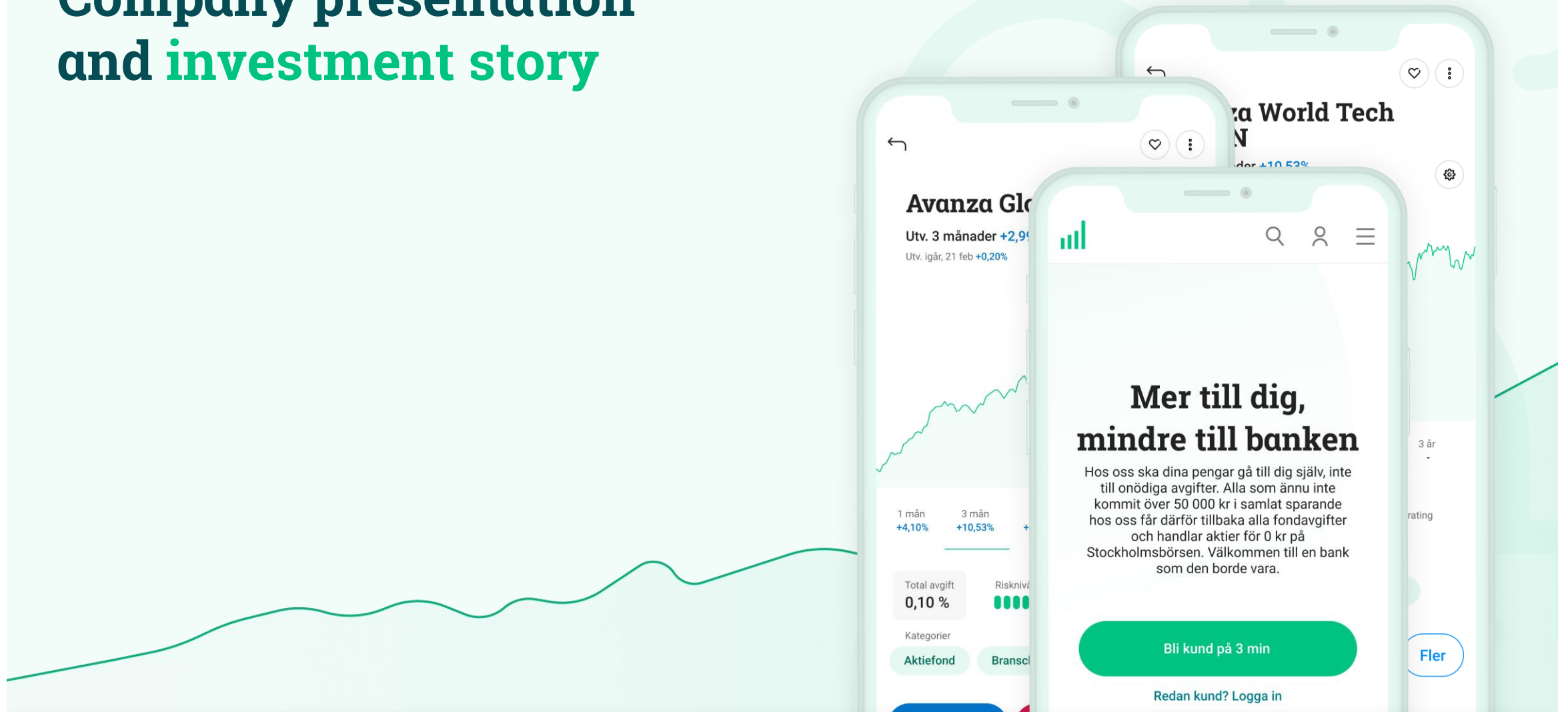
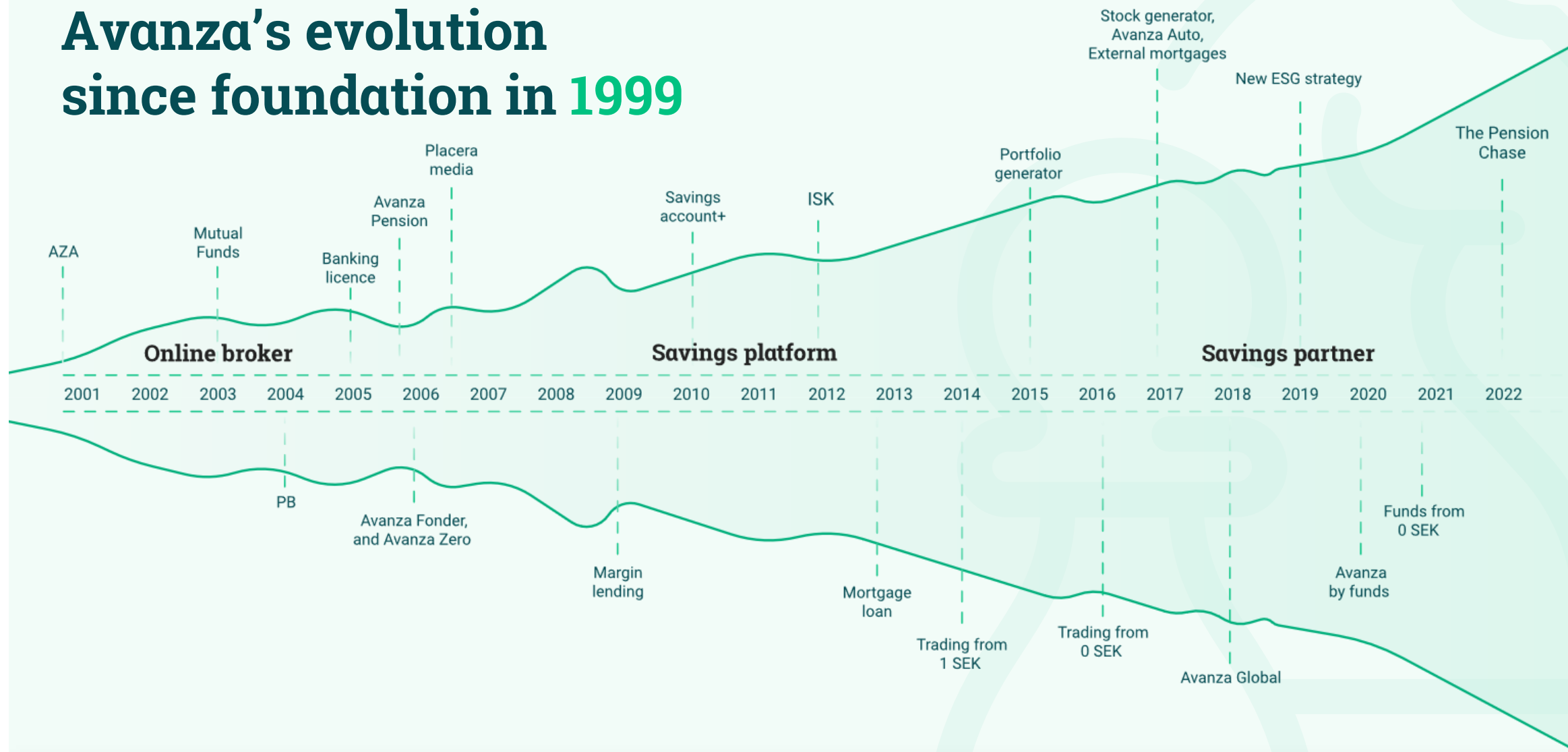


March 2024

Company presentation and investment story



Avanza's evolution since foundation in 1999



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

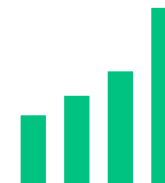


No. 1 long-term target to have the
most satisfied savings customers in Sweden –
won for the last 14 consecutive years



1,934,000
customers

SEK 817 bn
in savings
capital



661
employees and
eNPS of
58

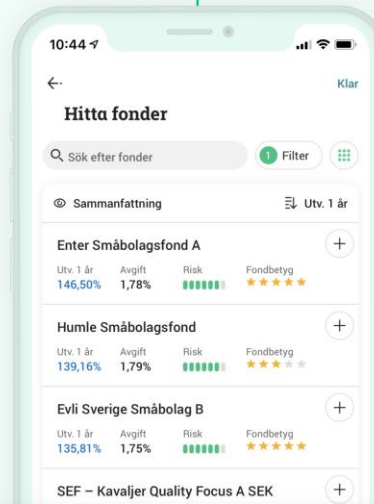
7.1% market share of the
Swedish savings market

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

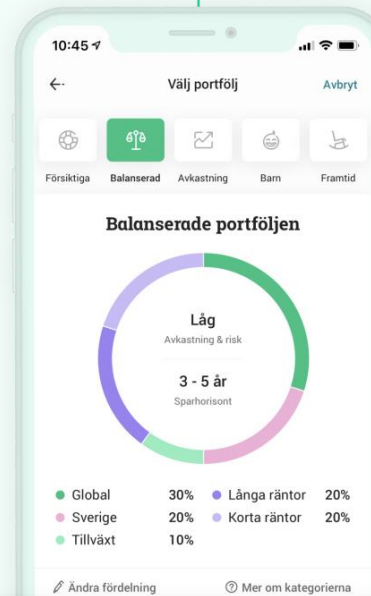
Securities trading



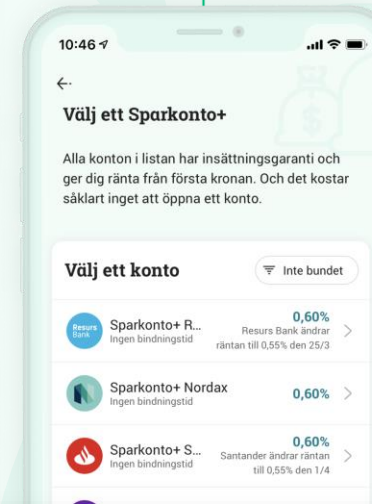
Mutual funds



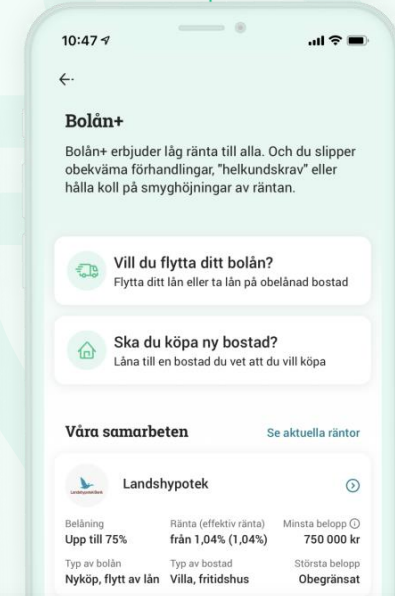
Retirement plans



Savings accounts

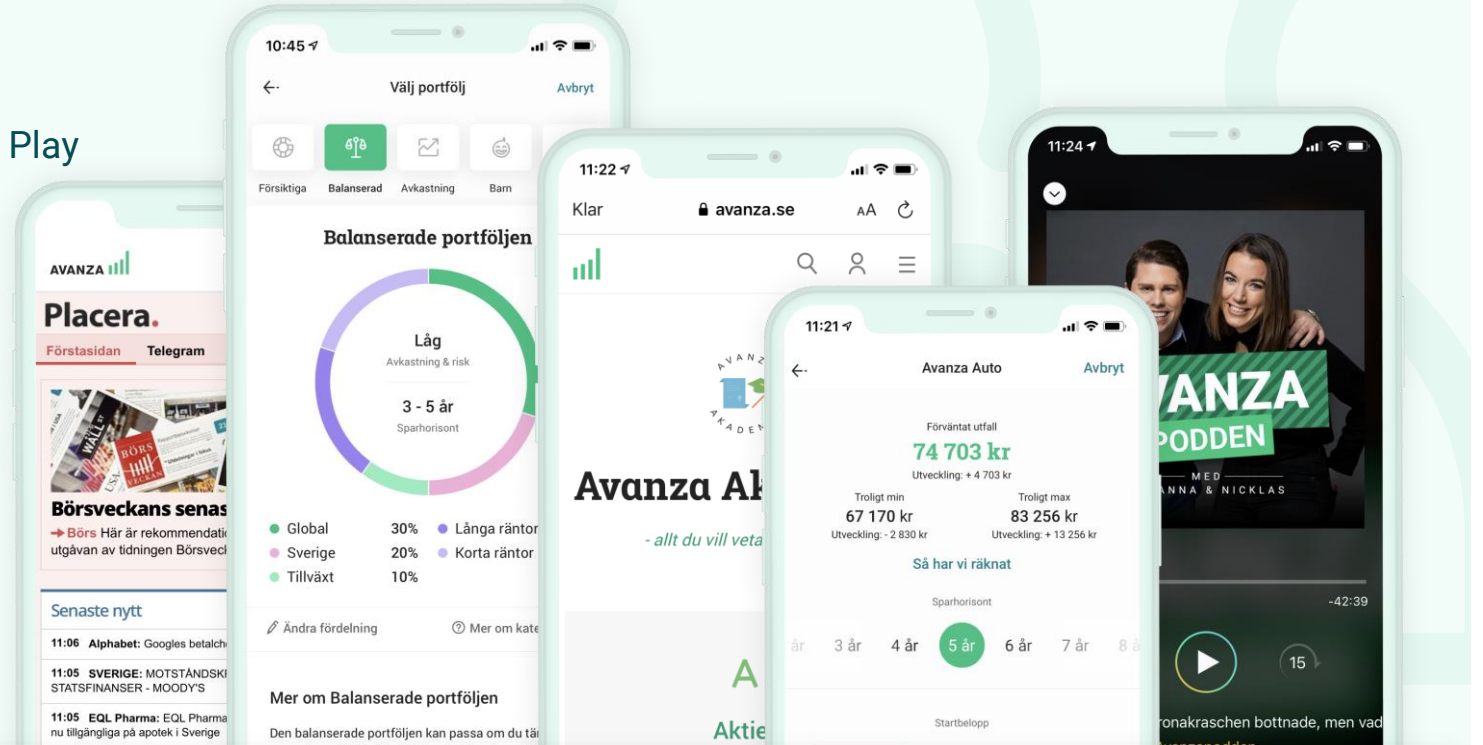


Mortgages and margin lending

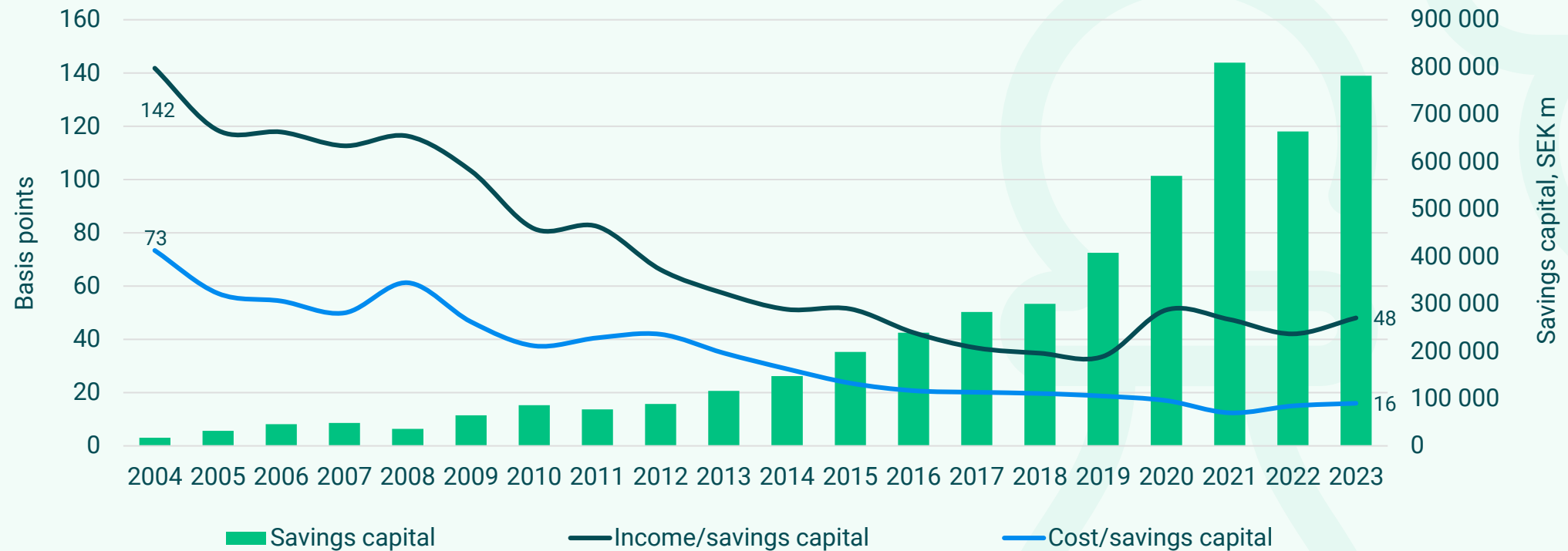


We don't give advice, but **focus on decision-making tools**

- 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

2023	% of income
Net brokerage income	21
Fund commissions, net	17
Currency-related income, net	8
Net interest income (NII)	46
Other income, net ¹⁾	8

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 19.6 bn



No realised credit losses
for over 10 years

On balance sheet deposits

SEK 61.7 bn

24.7%

CET1 ratio

5.0%

Leverage ratio

Solid financial position

38%

ROE

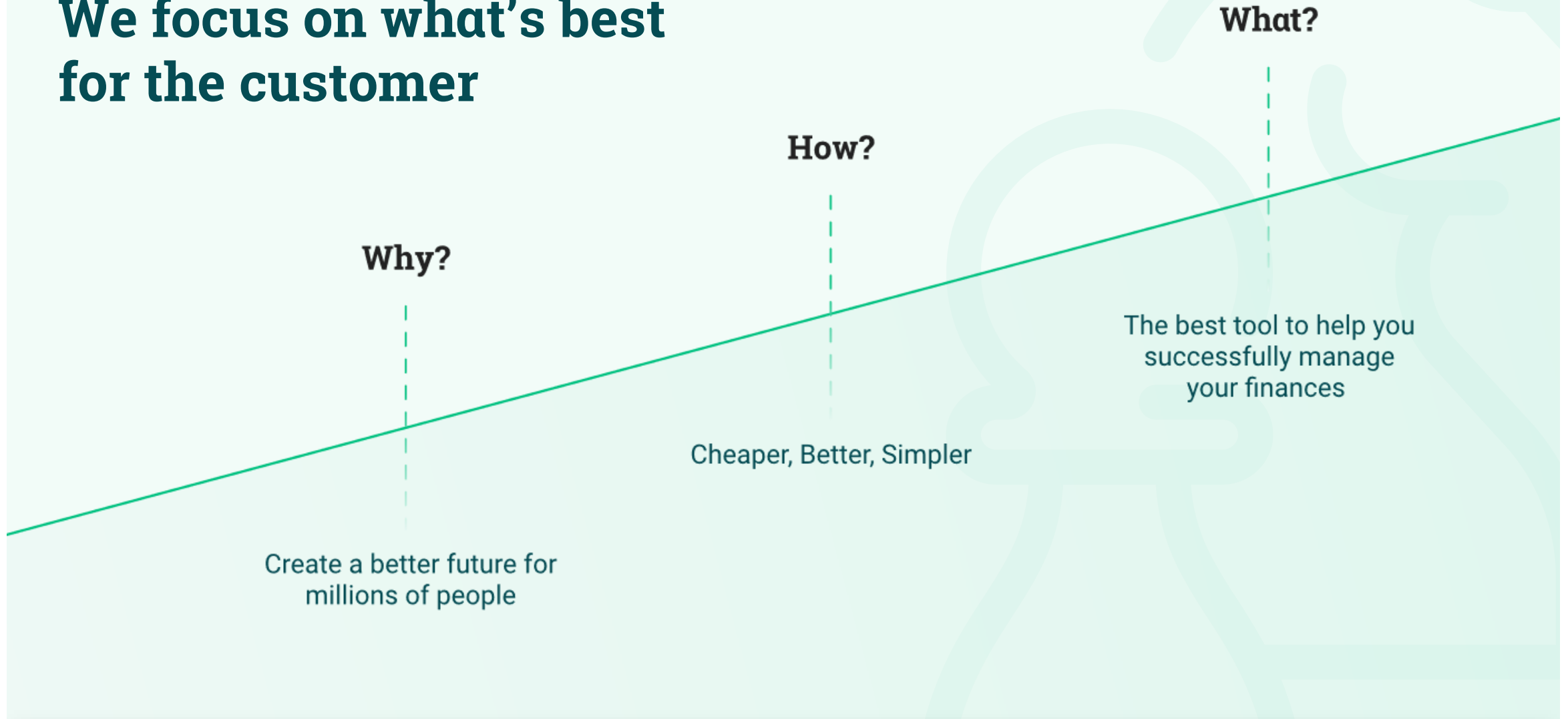
58%

Profit margin

99.8%

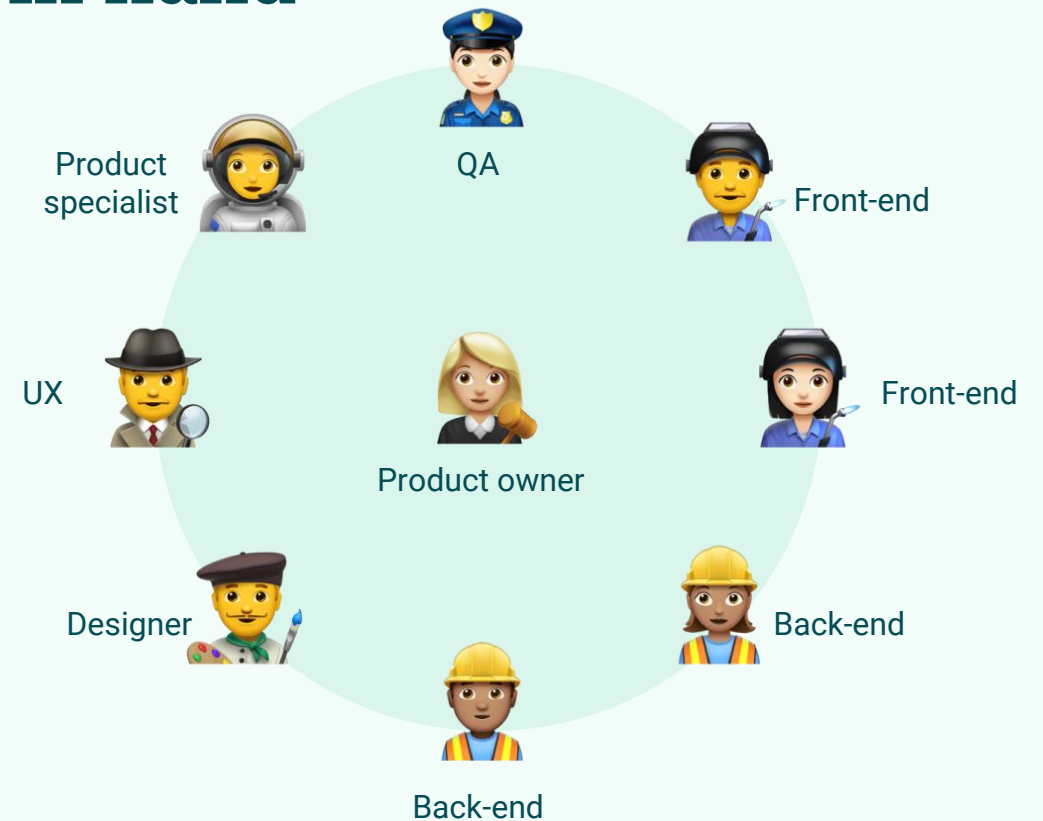
High platform
availability

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.

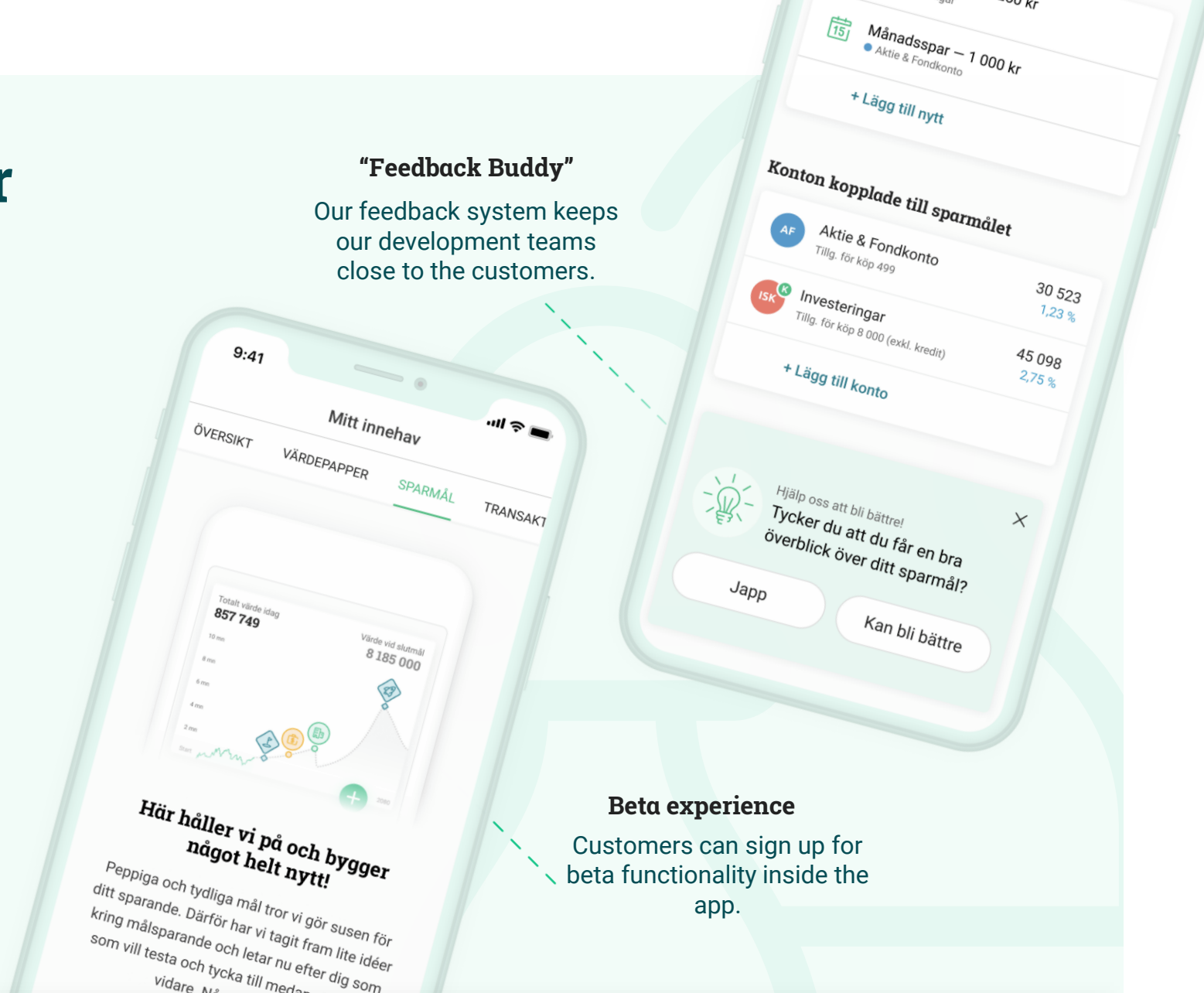
And get, tens of thousands of twitter feedback, app reviews and customer service messages, which are also a vital part of the development feedback to the teams.

"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



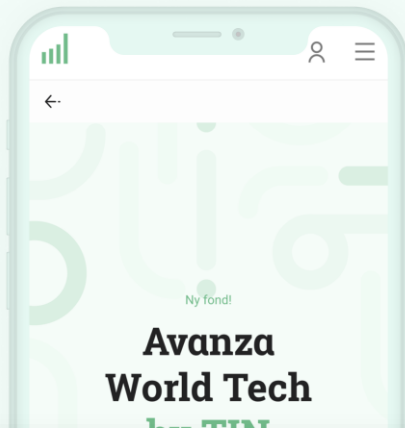
Most satisfied savings customers in Sweden –
won for the last 14 consecutive years

Churn, %
0.3

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

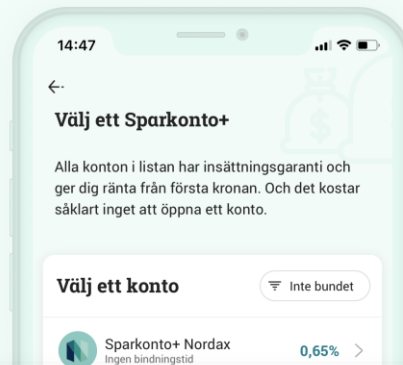
Mutual fund platform

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

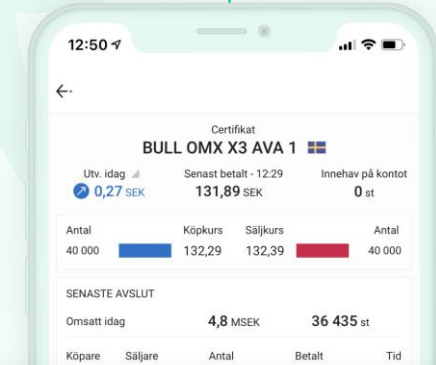
Our partners deliver low interest mortgages through our interface



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.

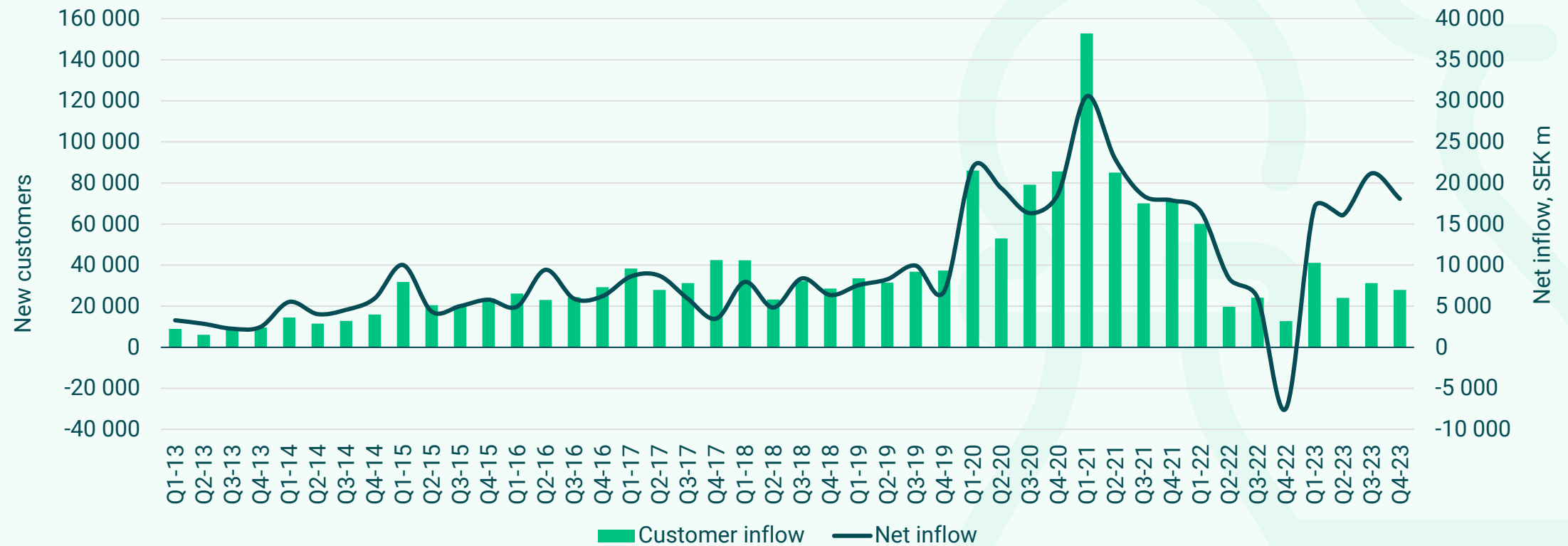
Educate & Challenge

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

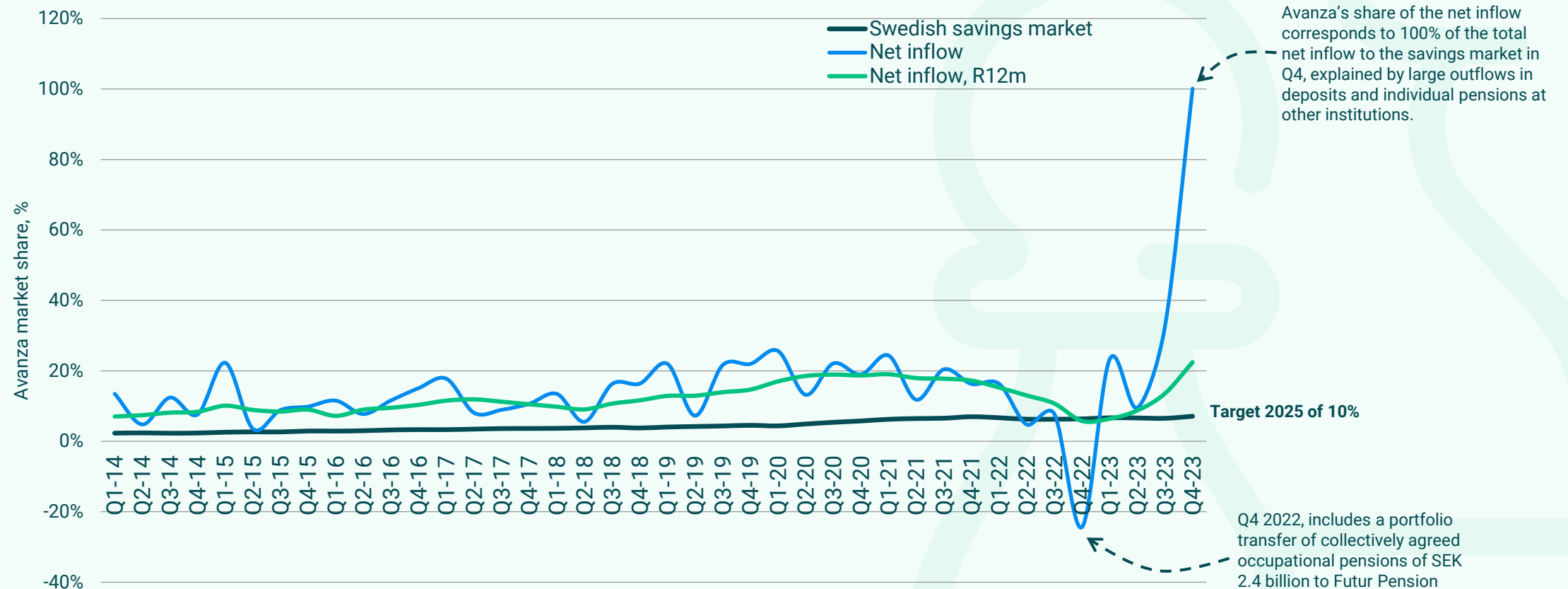
Sustainable investment

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

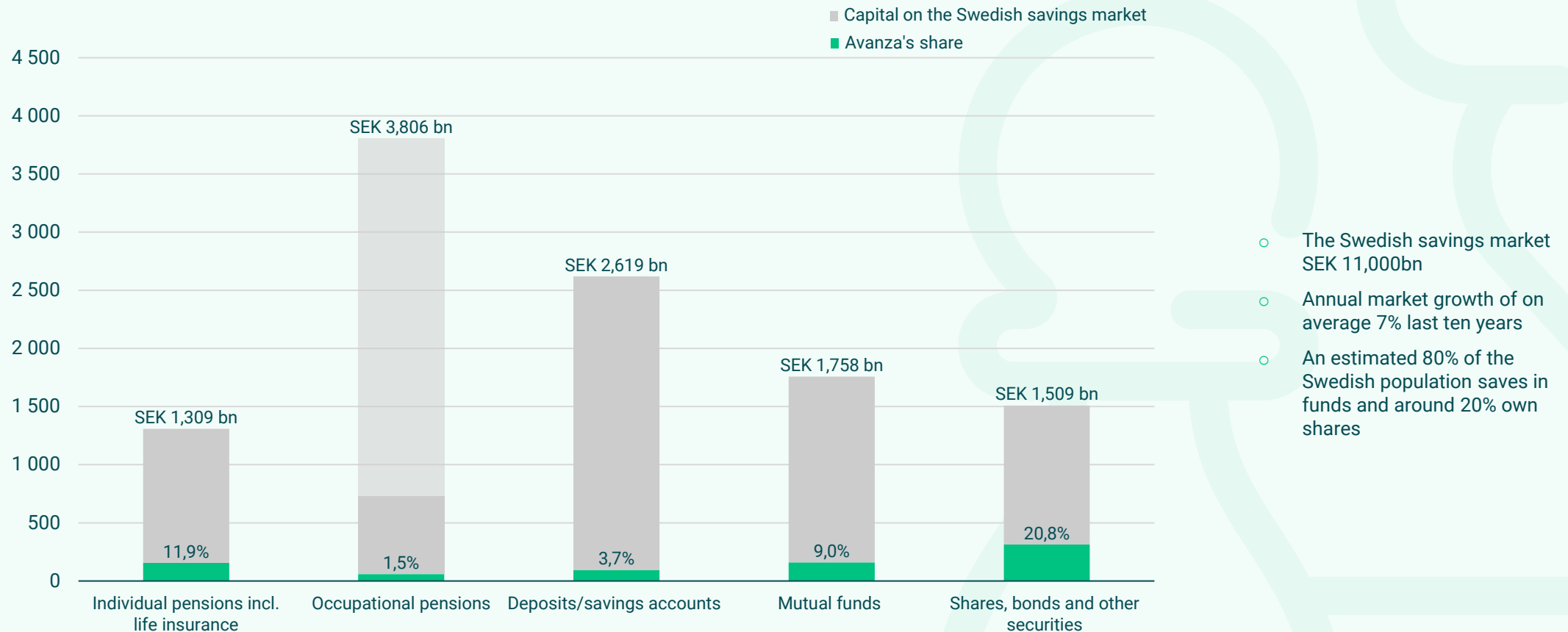


Market share of 22% rolling 12M of net savings on the Swedish savings market



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.

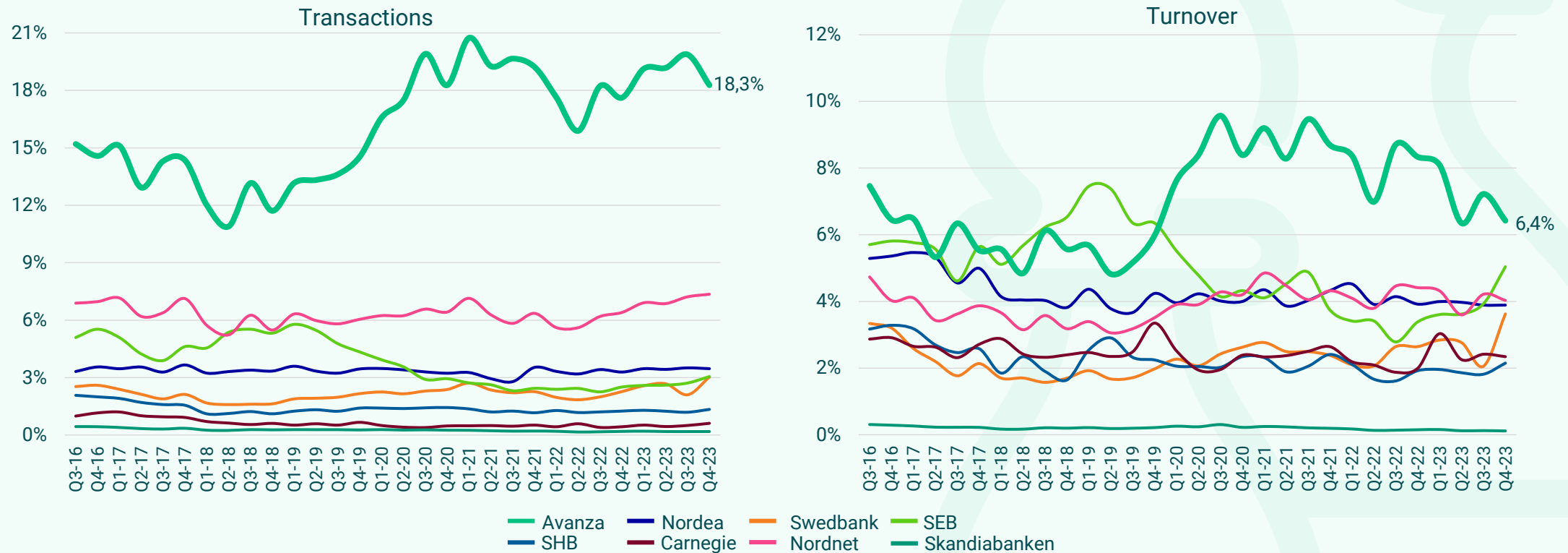
Significant growth potential with a 7.1% market share of the Swedish savings market



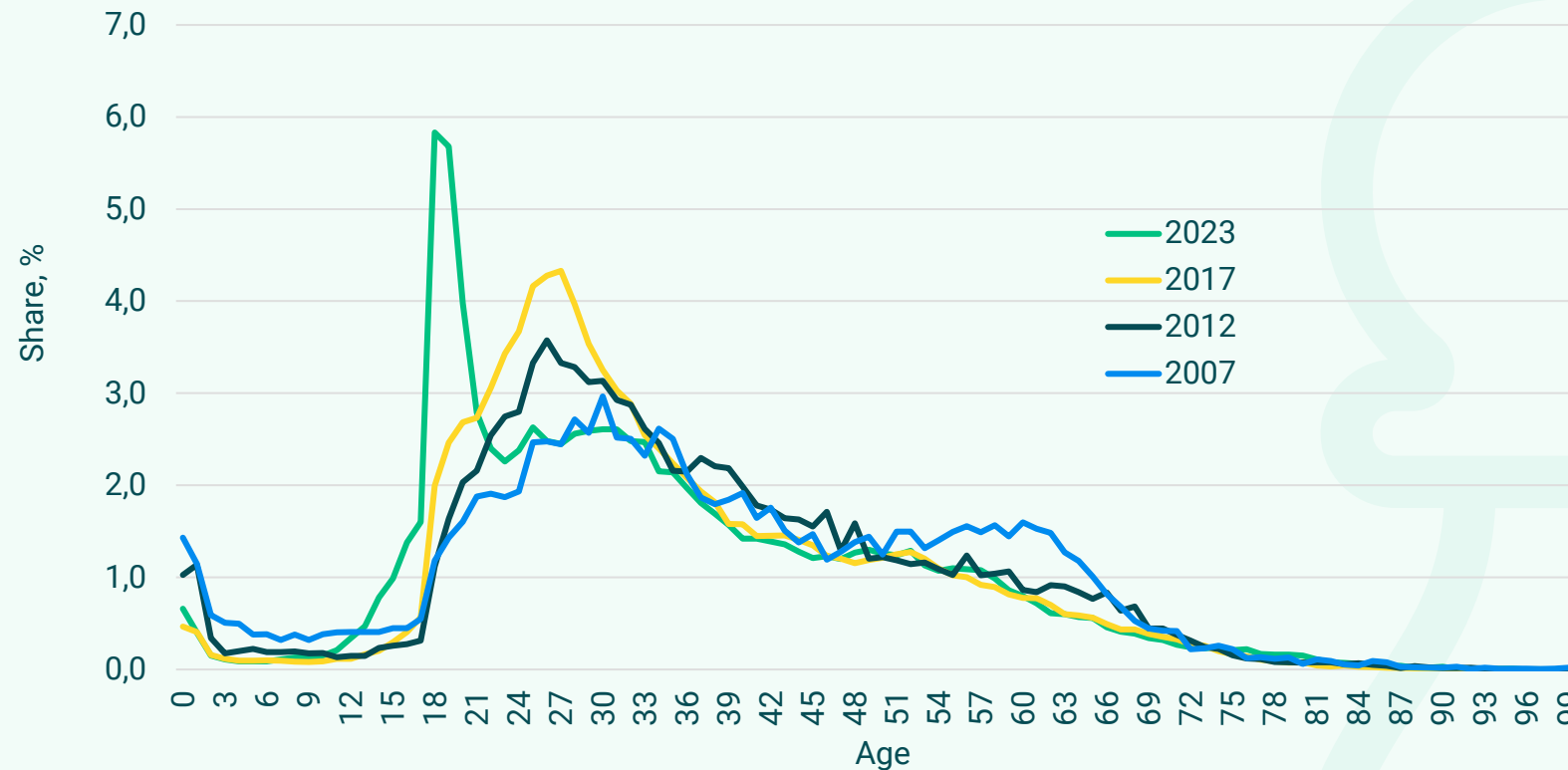
¹⁾ The occupational pension market can be divided into traditional life and unit-linked insurance. Unit linked amounts for around 40 per cent, of which Avanza is active in the portion outside collectively agreed occupational pensions, which at the end of 2022 was valued at SEK 728 billion.

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

- Market share of 18.3% in terms of transactions and 6.4% of turnover in Q4 2023



Age distribution among new customers



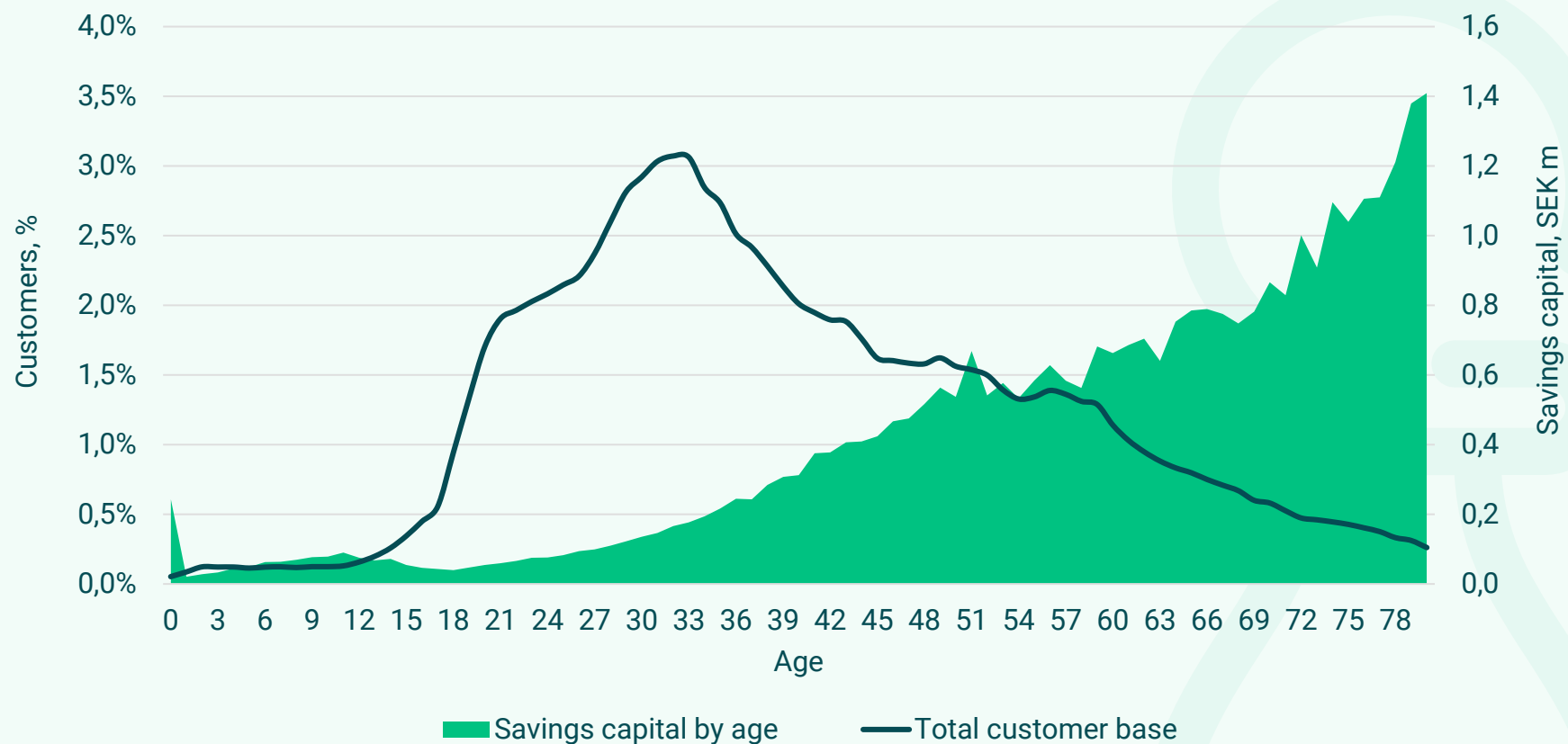
Market penetration

- Total share of Swedish population: 17.5% as of 1 November 2023
 - ages 20-29: 32.9%
 - ages 30-39: 33.3%
 - ages 40-49: 24.8%
- Highest penetration in urban areas. Stockholm region, snapshot (Women/Men) as of 1 November 2023:
 - ages 20-29: 31%/44%
 - ages 30-39: 35%/46%
 - ages 40-49: 26%/36%
 - ages 50-59: 22%/28%
 - ages 60-69: 17%/21%

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

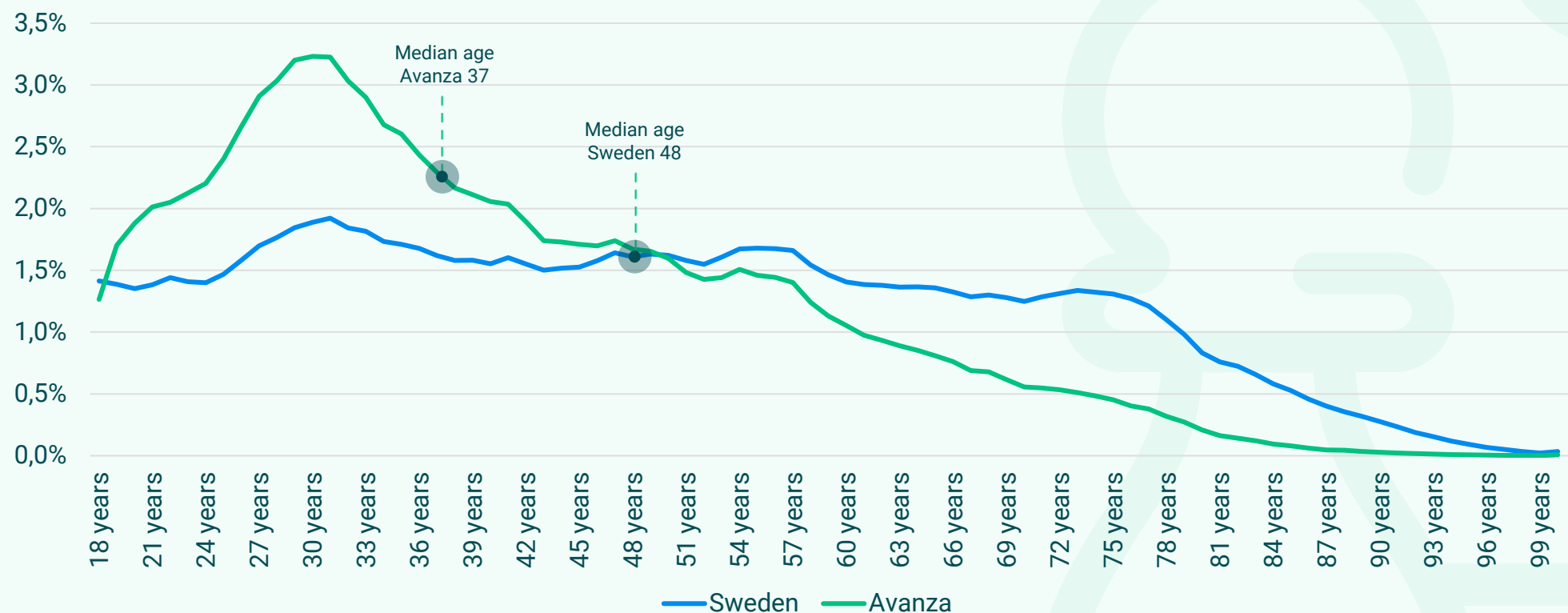


Average savings capital grow by number of years as a customer at Avanza



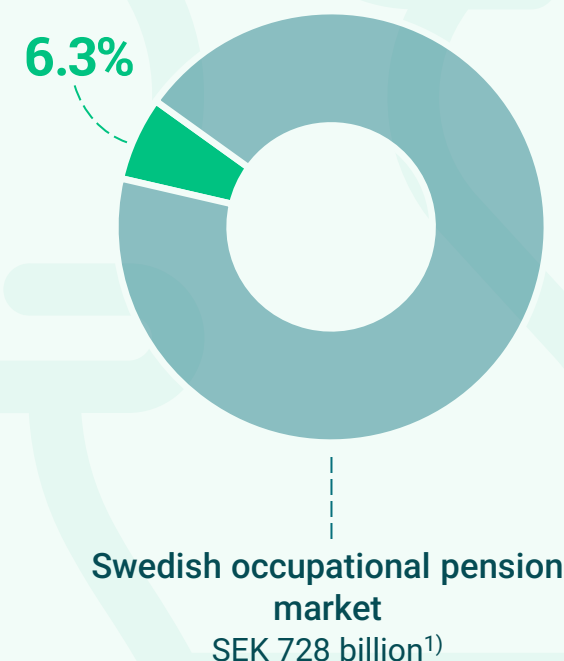
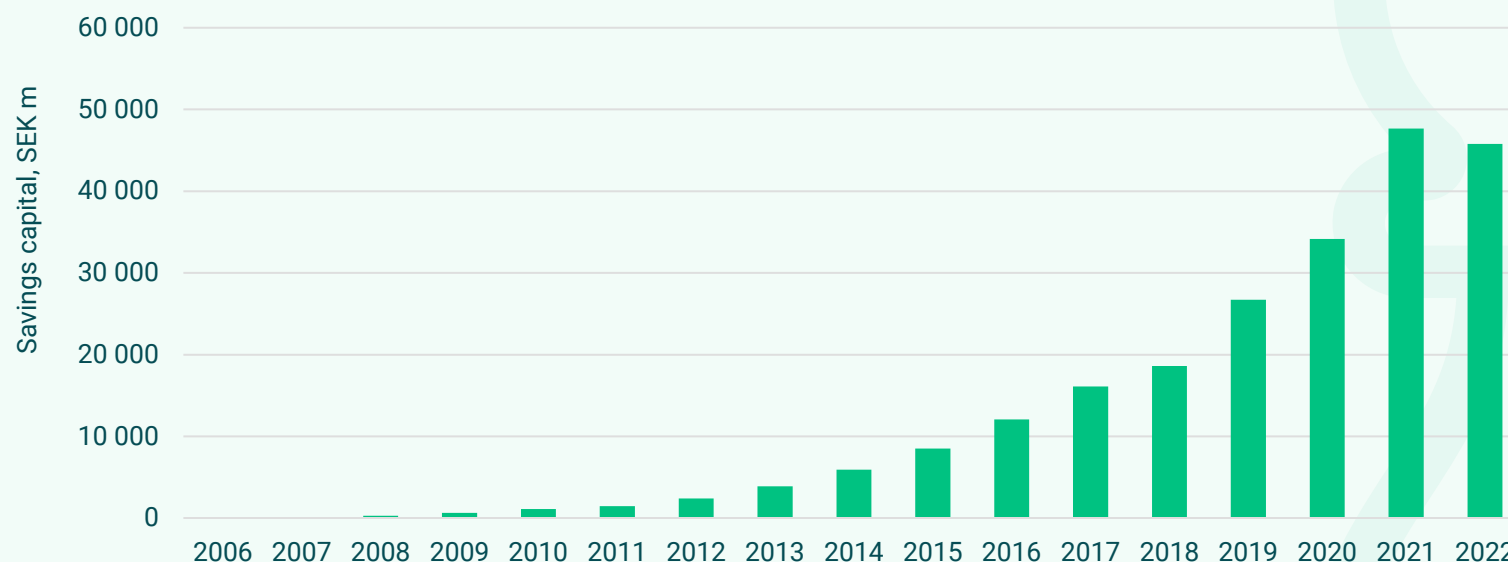
Strong potential when wealth is transferred to the next generation

Age distribution Swedish population and Avanza's customers



One of the fastest growing pension companies in Sweden

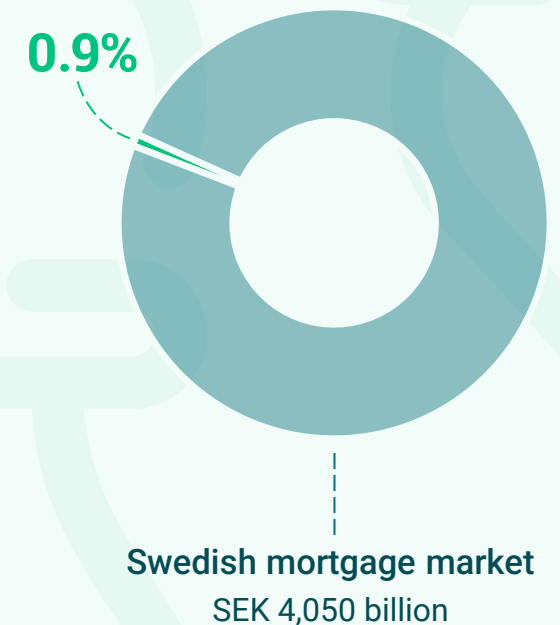
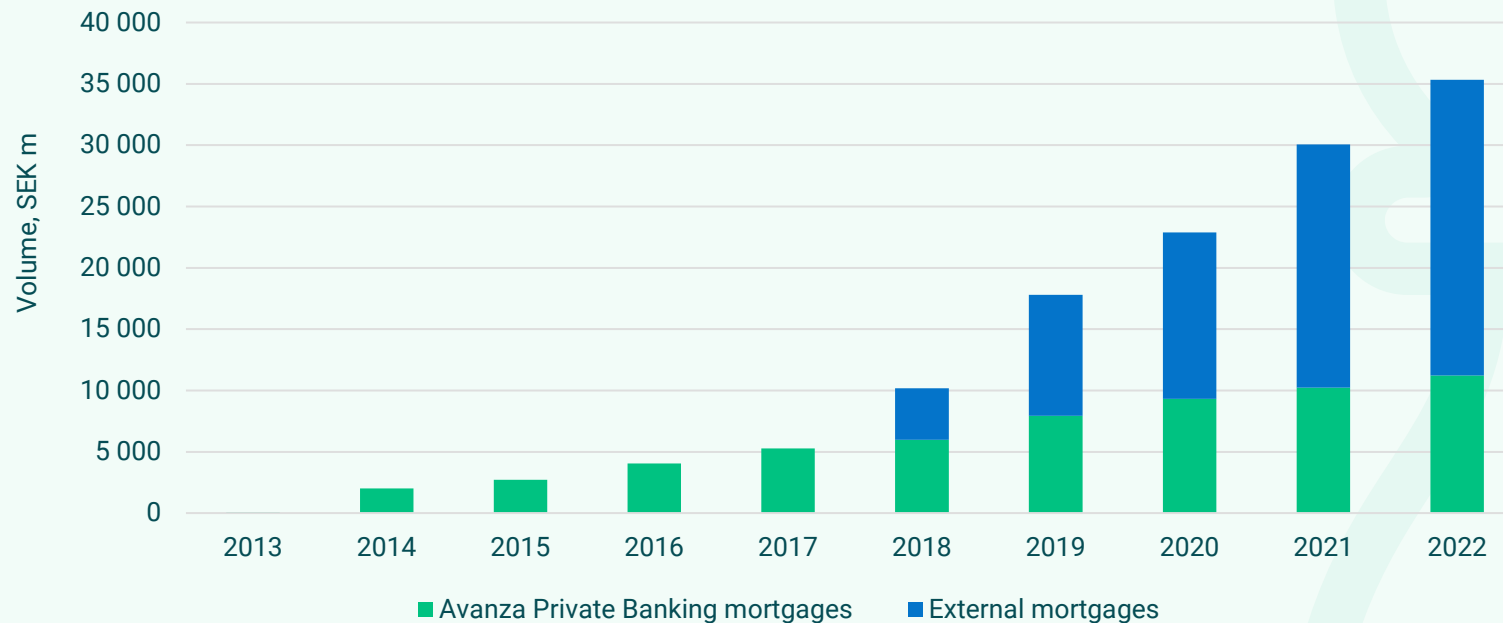
- Competitiveness with broad investment opportunities and no annual insurance fees
- The strong offer an advantage when the transfer right is improved to the benefit of the consumer



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 2023	Comments
Sweden's most satisfied savers according to the Swedish Quality Index	✓	Achieved in 2023 for the 14 th consecutive year
Engaged employees, eNPS of at least 50	58	Very strong ambassadorship
Market share of nearly 10% 2025	7.1%	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%	38%	Ensures focus on profitability and effective management of the balance sheet
Dividend of 70% of net profit	91%	Proposed dividend for 2023 of SEK 11.50 per share. Higher than the policy as capitalisation is strong and margins to capital requirements are good
Maximum annual costs to savings capital ratio of 12 basis points over time	16 bps	Affected by the negative performance of the stock exchange in 2022 and 2023, although costs have increased as well
Net zero emissions		Our 1.5°C target was verified and approved by Science Based Target initiative. This means cutting emissions in half by 2030
Strengthen the sustainability score in customers' investments	19.6	The share of capital in sustainable investments increased as the sustainability score decreased from 20.0 to 19.6
Increase gender equality in savings		Still far from acceptable levels. Women's share of capital was 26%, and the share of women among customers was 39%

Avanza's targets for a sustainable future

Net Zero emissions



Avanza's goal is to reduce scope 1, 2 and 3 emissions with 50 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.

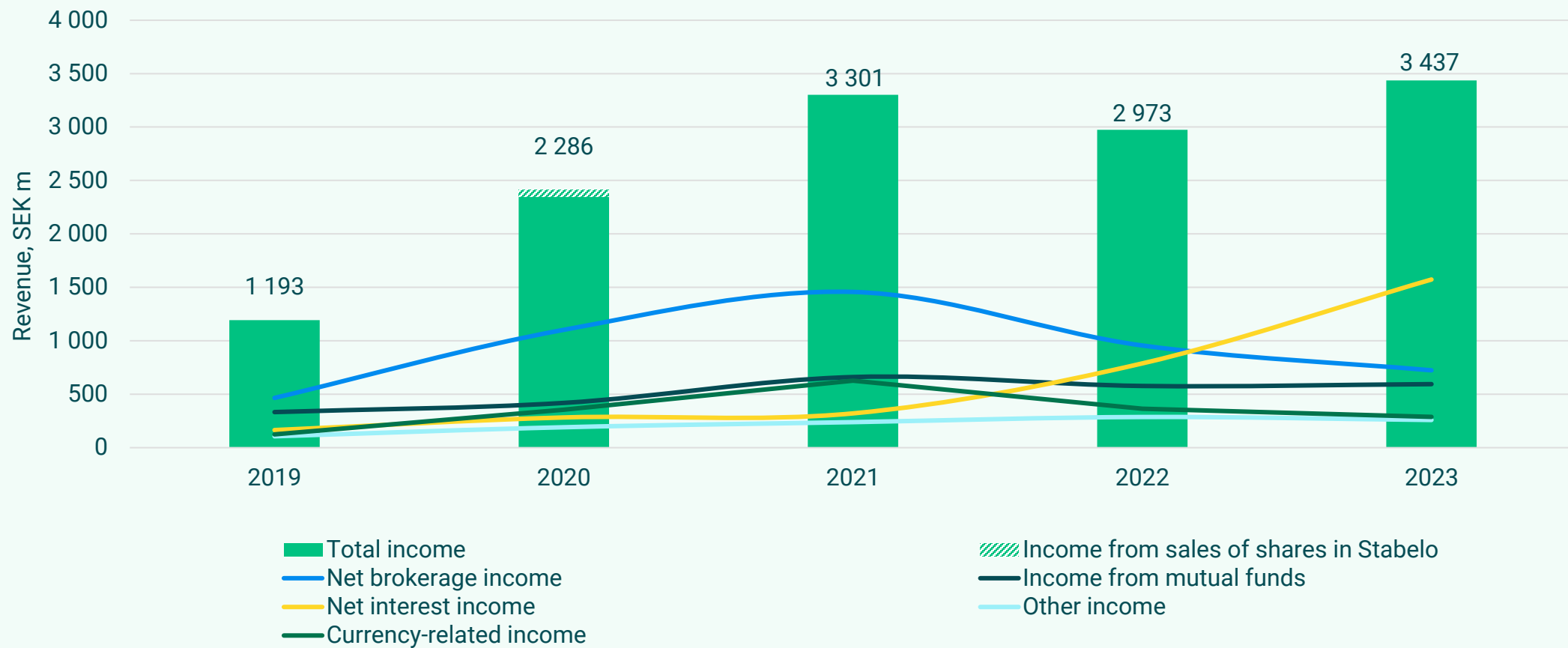
Increase gender equality in savings

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

	Q4 23	Q3 22	Δ %	Q4 22	Δ %	2023	2022	Δ %
Operating income, SEK m	882	854	3	847	4	3,437	2,973	16
Operating expenses, SEK m	-306	-266	15	-273	12	-1,148	-1,031	11
Operating profit, SEK m	580	588	-1	573	1	2,292	1,940	18
Operating margin, %	66	69	-3	68	-2	67	65	1
Income to savings capital ratio, %	0.47	0.47	0.00	0.52	-0.05	0.48	0.42	0.05
Costs to savings capital ratio, %	0.16	0.15	0.02	0.17	0.00	0.16	0.15	0.01
ROE, %	36	41	-5	42	-6	38	36	2
EPS, SEK	3.18	3.25	-2	3.16	1	12.64	10.69	18

Long-term revenue development

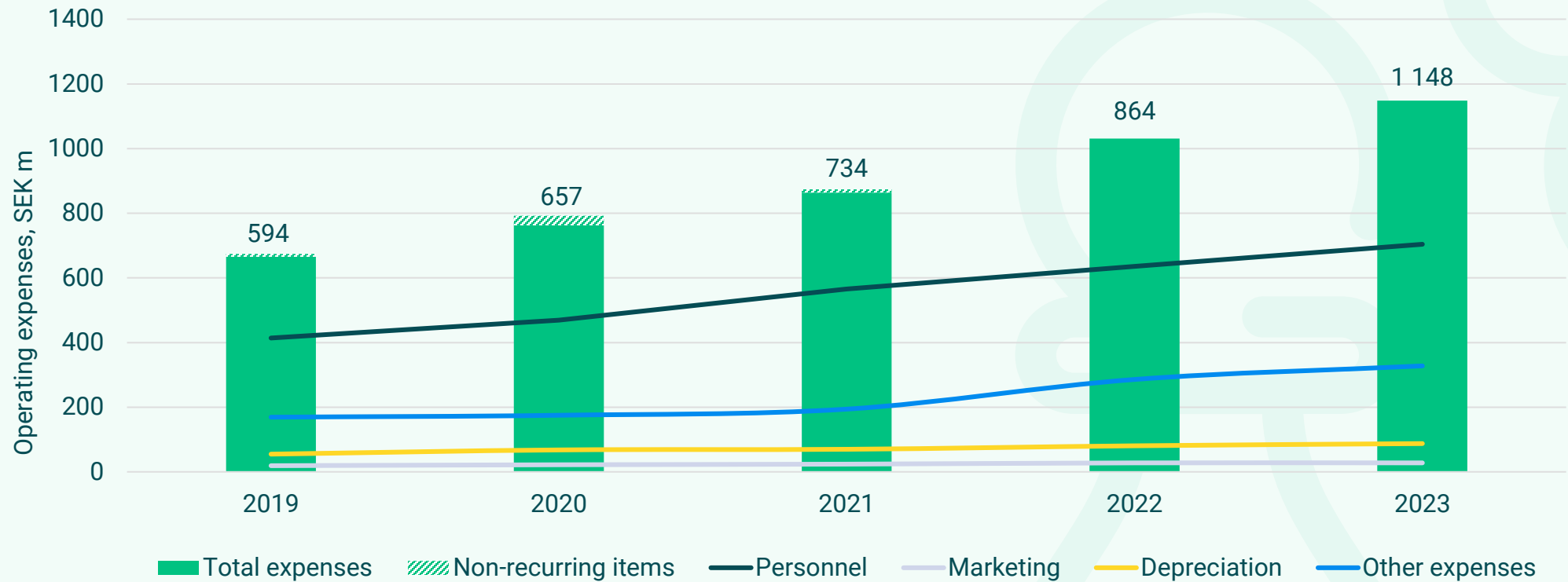


Income split 2023

	SEK m	% of income
Net brokerage income	724	21
Fund commissions, net	594	17
Currency-related income, net	287	8
Net interest income	1,574	46
Other income, net ¹⁾	258	8
Total	3,437	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



Cost increase for 2024 is estimated at 9.5 per cent

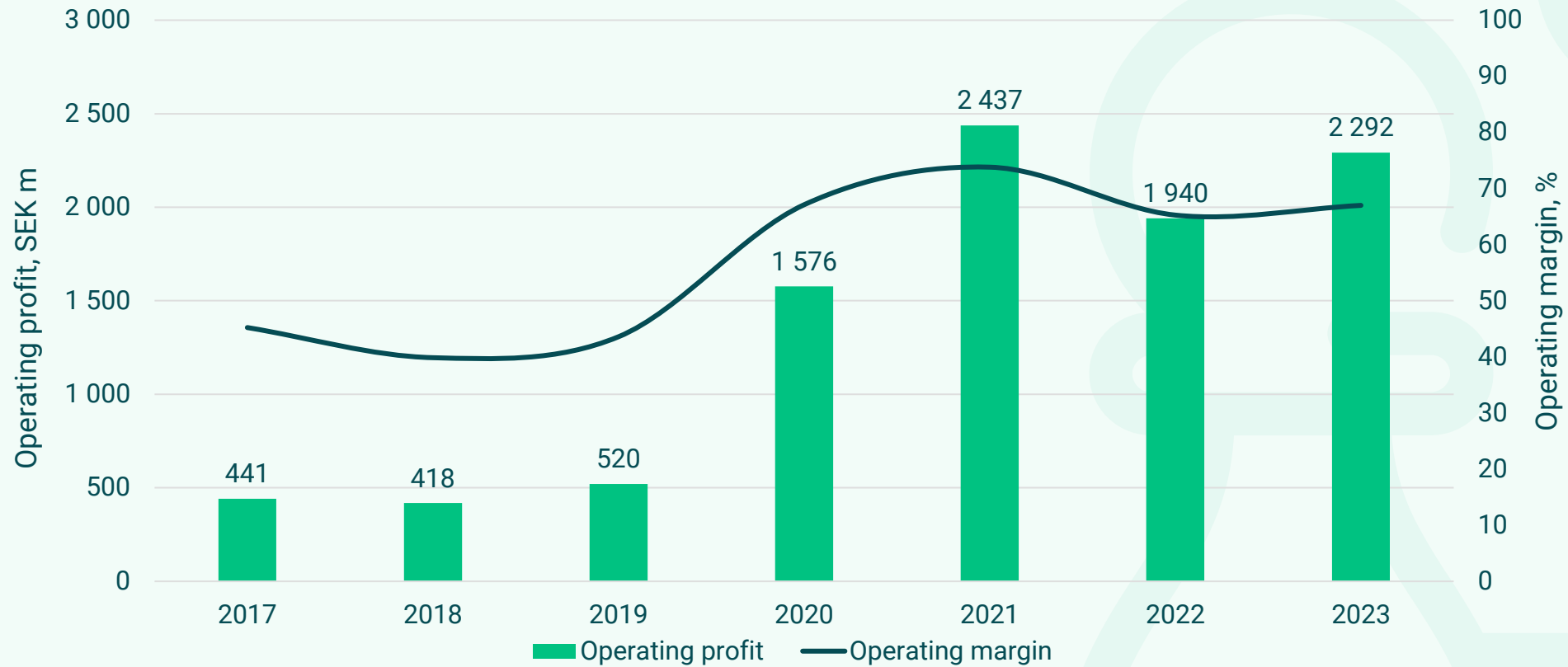
Costs 2023	SEK m	% of total costs
Personnel	-704	61
IT systems and licenses	-130	11
External services	-82	7
Marketing	-28	2
Depreciation, amortisation and impairment	-88	8
Other	-116	10
Total costs before credit losses	-1148	100
Credit losses, net ¹⁾	3	

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, 31 December 2023

Assets	SEK m	Liabilities & equity	SEK m
Lending to credit institutions ¹⁾	15,928	Deposits	61,728
Loans to the public	19,583	Liabilities in insurance operations	213,715
Bonds	31,195	Other liabilities	1,178
Assets in insurance operations	213,713	Shareholders' equity	5,832
Other assets	2,035		
Total assets	282,453	Total liabilities and shareholders' equity	282,453

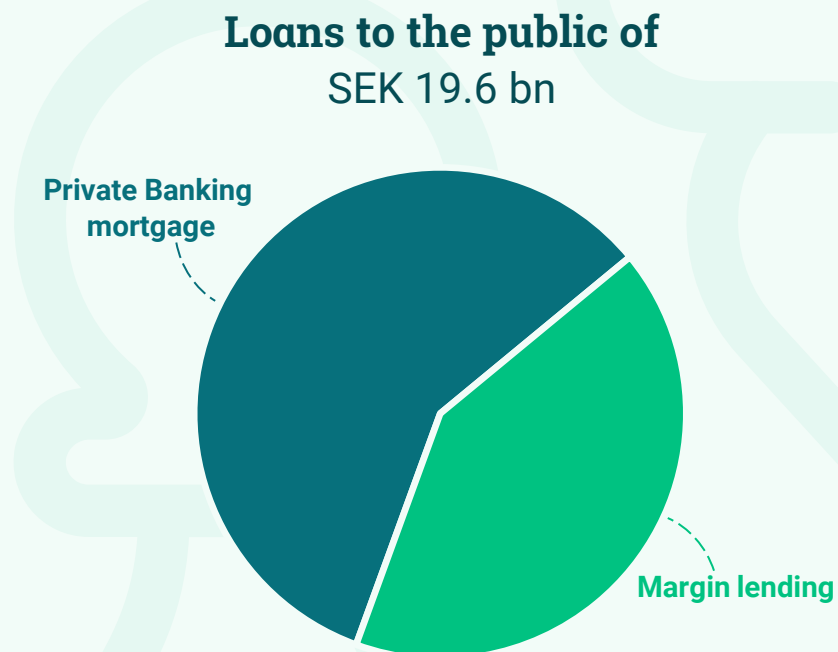
Comments

- Mainly self-financed through shareholders' equity and customer deposits
- Surplus-liquidity of SEK 47,839m invested in covered bonds, at the Riksbank and O/N (including SEK 716m 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.

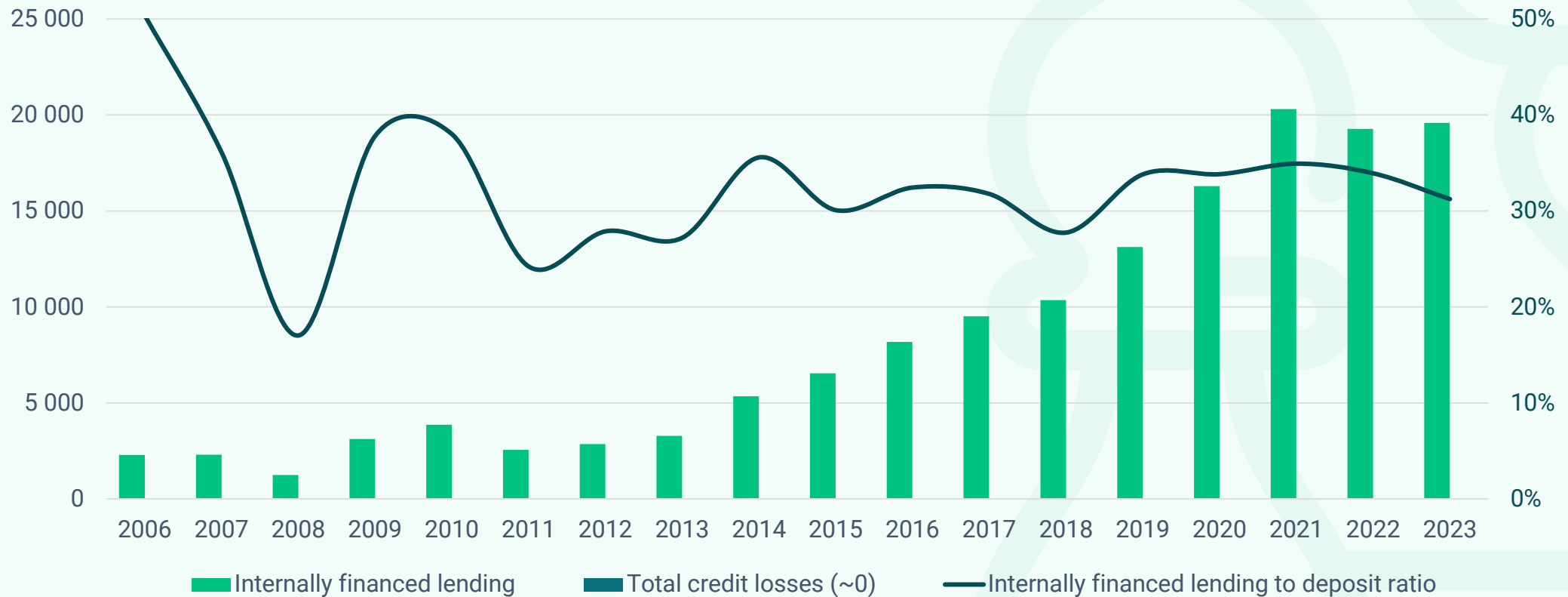
Low-risk loan book

- 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 41 per cent
- Margin lending with collateral in securities. No significant concentration of pledged securities. Average loan-to-value of 26 per cent
- No realised credit losses attributable to events after 2011



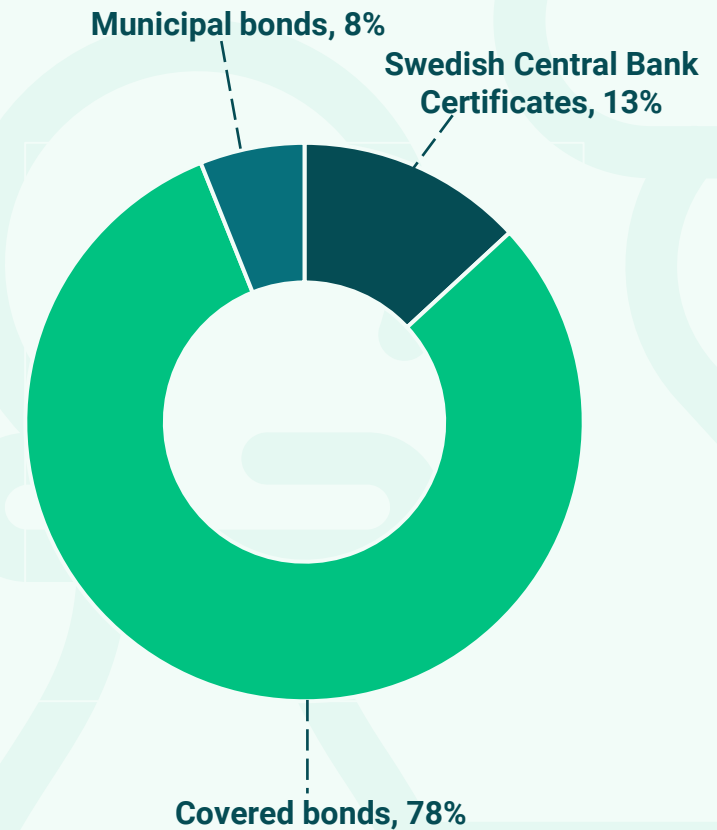
Low cost of risk with marginal credit losses, SEK m

- credit losses of 0.02% annually 2001 to 2023



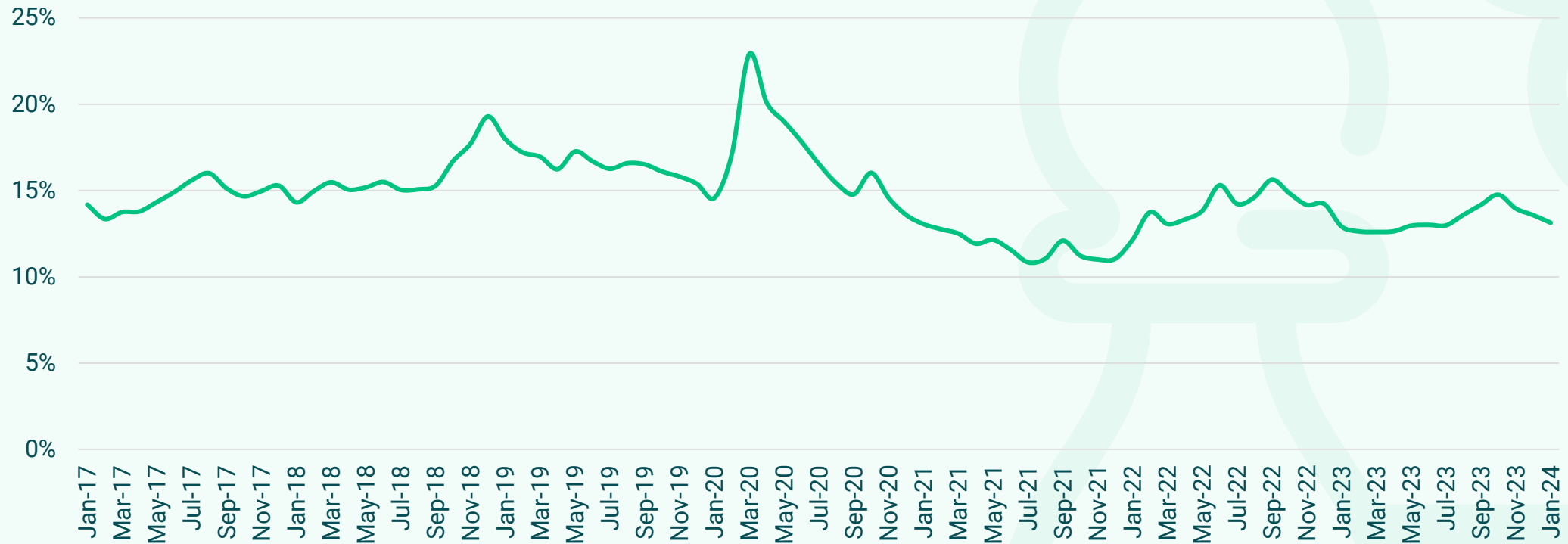
Treasury portfolio composition

- 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

	31 December 2023	31 December 2022
Total capital requirement, % ¹⁾	18.2	15.1
Capital surplus, %	6.5	11.1
Total capital ratio, %	24.7	26.2
Leverage ratio,% ²⁾	5.0	5.5
Capital surplus after LR-requirement and P2-guidance	1.5	1.5

1) Including external buffers and Pillar 2 requirements.

2) Requirement of 3%.

Updated 5 March 2024

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

ir@avanza.se

[More contact details](#)

