreased friction, created more awareness and simplified self-directed financial management
- More reasons for people to take responsibility for their own savings as public pension and welfare systems are covering fewer needs
- Facilitate and inspire sustainable savings to attract a broader audience

Savings capital grow by age

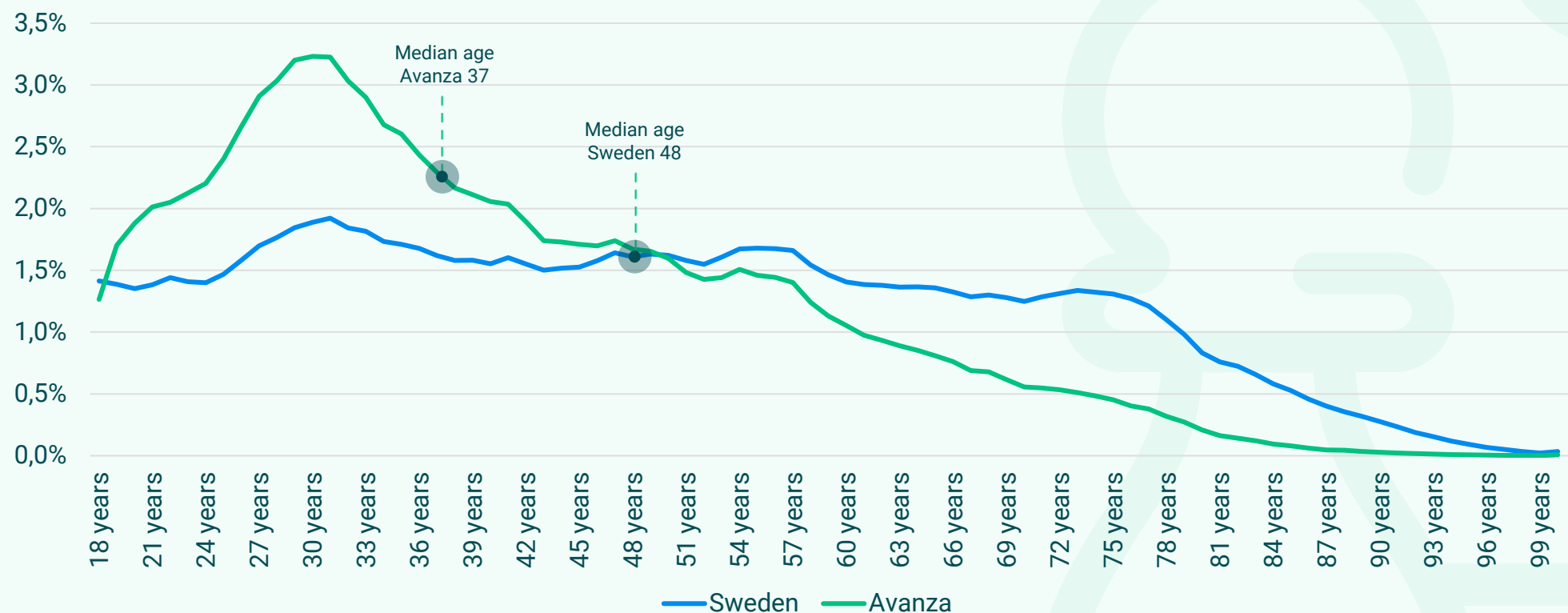


Average savings capital grow by number of years as a customer at Avanza



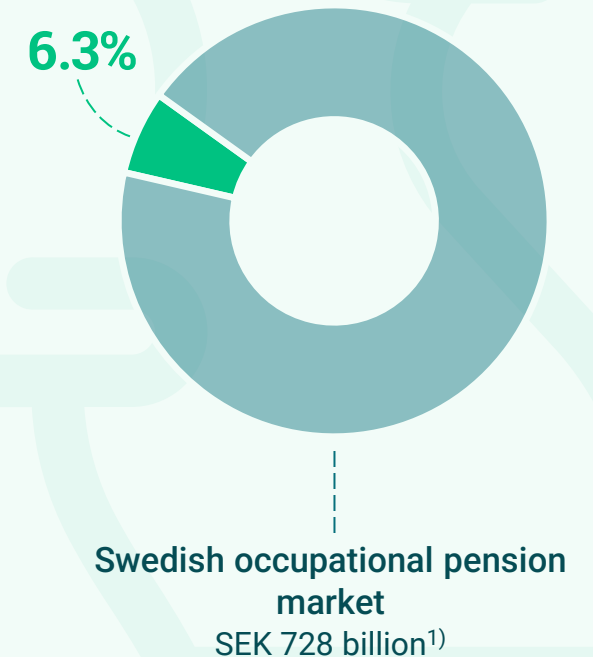
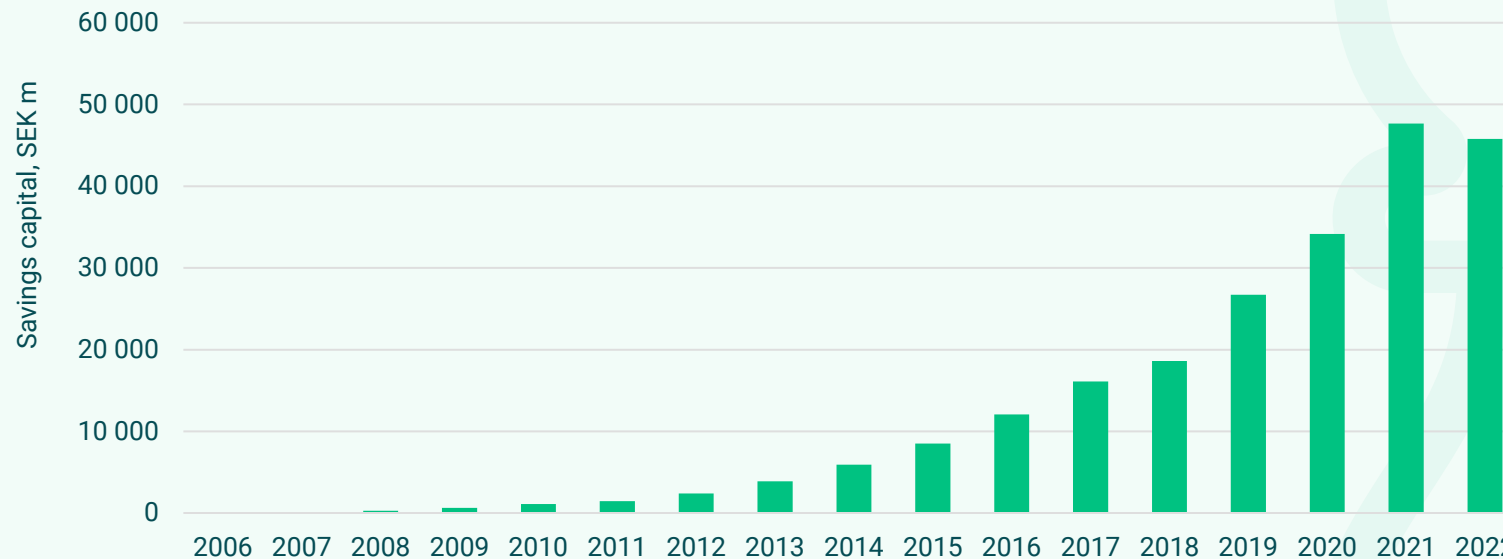
Strong potential when wealth is transferred to the next generation

Age distribution Swedish population and Avanza's customers



One of the fastest growing pension companies in Sweden

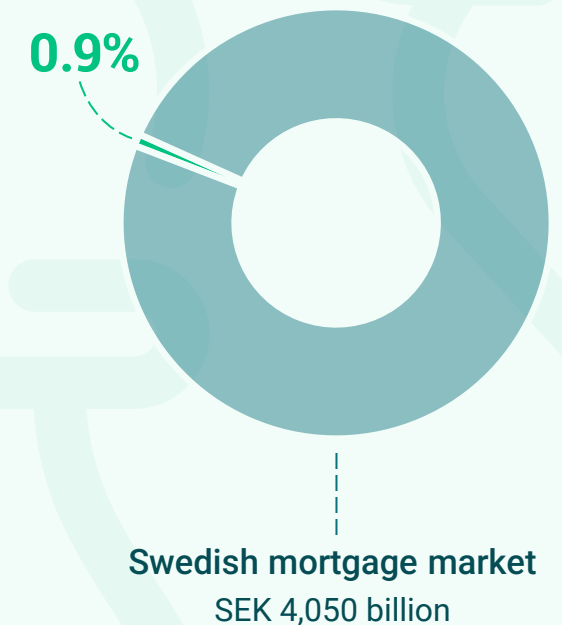
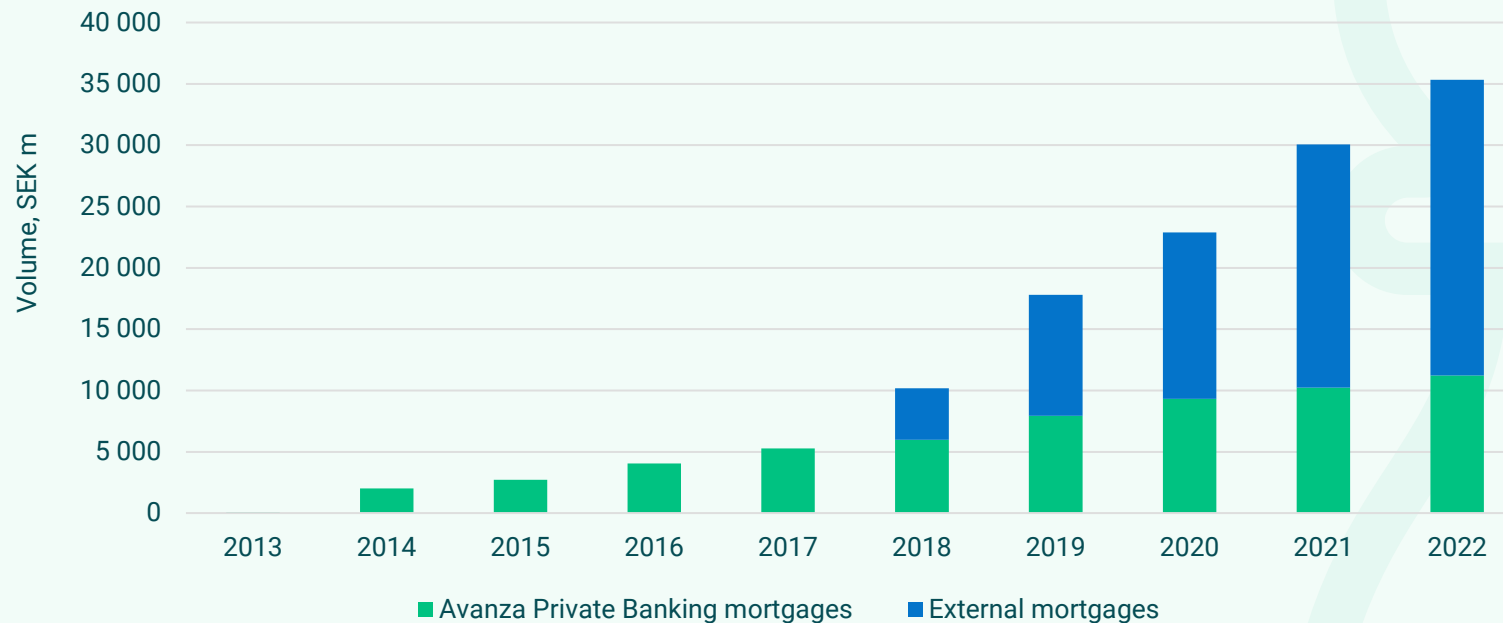
- Competitiveness with broad investment opportunities and no annual insurance fees
- The strong offer an advantage when the transfer right is improved to the benefit of the consumer



¹⁾ The occupational pension market can be divided into traditional life and unit-linked insurance. Unit linked amounts for around 40 per cent, of which Avanza is active in the portion outside collectively agreed occupational pensions, which at the end of 2022 was valued at SEK 728 billion. The previous year's reported market share has been adjusted due to the fact that significant insurance portfolios are no longer included in statistics from Swedish Insurance.

Enable customers to apply for mortgages from various external lenders

- Important part of customers' economy
- Frees up savings capital with other banks



Prepared to capture opportunities in a digitised world...



Increasing digitisation is leading to a more agile financial market.

openFinance

Data from different financial players can be easily shared with third parties by customer consent with the hope to make it easier for consumers to compare different products and switch to new providers.

SVERIGES
RIKSDAG

A more mobile occupational pension market.



Increased transparency and consumer protection.

To summarise

Customer satisfaction and employee engagement create shareholder value over time

Long-term targets

- Customer satisfaction & Employee engagement
- Growth in customers and savings capital
- Profitability and effective management of the balance sheet

Business model

- More stable revenues through funds and mortgages
- High scalability
- Cost control vital
- Top modern IT platform and continued strong innovation

Customer proposition

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

Growth potential

- Strong potential in existing customer base
- Young customers a potential when wealth is transferred
- Public pension and welfare systems are covering fewer needs

Appendix

Operations	30-31
Financials	32-37
Balance sheet data	38-43
Contact details	44

Targets and fulfilment

Long-term targets	Outcome 2022	Comments
Sweden's most satisfied savers according to the Swedish Quality Index	✓	Achieved in 2022 for the thirteenth consecutive year
Engaged employees, eNPS of at least 50	58	Very strong ambassadorship
Market share of nearly 10% 2025	6.4%	We will need a couple of good years for the stock market and will have to continue to create the best tool for our customers to manage their personal finances
Return on shareholders' equity of at least 35%	36%	Ensures focus on profitability and effective management of the balance sheet
Dividend of 70% of net profit	70%	Proposed dividend for 2022 of SEK 7.50 per share
Maximum annual costs to savings capital ratio of 12 basis points over time	15 bps	Affected by the negative performance of the stock exchange in 2022
Net zero emissions		Signed Business ambition for 1.5°C, committing to reduce Avanza's direct and indirect emissions by 40 per cent until 2030
Strengthen the sustainability score in customers' investments	20.0	The share of capital in sustainable investments increased as the sustainability score decreased from 20.2 to 20.0
Increase gender equality in savings		Still far from acceptable levels. Women's share of capital was 25%, and the share of women among customers was 38%

Avanza's targets for a sustainable future

Net Zero emissions



Avanza's goal is to reduce scope 1, 2 and 3 emissions with 40 percent by 2030 and to achieve net zero emissions of greenhouse gases as soon as possible, by 2045 the latest. This includes emissions generated by the bank itself from energy consumption and business travels, as well as indirect emissions such as the investments made by our fund company.

Strengthen the sustainability rating in our customers' investments

We are continuously improving our decision tools, making it easier for our customers to make sustainable investments. Our goal is lower sustainability risk in our customers portfolios.

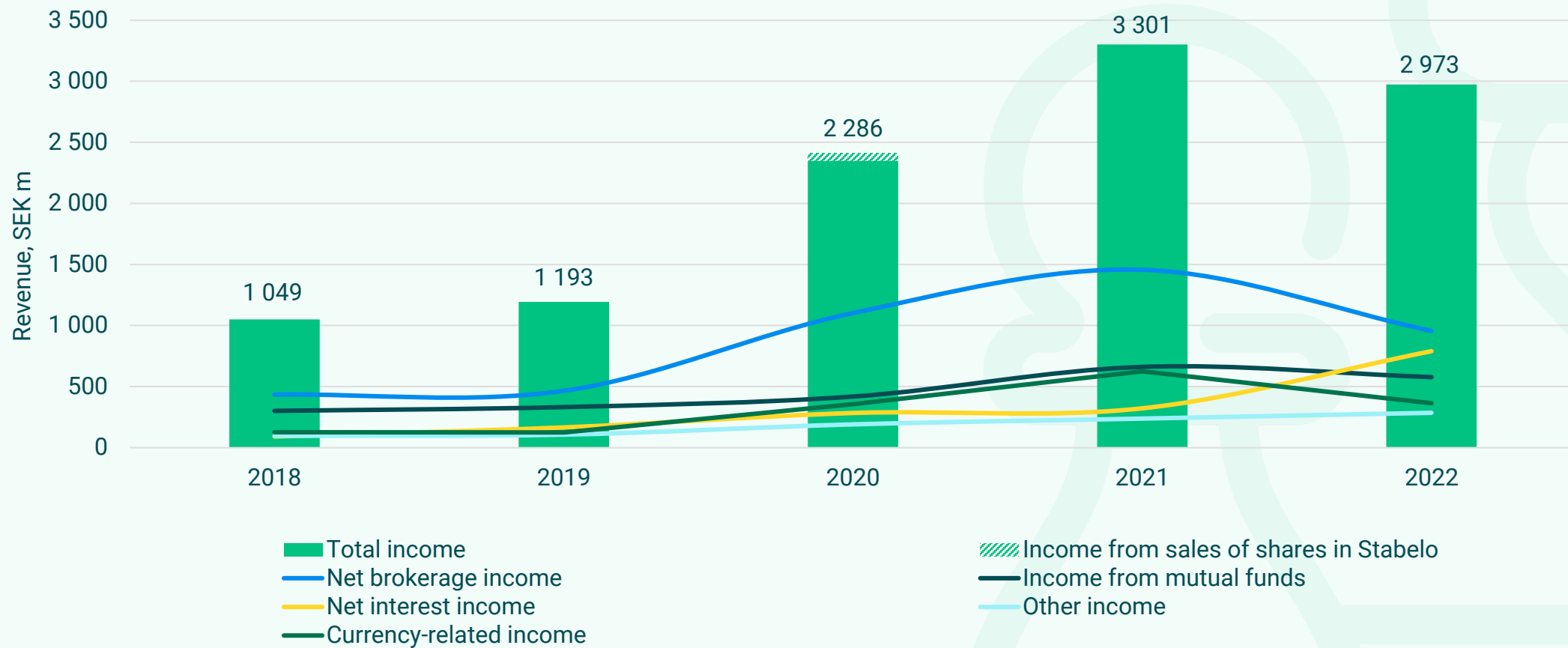
Increase gender equality in savings

The share of women on Avanza's platform today is 39 per cent. The share of savings capital they hold is only 26 per cent.

Financial overview

	2023 9M	2022 9M	Δ %	2022	2021	Δ %
Operating income, SEK m	2,555	2,126	20	2,973	3,301	-10
Operating expenses, SEK m	-842	-758	11	-1,031	-864	19
Operating profit, SEK m	1,713	1,368	25	1,940	2,437	-20
Operating margin, %	67	64	3	65	74	-9
Income to savings capital ratio, %	0.48	0.40	0.08	0.42	0.47	-0.05
Costs to savings capital ratio, %	0.16	0.14	0.02	0.15	0.12	0.02
ROE, %	39	35	4	36	50	-14
EPS, SEK	9.47	7.53	26	10.69	13.19	-19

Long-term revenue development

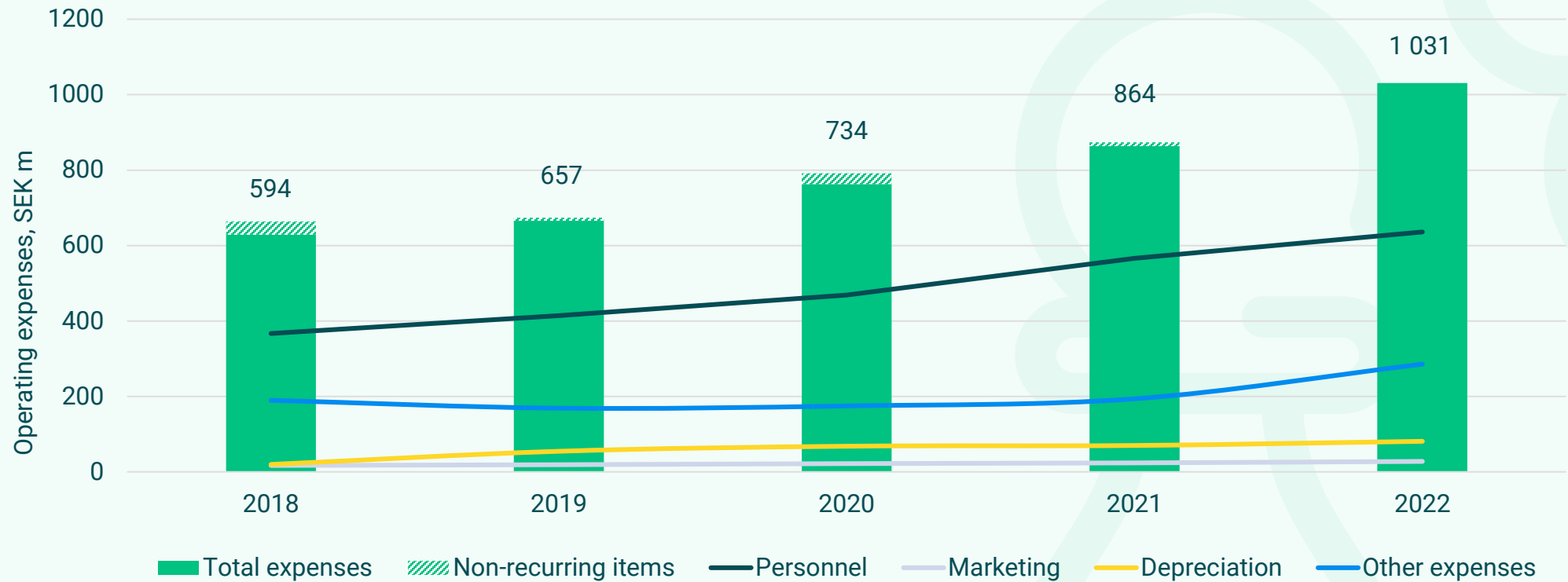


Income split 9M 2023

	SEK m	% of income
Net brokerage income	562	22
Fund commissions, net	444	17
Currency-related income, net	218	9
Net interest income	1,143	45
Other income, net ¹⁾	187	7
Total	2,555	100

1) Mainly income from Avanza Markets, compensation for distribution and stock lending, but also advertising sales, subscriptions and customer's add-on services.

Annual cost development



Costs for 2023 are estimated at a maximum of SEK 1,160 m

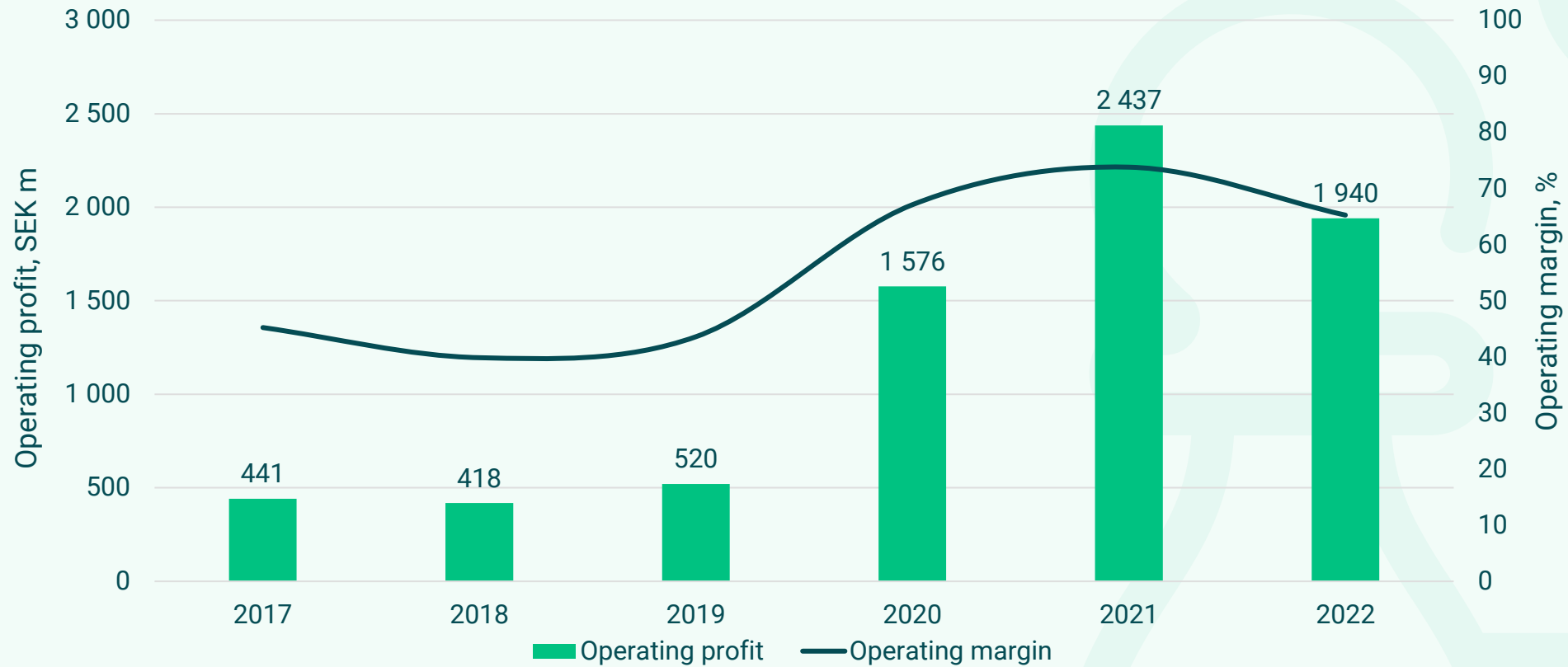
Costs 9M 2023	SEK m	% of total costs
Personnel	-515	61
IT systems and licenses	-96	11
External services	-58	7
Marketing	-22	3
Depreciation, amortisation and impairment	-66	8
Other	-85	10
Total costs before credit losses	-842	100
Credit losses, net ¹⁾	0	

Comments

- Regarding technology investments, our philosophy is to expense as much as possible through the income statement. Our aim is to maintain the balance sheet as clean and simple as possible, and we do not want to postpone costs

¹⁾ Reported credit losses are attributable to calculations of expected credit losses according to IFRS9.

Operating margin at high levels



Balance sheet, 30 September 2023

Assets	SEK m	Liabilities & equity	SEK m
Lending to credit institutions ¹⁾	14,911	Deposits	61,168
Loans to the public	21,185	Liabilities in insurance operations	199,321
Bonds	29,518	Other liabilities	731
Assets in insurance operations	199,319	Shareholders' equity	5,293
Other assets	1,580		
Total assets	266,513	Total liabilities and shareholders' equity	266,513

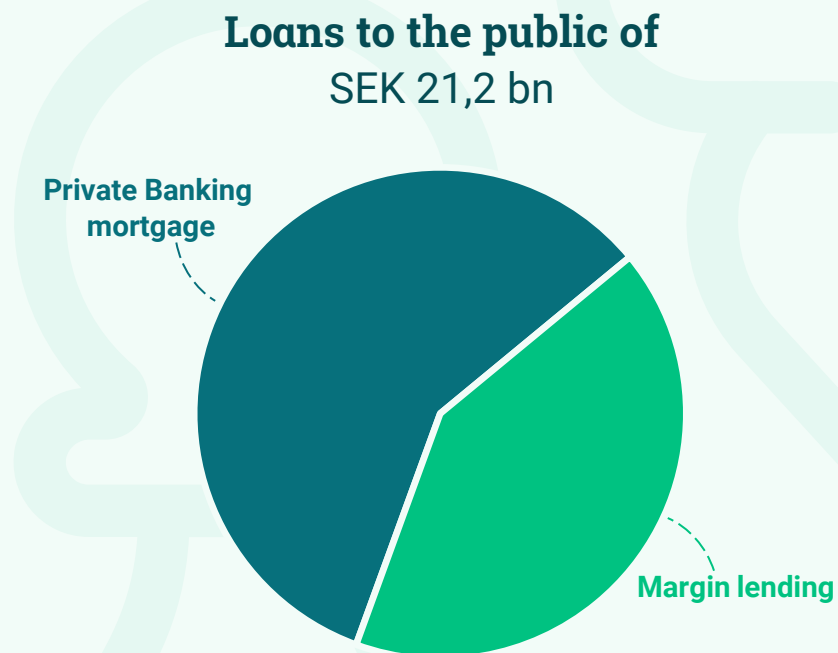
Comments

- Mainly self-financed through shareholders' equity and customer deposits
- Surplus-liquidity of SEK 45,298m invested in covered bonds, at the Riksbank and O/N (including SEK 869m deposits in client fund accounts)
- The value of the insurance liabilities tracks the value of the insurance assets since the policyholders bear the direct investment risk. No products with guaranteed return is offered

1) Including balances at central banks and treasury bills eligible for refinancing.

Low-risk loan book

- Funded through customer deposits spread across a very large number of households
- All lending is secured
- Mortgage lending limited to 25 per cent of liquidity
- Private Banking mortgage requires SEK 3 million of savings capital. Average loan-to-value of 37 per cent
- Margin lending with collateral in securities. No significant concentration of pledged securities. Average loan-to-value of 28 per cent
- No realised credit losses attributable to events after 2011



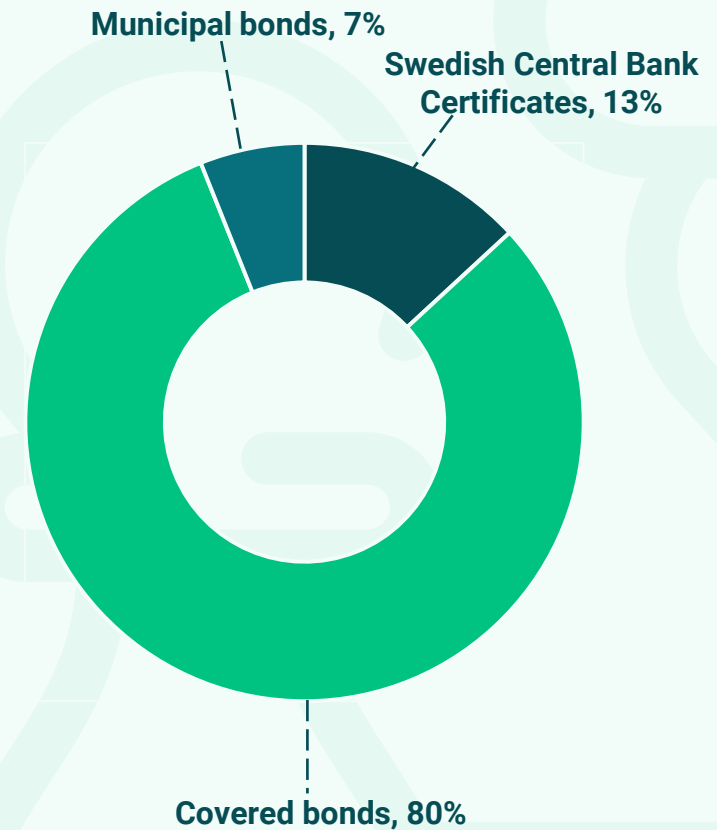
Low cost of risk with marginal credit losses, SEK m

- credit losses of 0.02% annually 2001 to 2022



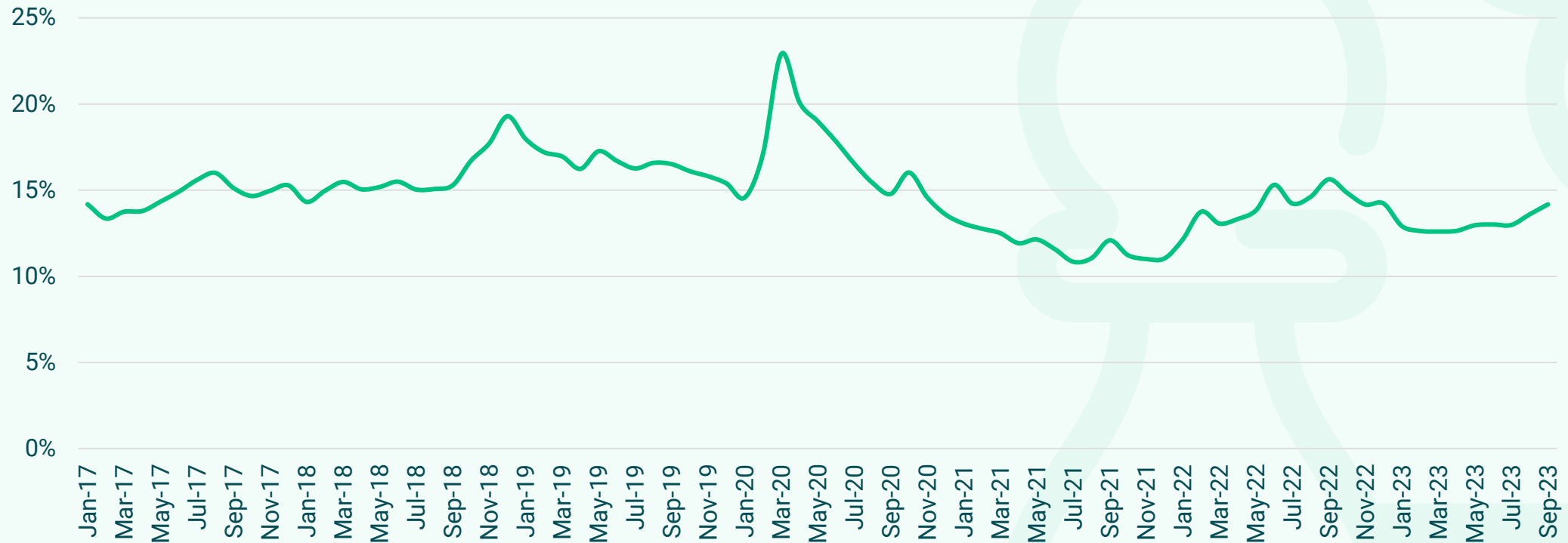
Treasury portfolio composition

- Conservative credit profile
- All interest-bearing securities have the highest bond rating
- Balanced maturity structure
- Exposure in SEK
- All securities can be pledged to the Swedish Central Bank



Stable share of liquidity of total savings capital

- Deposits from the public are considered one of the most secure sources of financing
- Liquidity risk is reduced as deposits are spread across a very large number of households



Strong capital position

	30 September 2023	31 December 2022
Total capital requirement, % ¹⁾	18.2	15.1
Capital surplus, %	10.8	11.1
Total capital ratio, %	29.1	26.2
Leverage ratio,% ²⁾	5.4	5.5
Capital surplus after LR-requirement and P2-guidance	1.9	1.5

1) Including external buffers and Pillar 2 requirements.

2) Requirement of 3%.

Historical financial key data 2001–2023 is available in Excel at: avanza.se/keydata

ir@avanza.se

[More contact details](#)

