

# INFORMATION ON CAPITAL ADEQUACY AND LIQUIDITY

### **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.

Equity 708 Assumed/Proposed dividend - Equity (adjusted for assumed/proposed dividend) 708 Intangible assets	za Bank AB, SEK m	2016-06-30	2015-12-31
Assumed/Proposed dividend	funds		
Assumed/Proposed dividend   -	V	708	759
Equity (adjusted for assumed/proposed dividend)         708           Intangible assets         -25           Deferred taxes         -1           Common equity tier 1 capital         682           Subordinated bond         95           Tier 2 capital         95           Total own funds         777           Capital requirement         299           Kankets risk         0           Settlement risk         1           Operational risk         79           Capital requirement         379           Risk exposure amounts         77           Credit risk according to standardised approach         374           of which institutions (risk weight 100 %)         374           of which Control in institutions (risk weight 100 %)         32           of which Control work (risk weight 100 %)         32           of which Control folks (risk weight 100 %)         1057           of which Control folks (risk weight 100 %)         1216           of which Control folks (risk weight 100 %)         1276           of which Control folks (risk weight 100 %)         1313           of which Control folks (risk weight 100 %)         10           of which Control folks (risk weight 100 %)         276           Market risk		-	-170
Intangible assets		700	589
Deferred taxes         -1           Common equity tier 1 capital         682           Subordinated bond         95           Tier 2 capital         95           Total own funds         777           Capital requirement           Credit risk according to standardised approach         299           Market risk         0           Settlement risk         1           Operational risk         79           Capital requirement         379           Risk exposure amounts         79           Credit risk according to standardised approach         3 743           of which foreign state (risk weight 20 %)         488           of which Corporates (risk weight 20 %)         348           of which Collateral in real estate (risk weight 10 %)         105           of which Other tense (risk weight 10 %)         105           of which Other tense (risk weight 10 %)         1333           of which Other tense (risk weight 10 %)         105           Market risk         8           Settlement risk         8           Operational risk         8           Operational risk         89           Total risk exposure requirement         4,740           Capital ratios and b	y (aujusteu foi assumeu/proposeu dividend)	706	369
Deferred taxes         -1           Common equity tier 1 capital         682           Subordinated bond         95           Tier 2 capital         95           Total own funds         777           Capital requirement           Credit risk according to standardised approach         299           Market risk         0           Settlement risk         1           Operational risk         79           Capital requirement         379           Risk exposure amounts         79           Credit risk according to standardised approach         3 743           of which foreign state (risk weight 20 %)         488           of which Corporates (risk weight 20 %)         348           of which Collateral in real estate (risk weight 10 %)         105           of which Other tense (risk weight 10 %)         105           of which Other tense (risk weight 10 %)         1333           of which Other tense (risk weight 10 %)         105           Market risk         8           Settlement risk         8           Operational risk         8           Operational risk         89           Total risk exposure requirement         4,740           Capital ratios and b	gible assets	-25	-15
Common equity tier 1 capital     682       Subordinated bond     95       Tier 2 capital     95       Total own funds     777       Capital requirement       Credit risk according to standardised approach     299       Market risk     0       Settlement risk     1       Operational risk     79       Capital requirement     379       Risk exposure amounts       Credit risk according to standardised approach     3 743       of which contained in seal extended approach     3 2       of which contained risk weight 20 %)     348       of which Households (risk weight 100 %)     32       of which contained in real extens (risk weight 100 %)     32       of which Corporates (risk weight 100 %)     1057       of which Corporates (risk weight 100 %)     1057 <td< td=""><td></td><td></td><td>-1</td></td<>			-1
Tier 2 capital 95  Total own funds 7777  Capital requirement 299  Market risk 299  Market risk 200  Capital requirement 379  Risk exposure amounts 379  Credit risk according to standardised approach 379  Risk exposure amounts 3743  of which institutions (risk weight 20 %) 848  of which corporates (risk weight 10 %) 32  of which fundsholds (risk weight 75 %) 216  of which cloudsholds (risk weight 15 %) 1057  of which Courted bonds (risk weight 10 %) 1313  of which Courted bonds (risk weight 10 %) 1313  of which Other items (risk weight 10 %) 276  Market risk 8  Settlement risk 0 0  Operational risk 989  Total risk exposure requirement 4740  Capital ratios and buffers  Common equity tier 1 ratio 14,4%  Total capital ratio to capital requirement 2,05  Institution-specific buffer requirement 4,0%  of which consecution buffer requirement 4,0%  of which capital conservation buffer requirement 4,0%			573
Titer 2 capital 95  Total own funds 7777  Capital requirement Credit risk according to standardised approach 299 Market risk 0 0 Settlement risk 1 1 Operational risk 79 Capital requirement 379  Risk exposure amounts Credit risk according to standardised approach 379  Risk exposure amounts Credit risk according to standardised approach 379  Risk exposure settlement 379  Risk exposure amounts Credit risk according to standardised approach 3743 of which comporates (risk weight 100 %) 32 of which comporates (risk weight 100 %) 32 of which comporates (risk weight 100 %) 32 of which comporates (risk weight 10 %) 1057 of which Collateral in real estate (risk weight 35 %) 1057 of which Collateral in real estate (risk weight 10 %) 1313 of which there is real estate (risk weight 10 %) 1313 of which there is risk weight 100 %) 276 Market risk 8 8 Settlement risk 0 0 Operational risk 989 Total risk exposure requirement 4740  Capital ratios and buffers Common equity tier 1 ratio 14,4% Total capital ratio 16,4% Capital base in relation to capital requirement 2,05  Institution-specific buffer requirement 4,0% of which capital conservation buffer requirement 4,0% of which capital conservation buffer requirement 4,0% of which capital conservation buffer requirement 4,0%			
Total own funds  Capital requirement  Credit risk according to standardised approach  Market risk  0  Settlement risk  1  Operational risk  79  Capital requirement  79  Capital requirement  79  Capital requirement  79  Risk exposure amounts  Credit risk according to standardised approach  of which institutions (risk weight 20 %)  88  of which frostructions (risk weight 100 %)  of which coporates (risk weight 100 %)  of which Coporates (risk weight 17 %)  of which Coporates (risk weight 17 %)  of which Coporates (risk weight 10 %)  of which Coporate (risk weight 10 %)  1			76
Capital requirement       Credit risk according to standardised approach     299       Market risk     0       Settlement risk     1       Operational risk     79       Capital requirement     379       Risk exposure amounts       Credit risk according to standardised approach     3 743       of which Institutions (risk weight 20 %)     848       of which Corporates (risk weight 100 %)     32       of which Collected in real estate (risk weight 35 %)     216       of which Collected in real estate (risk weight 35 %)     1 057       of which Other items (risk weight 100 %)     276       Market risk     8       Settlement risk     0       Operational risk     989       Total risk exposure requirement     4 740       Capital ratios and buffers       Common equity tier 1 ratio     14,4%       Total capital ratio     16,4%       Capital base in relation to capital requirement     2,05       Institution-specific buffer requirement     4,0%       of which capital conservation buffer requirement     2,5%	? capital	95	76
Credit risk according to standardised approach     299       Market risk     0       Settlement risk     1       Operational risk     79       Capital requirement     379       Risk exposure amounts       Credit risk according to standardised approach     3 743       of which Institutions (risk weight 20%)     848       of which Corporates (risk weight 100%)     32       of which Collateral in real estate (risk weight 35%)     1057       of which Covered bonds (risk weight 100%)     1313       of which Covered bonds (risk weight 100%)     1333       of which Covered bonds (risk weight 100%)     276       Market risk     8       Settlement risk     0       Operational risk     989       Total risk exposure requirement     4 740       Capital ratios and buffers       Common equity tier 1 ratio     14,4%       Tier 1 ratio     14,4%       Total capital ratio     16,4%       Capital base in relation to capital requirement     2,05       Institution-specific buffer requirement     4,0%       of which capital conservation buffer requirement     2,5%	own funds	777	649
Credit risk according to standardised approach     299       Market risk     0       Settlement risk     1       Operational risk     79       Capital requirement     379       Risk exposure amounts       Credit risk according to standardised approach       of which Institutions (risk weight 20%)     848       of which Corporates (risk weight 100%)     32       of which Corporates (risk weight 35%)     216       of which Collateral in real estate (risk weight 35%)     1057       of which Covered bonds (risk weight 10%)     1313       of which Covered bonds (risk weight 10%)     276       Market risk     8       Settlement risk     0       Operational risk     989       Total risk exposure requirement     4 740       Capital ratios and buffers     14,4%       Common equity tier 1 ratio     14,4%       Tier 1 ratio     14,4%       Total capital ratio     16,4%       Capital base in relation to capital requirement     2,05       Institution-specific buffer requirement     4,0%       of which capital conservation buffer requirement     2,5%			
Market risk         0           Settlement risk         1           Operational risk         79           Capital requirement         379           Risk exposure amounts           Credit risk according to standardised approach         3 743           of which Institutions (risk weight 20%)         848           of which Corporates (risk weight 100%)         32           of which Households (risk weight 15%)         216           of which Collateral in real estate (risk weight 10%)         1057           of which Other items (risk weight 10%)         276           Market risk         8           Settlement risk         0           Operational risk         989           Total risk exposure requirement         4 740           Capital ratios and buffers         14,4%           Tier 1 ratio         14,4%           Total capital ratio         16,4%           Capital base in relation to capital requirement         2,05           Institution-specific buffer requirement         2,05           Institution-specific buffer requirement         2,5%	al requirement		
Settlement risk     1       Operational risk     79       Capital requirement     379       Risk exposure amounts       Credit risk according to standardised approach     3 743       of which Institutions (risk weight 20 %)     848       of which Corporates (risk weight 100 %)     32       of which Corporates (risk weight 105 %)     216       of which Collateral in real estate (risk weight 35 %)     1 057       of which Obleteral in real estate (risk weight 100 %)     276       Market risk     8       Settlement risk     0       Operational risk exposure requirement     4 740       Capital ratios and buffers       Common equity tier 1 ratio     14,4%       Tier 1 ratio     14,4%       Total capital ratio     16,4%       Capital base in relation to capital requirement     2,05       Institution-specific buffer requirement     4,0%       of which capital conservation buffer requirement     2,5%		299	227
Operational risk     79       Capital requirement     379       Risk exposure amounts	et risk	0	0
Capital requirement     379       Risk exposure amounts       Credit risk according to standardised approach     3 743       of which Institutions (risk weight 20 %)     848       of which Corporates (risk weight 100 %)     32       of which Households (risk weight 157 %)     216       of which Collateral in real estate (risk weight 10%)     1 057       of which Other items (risk weight 10 %)     276       Market risk     8       Settlement risk     0       Operational risk     989       Total risk exposure requirement     4 740       Capital ratios and buffers     Common equity tier 1 ratio       Common equity tier 1 ratio     14,4%       Tier 1 ratio     14,4%       Total capital ration to capital requirement     2,05       Institution-specific buffer requirement     4,0%       of which capital conservation buffer requirement     2,5%		<del>_</del>	0
Risk exposure amounts  Credit risk according to standardised approach of which Institutions (risk weight 20 %) 848 of which Corporates (risk weight 100 %) 32 of which Households (risk weight 15 %) 216 of which Collateral in real estate (risk weight 35 %) 1057 of which Colvered bonds (risk weight 10 %) 1313 of which Other items (risk weight 10 %) 276 Market risk 8 Settlement risk 0 Operational risk 989 Total risk exposure requirement 4740  Capital ratios and buffers  Common equity tier 1 ratio 14,4% Total capital ratio 16,4%  Capital base in relation to capital requirement 2,05  Institution-specific buffer requirement 4,0% of which capital conservation buffer requirement 2,5%	ational risk		79
Credit risk according to standardised approach     3 743       of which Institutions (risk weight 20 %)     848       of which Corporates (risk weight 100 %)     32       of which Households (risk weight 75 %)     216       of which Collateral in real estate (risk weight 35 %)     1057       of which Covered bonds (risk weight 10 %)     1 313       of which Other items (risk weight 100 %)     276       Market risk     8       Settlement risk     0       Operational risk     989       Total risk exposure requirement     4 740       Capital ratios and buffers     14,4%       Tier 1 ratio     14,4%       Total capital ratio to capital requirement     2,05       Institution-specific buffer requirement     4,0%       of which capital conservation buffer requirement     2,5%	al requirement	379	306
of which Institutions (risk weight 20 %) of which Corporates (risk weight 100 %) of which Corporates (risk weight 75 %) of which Households (risk weight 35 %) of which Collateral in real estate (risk weight 35 %) of which Collateral in real estate (risk weight 10 %) of which Other items (risk weight 10 %) of which Other items (risk weight 100 %)  Market risk  8 Settlement risk 0 Operational risk 989  Total risk exposure requirement 4740  Capital ratios and buffers  Common equity tier 1 ratio 14,4% Tier 1 ratio 14,4% Total capital ratio 16,4%  Capital base in relation to capital requirement 4,0% of which capital conservation buffer requirement 2,5%	exposure amounts		
of which Corporates (risk weight 100 %)32of which Households (risk weight 75 %)216of which Collateral in real estate (risk weight 35 %)1 057of which Covered bonds (risk weight 10 %)1 313of which Other items (risk weight 100 %)276Market risk8Settlement risk0Operational risk989Total risk exposure requirement4 740Capital ratios and buffers14,4%Common equity tier 1 ratio14,4%Tier 1 ratio14,4%Total capital ration to capital requirement2,05Institution-specific buffer requirement4,0%of which capital conservation buffer requirement2,5%	t risk according to standardised approach	3 743	2 834
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of which Covered bonds (risk weight 10 %)1 313of which Other items (risk weight 100 %)276Market risk8Settlement risk0Operational risk989Total risk exposure requirement4 740Capital ratios and buffers2Common equity tier 1 ratio14,4%Tier 1 ratio14,4%Total capital ratio16,4%Capital base in relation to capital requirement2,05Institution-specific buffer requirement4,0%of which capital conservation buffer requirement2,5%	which Households (risk weight 75 %)	216	163
of which Other items (risk weight 100 %)276Market risk8Settlement risk0Operational risk989Total risk exposure requirement4 740Capital ratios and buffers14,4%Common equity tier 1 ratio14,4%Tier 1 ratio14,4%Total capital ratio16,4%Capital base in relation to capital requirement2,05Institution-specific buffer requirement4,0%of which capital conservation buffer requirement2,5%	which Collateral in real estate (risk weight 35 %)	1 057	952
Market risk       8         Settlement risk       0         Operational risk       989         Total risk exposure requirement       4 740         Capital ratios and buffers         Common equity tier 1 ratio       14,4%         Tier 1 ratio       14,4%         Total capital ratio       16,4%         Capital base in relation to capital requirement       2,05         Institution-specific buffer requirement       4,0%         of which capital conservation buffer requirement       2,5%	which Covered bonds (risk weight 10 %)	1 313	1 103
Settlement risk       0         Operational risk       989         Total risk exposure requirement       4 740         Capital ratios and buffers         Common equity tier 1 ratio       14,4%         Tier 1 ratio       14,4%         Total capital ratio       16,4%         Capital base in relation to capital requirement       2,05         Institution-specific buffer requirement       4,0%         of which capital conservation buffer requirement       2,5%	which Other items (risk weight 100 %)	276	249
Operational risk       989         Total risk exposure requirement       4 740         Capital ratios and buffers       4 740         Common equity tier 1 ratio       14,4%         Tier 1 ratio       14,4%         Total capital ratio       16,4%         Capital base in relation to capital requirement       2,05         Institution-specific buffer requirement       4,0%         of which capital conservation buffer requirement       2,5%	et risk	8	1
Total risk exposure requirement       4 740         Capital ratios and buffers	ement risk	0	0
Capital ratios and buffers         Common equity tier 1 ratio       14,4%         Tier 1 ratio       14,4%         Total capital ratio       16,4%         Capital base in relation to capital requirement       2,05         Institution-specific buffer requirement       4,0%         of which capital conservation buffer requirement       2,5%	ational risk	989	989
Common equity tier 1 ratio14,4%Tier 1 ratio14,4%Total capital ratio16,4%Capital base in relation to capital requirement2,05Institution-specific buffer requirement4,0%of which capital conservation buffer requirement2,5%	risk exposure requirement	4 740	3 824
Common equity tier 1 ratio14,4%Tier 1 ratio14,4%Total capital ratio16,4%Capital base in relation to capital requirement2,05Institution-specific buffer requirement4,0%of which capital conservation buffer requirement2,5%	al ratios and buffers		
Tier 1 ratio  Total capital ratio  14,4%  Capital base in relation to capital requirement  2,05  Institution-specific buffer requirement  4,0%  of which capital conservation buffer requirement  2,5%		14,4%	15,0%
Capital base in relation to capital requirement  2,05  Institution-specific buffer requirement  4,0% of which capital conservation buffer requirement  2,5%		·	15,0%
Institution-specific buffer requirement 4,0% of which capital conservation buffer requirement 2,5%	capital ratio	16,4%	17,0%
of which capital conservation buffer requirement 2,5%	al base in relation to capital requirement	2,05	2,12
of which capital conservation buffer requirement 2,5%	ution-specific buffer requirement	4,0%	3,5%
	·	2,5%	2,5%
of which countercyclical buffer requirement 1,5%	which countercyclical buffer requirement		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 remanining to cover additional Pillar 2 requirements 208			209
Additional requirement with reference to Pillar 2			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' quity, 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
Total Own fullus	503	710
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	2.670	2.020
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  Total risk exposure requirement	995 <b>4 673</b>	995 <b>3 925</b>
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%
	2,5%	2,5%
of which capital conservation buffer requirement		
of which capital conservation buffer requirement of which countercyclical buffer requirement	1,5%	1,0%
·		1,0%
of which countercyclical buffer requirement  Total capital requirement including buffer requirement	1,5%	11,5%
of which countercyclical buffer requirement	1,5% 12,0%	
of which countercyclical buffer requirement  Total capital requirement including buffer requirement  Common equity tier 1 capital available for use as a buffer	1,5% 12,0% 10,7%	11,5% 11,8%

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.

 ${\bf Good\ current\ liquidity\ requires\ liquidity\ on\ the\ assets\ side\ of\ the\ Balance\ Sheet}.$ 

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.

					Other
	Total	SEK	EUR	USD	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 mortage-backed securities and swedish government bonds	12 884	12 884	-	-	-
Liquidity reserve	16 852	16 591	60	163	38

68%

30%

Liquidity reserve/Deposits by the public (excluding client funds)

Loans to the public/Deposits by the public (excluding client funds)

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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
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
Capital surplus	1 118
Capital base/Capital requirement	1,57

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