

INFORMATION ON CAPITAL ADEQUACY AND LIQUIDITY

2016-06-30

Publication of information on capital adequacy

In accordance with the Financial Supervisory Authority (FFFS 2014: 12) Avanza Bank AB 556573-5668 publishes periodic information on capital adequacy.

Figures reported in this section refer to the minimum capital requirements under Pillar 1 and capital requirement under Pillar 2, according to the capital adequacy regulations applying from time to time. On 1 January 2014, the European Capital Requirements Regulation (CRR) came into force.

Avanza Bank AB, SEK m	2016-06-30	2015-12-31
Own funds		
Equity	708	759
Assumed/Proposed dividend	-	-170
Equity (adjusted for assumed/proposed dividend)	708	589
Intangible assets	-25	-15
Deferred taxes	-1	-1
Common equity tier 1 capital	682	573
Subordinated bond	95	76
Tier 2 capital	95	76
Total own funds	777	649
Capital requirement		
Credit risk according to standardised approach	299	227
Market risk	0	0
Settlement risk	1	0
Operational risk	79	79
Capital requirement	379	306
Risk exposure amounts		
Credit risk according to standardised approach	3 743	2 834
of which Institutions (risk weight 20 %)	848	340
of which Corporates (risk weight 100 %)	32	27
of which Households (risk weight 75 %)	216	163
of which Collateral in real estate (risk weight 35 %)	1 057	952
of which Covered bonds (risk weight 10 %)	1 313	1 103
of which Other items (risk weight 100 %)	276	249
Market risk	8	1
Settlement risk	0	0
Operational risk	989	989
Total risk exposure requirement	4 740	3 824
Capital ratios and buffers		
Common equity tier 1 ratio	14,4%	15,0%
Tier 1 ratio	14,4%	15,0%
Total capital ratio	16,4%	17,0%
Capital base in relation to capital requirement	2,05	2,12
Institution-specific buffer requirement	4,0%	3,5%
of which capital conservation buffer requirement	2,5%	2,5%
of which countercyclical buffer requirement	1,5%	1,0%
Total capital requirement including buffer requirement	12,0%	11,5%
Common equity tier 1 capital available for use as a buffer	9,9%	10,5%
Capital surplus after buffer requirement remaining to cover additional Pillar 2 requirements	208	209
Additional requirement with reference to Pillar 2	47	11
Capital surplus after buffer requirement and Pillar 2	161	198

Information is only provided regarding the buffer requirements which have come into force.

This information 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.

Publication of information on capital adequacy and liquidity for Avanzas consolidated situation

In accordance with the Financial Supervisory Authority (FFFS 2014: 12) Avanzas consolidated situation publishes periodic information on capital adequacy.

Figures reported in this section refer to the minimum capital requirements under Pillar 1 and capital requirement under Pillar 2, according to the capital adequacy regulations applying from time to time. On 1 January 2014, the European Capital Requirements Regulation (CRR) came into force.

The consolidated situation includes Avanza Bank Holding AB (publ) and the subsidiaries Avanza Bank AB and Avanza Fonder AB.

Consolidated situation, SEK m	2016-06-30	2015-12-31
Own funds		
Shareholders' equity, the Group	1 093	1 126
Less profits that are not audited	-192	-
Assumed/Proposed dividend	-	-308
Eget kapital som inte ingår i den konsoliderade situationen	-100	-100
Equity, consolidated situation (adjusted for assumed/proposed dividend)	801	718
Intangible assets	-48	-38
Deferred taxes	-2	-1
Avanza Bank Holding AB:s holding of Försäkringsaktiebolaget Avanza Pension	-39	-39
Common equity tier 1 capital	712	640
Subordinated bond	93	78
Tier 2 capital	93	78
Total own funds	805	718
Capital requirement		
Credit risk according to standardised approach	293	234
Market risk	1	0
Settlement risk	0	0
Operational risk	80	80
Capital requirement	374	314
Risk exposure amounts		
Credit risk according to standardised approach	3 670	2 929
of which Institutions (risk weight 20 %)	848	340
of which Corporates (risk weight 100 %)	32	27
of which Households (risk weight 75 %)	216	163
of which Collateral in real estate (risk weight 35 %)	1 057	952
of which Covered bonds (risk weight 10 %)	1 313	1 103
of which Other items (risk weight 100 %)	204	344
Market risk	8	1
Settlement risk	0	0
Operational risk	995	995
Total risk exposure requirement	4 673	3 925
Capital ratios and buffers		
Common equity tier 1 ratio	15,2%	16,3%
Tier 1 ratio	15,2%	16,3%
Total capital ratio	17,2%	18,3%
Capital base in relation to capital requirement	2,15	2,29
Institution-specific buffer requirement	4,0%	3,5%
of which capital conservation buffer requirement	2,5%	2,5%
of which countercyclical buffer requirement	1,5%	1,0%
Total capital requirement including buffer requirement	12,0%	11,5%
Common equity tier 1 capital available for use as a buffer	10,7%	11,8%
Capital surplus after buffer requirement remaining to cover additional Pillar 2 requirements	244	267
Additional requirement with reference to Pillar 2	47	11
Capital surplus after buffer requirement and Pillar 2	197	256

Information is only provided regarding the buffer requirements which have come into force.

Information about liquidity risks for Avanzas consolidated situation, SEK m as of 2016-06-30

Publication of periodic information on the liquidity in accordance with the Financial Supervisory Authority FFFS 2010:7. It is a question of information to be provided at least four times a year according to FFFS 2010:7.

Good current liquidity requires liquidity on the assets side of the Balance Sheet.

The assets primarily comprise treasury bills eligible for refinancing, loans to credit institutions, mortgage-backed securities and lending against collateral in listed securities. These securities can, under the terms of agreements with the customers, be pledged as security for Avanza Bank's own financing.

	Total	SEK	EUR	USD	Other currencies
Loans to credit institutions , amount to balance in other institutions on the following day (Counterparts are Swedish government and major nordic credit institutions)	3 968	3 707	60	163	38
Bonds , Swedish mortgage-backed securities and Swedish government bonds	12 884	12 884	-	-	-
Liquidity reserve	16 852	16 591	60	163	38
Liquidity reserve/Deposits by the public (excluding client funds)	68%				
Loans to the public/Deposits by the public (excluding client funds)	30%				

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Capital requirement for the financial conglomerate

SEK m

2016-06-30

Capital base

Shareholders' equity, the Group	1 093
Less profits that have not been subject to audit	-192
Shareholders' equity, financial conglomerate	901

Additional

Solvency capital (NPV)	2 133
Subordinated bond	93

Less

Intangible assets	-48
Deferred tax	-2

Total capital base	3 077
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Capital base per sector

Capital base for regulated units within the insurance sector	2 415
Capital base for regulated units within the banking and securities sector	662
Total capital base	3 077

Capital requirement per sector

Capital requirement for regulated units within the insurance sector	1 342
Capital requirement for regulated units within the banking and securities sector	617
of which additional buffer requirement	187
of which additional requirement with reference to Pillar 2	47

Total capital requirement	1 959
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Capital surplus	1 118
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Capital base/Capital requirement	1,57
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