

Corporate governance report

This Corporate governance report has been prepared in accordance with the provisions of the Swedish Annual Accounts Act and Swedish Code of Corporate Governance (the Code), taken into account the amendments to the Code effective from 1 November 2015. The Code is based on the principle of comply or explain, which means that it is permissible to deviate from the Code — Avanza makes no deviations. For details about the Code, please refer to corporategovernanceboard.se.

The governance and control of the operations of Avanza Bank Holding AB (publ), hereafter "Avanza", can be described from several different perspectives. As a publicly listed Swedish limited liability company, Avanza's operations are governed by a number of laws and regulations. Those regarding internal control include the Swedish Companies Act (SFS 2005:551), the Swedish Annual Accounts Act (1995:1554), the Code, the Nasdaq rules for issuers, as well as IFRS.

Avanza is governed by the Annual General Meeting (AGM), through the Board of Directors and the CEO. The Board, elected by shareholders at the AGM, sets forth the business framework, appoints the CEO and exercises control of management. The auditor, appointed by the shareholders, submits an audit report addressing the audit of Avanza's annual accounts, the appropriation of profits or treatment of losses, and the management of the Board and the CEO.

The capability to fulfil our mission towards long-term improvements in the savings market is built on our stakeholders trust in Avanza. The most important stakeholders are our customers, employees and shareholders. Avanza is motivated by its desire to challenge accepted structures for creating customer benefit by offering savings products with the market's lowest fees. Avanza's products and services, allied with investments in modern technology, contribute to ever more people increasing their knowledge of savings and investments. In the long-term, we believe that what we do for our stakeholders and for the Swedish savings market will also benefit society as a whole.

A. Ownership and voting rights

The share capital consists of one class of shares, whereby all shares confer the same rights. The share capital at the end of 2015 amounted to SEK 73,360,220 represented by 29,344,088 shares and votes. The ownership is presented on page 40 of the Annual Report for 2015. The largest shareholders, Sven Hagströmer with family and company, and Creades AB, are represented on the Nomination Committee and thus in the nomination process for the election of Board members and auditor (see the table below).

B. The nomination process for the election of Board members and auditor

The nomination process for the election of Board members and the auditor, as established at the AGM 2015, involved the appointment of a Nomination Committee consisting of one representative from each of the four largest shareholders wishing to appoint a representative.

The names of the Committee members, as well as the shareholders they represent, were published on 5 October 2015, which was six (6) months prior to the AGM 2016. The appointment was based on the ownership participations known immediately before the announcement.

The Nomination Committee is mandated to serve until a new committee is appointed. The Chairman of the Committee is, in accordance with the nomination process and in the absence of an agreement on an alternative member by the Committee, the member representing the largest shareholder.

If, after the publication of the Committee members, the shareholders represented on the Committee are no longer among the four largest shareholders, their representatives are to vacate their seat, and the shareholders who have recently become one of the four largest shareholders will, instead, be offered a seat on the Committee. Marginal changes do not need to be considered. Shareholders appointing a representative to the Committee have the right to dismiss this representative and appoint a new representative in their stead. Any change in the composition of the Committee shall be published.

The Nomination Committee is to prepare proposals on the following issues for resolution at the AGM:

- proposal for Chairman of the Meeting
- proposal for Board of Directors
- proposal for Chairman of the Board
- proposal for Board fees, specified for the Chairman, Board members, and any remuneration for committee work
- proposal for auditor
- proposed fees for the Company's auditors
- proposal for any changes in the procedure for appointing the Nomination Committee

Committee members are not remunerated for their work, however Avanza will fund reasonable costs which the Committee deems necessary to undertake its duties. During 2015, Sven Hagströmer increased his ownership participation and replaced Creades AB as largest shareholder. The Committee

COMPOSITION OF THE NOMINATION COMMITTEE

Name	Representing	Holding 2015-10-05	Holding 2015-12-31
Erik Törnberg (Chairman of the Nomination Committee)	Creades AB	2,939,859 (10.02 %)	2,939,859 (10.02 %)
Sven Hagströmer (Chairman of the Board of Avanza)	Hagströmer family and companies	2,937,000 (10.01 %)	2,947,246 (10.04 %)
Sten Dybeck	Dybeck family and companies	1,277,100 (4.35 %)	1,279,350 (4.36 %)
Henrik Schmidt	Montanaro Asset Management	1,312,931 (4.47 %)	1,202,000 (4.10 %)

has agreed that Erik Törnberg, Creades AB, will remain in the position of Chairman of the Committee.

The Nomination Committee's proposals, as well as a report on its work, are published in conjunction with the notice of the AGM. Shareholders may contact the Committee with proposed nominations. Such proposals may be sent by email to valberedningen@avanza.se or by post to:

Avanza Bank Holding AB (publ)
F.A.O.: Valberedningen
Box 1399
111 93 Stockholm

The Nomination Committee has held two recorded meetings during 2015, at which all members were present. The Nomination Committee has also conducted an evaluation of the Board and its work, whereby the size and composition of the Board, with regard to, for example, industry experience and competence, have been evaluated.

When preparing its proposal for Board fees, the Nomination Committee makes comparisons with companies operating in similar spheres and which are of a similar size and complexity. Here, emphasis is placed on the remuneration being reasonable with regard to the responsibility and the work required and to the contribution the Board can make to the development of the value of the Company.

C. The Annual General Meeting (AGM)

The right of shareholders to decide on the Company's affairs is exercised at the AGM. The AGM is Avanza's most senior decision-making body and it is here, in accordance with the Articles of Association, that Board members are elected and Avanza's auditors are appointed.

The AGM is held in Stockholm during the spring. The AGM makes decisions regarding the adoption of the income statement and balance sheet, the adoption of the consolidated income statement and consolidated balance sheet, regarding dividends and other distributions of profit, discharge from

liability for members of the Board and the CEO, Board fees and remuneration to auditors, the election of members of the Board and the appointment of auditors, the finalisation of the nomination process, the guidelines for remuneration to senior management, as well as other important issues. Notice of the AGM is issued no earlier than six weeks and no later than four weeks prior to the AGM.

In order to exercise their vote at the AGM, shareholders must be present at the meeting either in person or through a representative. Furthermore, the shareholders must be registered in their own name in the share register on a specified date prior to the meeting and also have registered to attend the meeting in accordance with the notice.

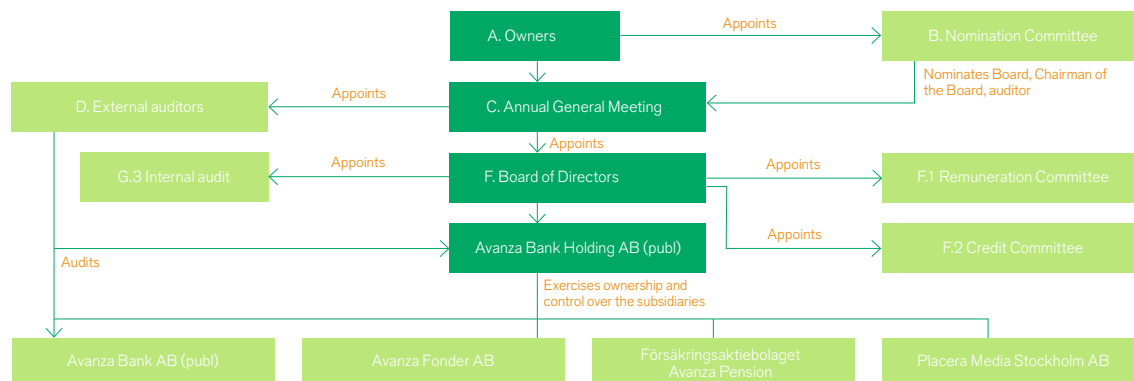
Decisions at the meeting are made by a simple majority, that is, more than half of the total number of votes, unless the Swedish Companies Act specifies otherwise.

Shareholders wishing to add a matter to the agenda at the AGM may submit a written request. Such requests should have been received by the date indicated on Avanza's website, which for the AGM 2016 was 16 February 2016. Requests are to be sent to:

Avanza Bank Holding AB (publ)
F.A.O: Bolagsjuridik
Box 1399
111 93 Stockholm

The date and time of the next AGM, and information on how the shareholders can exercise their right of initiative, is made available on the Company's website under the Corporate Governance section, in conjunction with the publication date of the third interim report of the year preceding the AGM, at the very latest. Minutes and supporting documentation from previous AGMs are also be available from the same section.

Extraordinary General Meetings may be held if the Board deems this necessary or if the Company's auditor or a shareholder holding at least ten per cent of the shares request such a meeting.



At Avanza's AGM held on 18 March 2015, 225 shareholders were represented, corresponding to 57 per cent of the total number of shares and votes. Live coverage of the AGM was provided on Avanza's website. The Company's auditor and all Board members, with the exception of Lisa Lindström, were present at the Meeting.

At the AGM 2015, the following resolutions were adopted:

- adoption of Avanza's income statement and balance sheet and the consolidated income statement and balance sheet
- appropriation of profit according to the adopted balance sheet
- discharge from liability for the Board and the CEO
- determination of the number of Board members
- determination of Board fees and auditor's fees
- election of the Board of Directors and Chairman of the Board and appointment of the auditor
- authorisation for the Board to acquire own shares
- determination of the nomination process
- establishment of guidelines for remuneration to Group Management

At an Extraordinary General Meeting held on 2 December 2015, a total of 199 shareholders were represented, acting on behalf of ownership participations equivalent to 56 per cent of the total number of shares and votes in the Company. All Board members, with the exception of Birgitta Klasén, were present at the Meeting. The Extraordinary General Meeting resolved to appoint Sophia Bendz as new Board member.

D. External auditor

At the AGM 2015, Öhrlings PricewaterhouseCoopers AB (PwC), with Catarina Ericsson as Auditor-in-Charge, was re-appointed auditor for the period until the AGM 2016.

The auditor examines and presents an Audit Report of its audit of Avanza's annual accounts, the appropriation of the Company's profit or treatment of its loss and the administration of the Board and the CEO, and provides a statement regarding the Corporate governance report. The aforementioned reports are submitted and presented to the shareholders at the AGM. In addition, the auditor submits an Audit Report addressing ongoing management and internal control, in writing as well as orally to Avanza's Board, at least twice a year and

delivers a report on their audit of the annual accounts and the Annual Report.

The audit is conducted in accordance with the Swedish Companies Act and International Standards on Auditing (ISA) issued by the International Federation of Accountants (IFAC).

The auditor's fees are charged on an on-account basis. In 2015, fees paid to PwC for auditing activities amounted to kSEK 1,920.

E. The Avanza Group

Avanza strives to ensure that it has a clear and transparent organisational structure.

Reporting from the subsidiaries takes place on a monthly basis. The Boards of the subsidiaries consist of members of Group Management and Avanza's Board.

CEO and Group Management

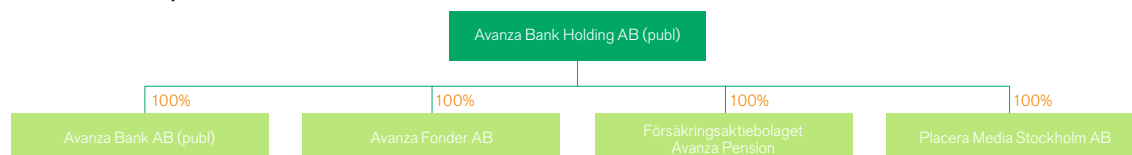
The CEO is responsible for the daily management of Avanza in accordance with the Swedish Companies Act and the Board's instructions. The CEO is responsible for keeping the Board informed of the operations and to ensure that the Board has the information the members need to undertake informed decisions. In addition, the CEO ensures that the Chairman is continuously kept abreast of the Group's development. The CEO is also a member of the Board of Avanza and its subsidiaries Avanza Bank AB, Försäkringsaktiebolaget Avanza Pension, and Placera Media Stockholm AB.

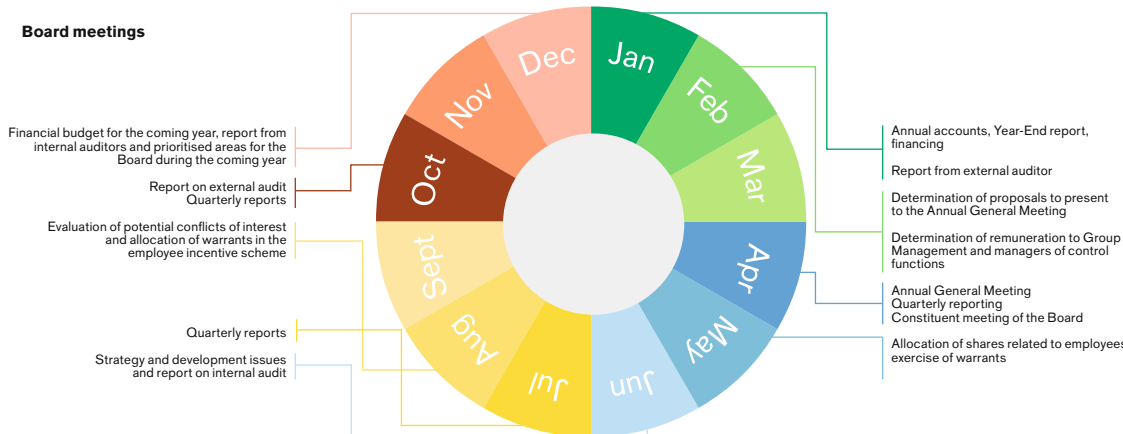
At year-end, Avanza Group Management consisted of five men and three women:

- Martin Tivéus, CEO of Avanza Bank Holding AB (publ)/ Avanza Bank AB (publ)
- Henrik Källén, COO and Deputy CEO of Avanza Bank AB (publ)
- Birgitta Hagenfeldt, CFO
- Peter Strömberg, CIO
- Annika Saramies, CEO of Försäkringsaktiebolaget Avanza Pension
- Peter Westling, Marketing Director
- Maria Christofi Johansson, Head of Customer Service
- Gustav Berggren, Head of Private Banking

Additional information about Group Management is available on Avanza's website and on page 53.

E. The Avanza Group





Group Management hold formal meetings every two weeks, as well as informal meetings when necessary. The meetings involve discussions regarding results and strategy, as well as regular reports from Compliance and Risk Control.

Remuneration to Group Management

Group Management's remuneration is to reflect the individual's experience, competence and performance. Remuneration comprises a fixed salary and a variable portion based on performance. The variable remuneration is based on a qualitative assessment of individual performance, in relation to established individual targets and the Company's earnings. There will be an appropriate balance between the fixed salary and the variable remuneration, and it will be possible to set the variable remuneration at SEK 0. Variable remuneration to members of Group Management may never exceed 100 per cent of the fixed salary for the same financial year.

Criteria which govern the potential for variable remuneration must not encourage irresponsible risk-taking or encourage behaviour that may cause conflicts of interest in relation to customers, partners, other companies in the Group or other activities within the Company.

Members of Group Management have acquired warrants, in accordance with prevailing market conditions, in the warrant programme that was decided upon at an Extraordinary General Meeting held on 13 June 2014.

Matters concerning the CEO's terms of employment, remuneration and benefits are prepared by the Remuneration Committee and decided on by the Board (without the participation of the CEO). Remuneration to other members of Group Management, is determined by the Board, based on proposals from the Committee, following consultation with the CEO.

F. Board of Directors

The Board's principal duty is to manage the Group's affairs in a manner creating the best possible conditions for a good long-term investment return. The duties of the Board are governed

by the Swedish Companies Act, the Code and the formal plan that the Board has established for its work.

Avanza's Board makes decisions on matters concerning the Group's strategic direction, as well as on major investments, organisational issues, acquisitions and divestments. Furthermore, the Board determines policies and guidelines, as well as the terms of reference for the CEO and for those responsible for Risk Control, Compliance and Internal Audit.

The Board shall consist of no fewer than five and no more than eight members. Avanza's Board of Directors in 2015 consisted of eight elected Board members and no deputies. At the AGM 2015 all previous Board incumbents were re-elected, with the exception of Andreas Rosenlew, who declined re-election. Jonas Hagströmer was elected as a new Board member. The Chairman of the Board is Sven Hagströmer. The Board held its first meeting following election on 18 March 2015. On 7 October, Lisa Lindström requested to relinquish her position on the Board due to the risk of a conflict of interests between her operational duties in the consulting firm Doberman and her role as Board member. Sophia Bendz was elected as a new Board member at an Extraordinary General Meeting held on 2 December 2015. Information about the members of the Board can be found on Avanza's website and on page 52.

Diversity

The Board has a policy to ensure diversity in the Board. The aim of the policy is to produce a Board of varying ages, with a good distribution of gender and geographical origin, and with differing educational and professional backgrounds, all contributing to an independent, critical and inquisitive Board. Avanza has a Group-wide diversity and equality policy in place to promote diversity and to create a positive, open working environment.

The work of the Board in 2015

Over the course of the year, the Board held a total of thirteen meetings, including six scheduled meetings, one meeting following election and six telephone/mail meetings. Board mee-

tings by telephone/mail addressed mainly decisions regarding Avanza's incentive scheme and remuneration rules.

At scheduled meetings, the following are always discussed:

- financial reporting
- operational reporting
- reporting from the respective control functions Risk Control and Compliance
- credit reporting

In addition to the permanent items on the agenda for discussion at Board meetings, the Board also discusses the matters detailed in the illustration above. At the end of each calendar year, a Board evaluation is undertaken, with the aim of developing the Board's work procedures, whereby each member is asked to complete two evaluation documents. The results of the evaluation are transmitted to the Nomination Committee and compiled in a report, which then forms the basis for the implementation of any changes or skills development.

Formal work plan of the Board of Directors

The Board operates according to a formal work plan, reviewed and adopted on an annual basis, regulating the division of duties, decision-making, signatories, meeting procedures and the duties of the Chairman. In addition, the Board's responsibilities and duties are regulated, and the identification and management of potential conflicts of interest addressed.

The work of the Board follows a reporting plan fulfilling the Board's information requirements. The plan is otherwise governed by the Boards' established procedures regarding the division of duties between the Board and the CEO. In addition, the auditor presents their audit and observations to the Board. In 2015, the Company's auditor was present and reported to the Board at two Board meetings. Company employees participate in the meetings to present reports or to act as secretary.

Remuneration for Board members and attendance at Board meetings

The AGM 2015 resolved that the Chairman and other Board members are each to receive annual remuneration of SEK

260,000. The fee for work undertaken on the Boards of the subsidiaries Avanza Fonder AB and Försäkringsaktiebolaget Avanza Pension was determined at SEK 39,000 each for respective Board assignments. In addition, fees of SEK 39,000 were determined for members in the Credit Committee and of SEK 35,000 for members in the Remuneration Committee. Board members who receive a salary through their employment in the Company are not entitled to a Board fee.

F.1 Remuneration Committee

The Board appoints the Remuneration Committee, which consisted of Sven Hagströmer and Jacqueline Winberg during the financial year 2015. The Committee is responsible for evaluating and recommending the principles for remuneration.

The Committee prepares all proposals for fixed and variable remuneration to Group Management and to the management of the subsidiaries Avanza Fonder AB and Försäkringsaktiebolaget Avanza Pension, and to the managers of the control functions Compliance and Risk Control. Remuneration is determined by the Board.

In addition, the Committee prepares items relating to the CEO's terms of employment and benefits, all of which are approved by the Board. The CEO's variable salary is reviewed annually and is dependent on the achievement of the CEO's individual goals.

In 2015, the Committee held two meetings, at which all members participated, and have also kept regular contact.

F.2 Credit Committee

The Board appoints the members of the Credit Committee, which during the financial year 2015 consisted of the Board members Sven Hagströmer, Birgitta Klasén and Hans Toll. The Committee is tasked with taking decisions in all credit matters that have previously been presented to the entire Board for resolution. This is with the exception of credit matters, where there is a potential conflict of interest. The Committee's meetings and decisions are recorded, and the minutes provided to the Board each subsequent Board meeting.

In 2015, the Credit Committee held nine meetings, at which all members participated, and have also kept regular contact.

Attendance at recorded board meetings 2015

Member of the Board	Attendance	In relation to the company and its management	In relation to the company's largest shareholders
Sven Hagströmer, Chairman	13/13	Independent member	Not independent member
Sophia Bendz	1/1	Independent member	Independent member
Jonas Hagströmer	12/12	Independent member	Not independent member
Birgitta Klasén	13/13	Independent member	Independent member
Lisa Lindström	9/10	Independent member	Independent member
Mattias Miksche	13/13	Independent member	Independent member
Andreas Rosenlew	1/1	Independent member	Independent member
Martin Tivéus	10/13*	Not independent member	Independent member
Hans Toll	12/13*	Not independent member	Independent member
Jacqueline Winberg	13/13	Independent member	Independent member

* Disqualified from meetings at which resolutions relating to incentive schemes and remuneration rules are taken.

Audit Committee

Under the Swedish Companies Act and the Code, the Board of a public limited liability company is required to have an Audit Committee, or, alternatively, the Board is to perform the work of the Committee. The majority of the Committee members must be independent of the Company and Group Management, and at least one member of the Committee is to be independent in relation to major shareholders. Avanza's Board has chosen not to establish an Audit Committee, and, instead, the Board (excl. the CEO) performs the work of such a committee.

At the AGM 2006, it was decided that a member of the Company's Board is to participate in the meetings where the auditor reports to Company management. The Chairman Sven Hagströmer has fulfilled this role since 2013.

The Board has ongoing contact with the Company's auditor in order to be informed about the scope of the audit and to discuss the perception of the Company's risks. On two occasions in 2015, the auditor reported on the progress of her audit to the Board and presented her recommendations. On two occasions in 2015, the internal audit function reported on the results of the year's independent review to the Board.

G. Internal control and risk management

The guidelines established by the Board of Directors stipulate that the Avanza Group is to be characterised by good internal governance and control, implying that the operations are to be conducted in an ethically responsible and professional manner while upholding a sound risk culture.

At individual, company-specific level, the Group's subsidiaries should, as a general rule, apply the same values and principles for internal governance and control as those established at Group level, unless otherwise bound by legal or supervisory requirements or when such principles or values may be considered disproportionate with regards to the nature, extent or complexity of the subsidiary's operations.

Internal regulatory framework for internal governance and control

Due to new regulations concerning internal governance, risk management and control in credit institutions and groups of companies with credit institutions which came into effect in 2014, the Group further developed its regulatory framework for internal governance and control during 2014. The regula-

tory framework is tailored to the nature, extent and complexity of the operations, taking into account the structure of the Group and the risks to which it is exposed. The framework is applicable to the entire Group, including the work undertaken by business, support and control functions, and aims to providing effective monitoring of the subsidiaries' operations.

The three lines of defence principle

The three lines of defence principle is central to risk management and risk control in the Group and in the respective subsidiaries. This principle entails that the first instance of risk management takes place in the first line of defence, i.e. the operations' business and support functions. The Group also has separate control functions which are independent of each other and independent of all other parts of the operations. These are Risk Control and Compliance in the second line of defence and Internal Auditing in the third line of defence.

1. First line of defence – risk management by business operations

In the regulatory framework for internal governance and control, there is a sub-framework for risk management with guidelines, instructions, routines, processes and limits.

Risk management is to take place within every department according to the three lines of defence principle, with a clear allocation of responsibilities between the lines of business, the independent control functions and Internal Audit. The risk management work must take place under the supervision of, and in communication with, Risk Control as follows:

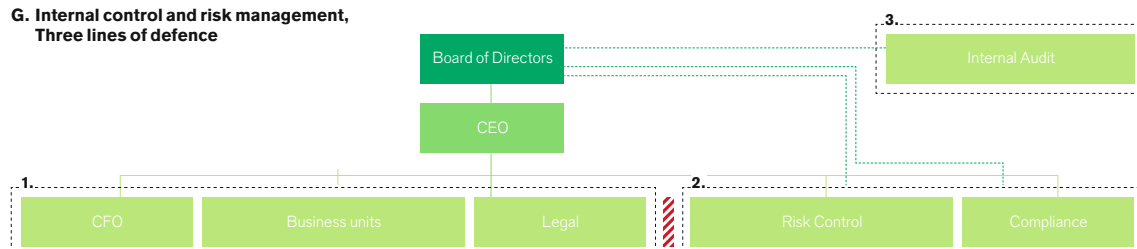
- governance and risk culture
- risk appetite and risk tolerance
- risk models and integration of the risk management areas
- approval process for new products

Avanza has a conservative approach to risk and strives to maintain a low level of risk.

2.1 Second line of defence – Risk Control

The manager of the Risk Control function reports directly to the CEO and presents reports at all scheduled Board meetings, in addition to providing regular reports to Group Management. The manager can also report directly to the CEO or Chairman of the Board if necessary. The Risk Control function

G. Internal control and risk management, Three lines of defence



is responsible for the monitoring, control and reporting of risks and for the dissemination of risk information. Furthermore, the Risk Control function is responsible for the establishment and follow-up of an appropriate risk policy and the internal framework for risk management. For more information about risk management, please refer to pages 35-37 and note 36 Financial risks in the Annual Report for 2015.

2.2 Second line of defence – Compliance

Compliance monitors that the operations requiring a licence are undertaken in accordance with applicable laws, regulations, internal directives and accepted practice. Compliance reports to the CEO and presents reports at all scheduled Board meetings, in addition to providing regular reports to Group Management. The function can also report directly to the CEO or Chairman of the Board if necessary.

Compliance proposes, to the CEO and the Board, such internal guidelines, routines and measures necessary to minimise the risk of regulatory non-compliance and to enable the Swedish Financial Supervisory Authority to exercise efficient supervision. Compliance monitors and regularly assesses whether the measures and routines at Avanza are appropriate and effective, and evaluates measures taken to rectify any deficiencies in the regulatory compliance.

Compliance informs the CEO, the Board and the employees of the rules applicable at any time with regard to the operations conducted by Avanza requiring a licence. Knowledge of applicable rules can be disseminated through internal regulations, training programmes and other types of information.

3. Third line of defence – Internal Audit

The internal audit function is appointed by and directly under the supervision of the respective Boards of Directors. The work of the internal audit function is based on an audit plan decided by the Board. The plan is based on risk analysis and the work comprises an examination and assessment of whether systems, internal control mechanisms and routines are appropriate and effective, including work performed by the control functions in the second line of defence. The internal audit function also issues recommendations and checks that these recommendations are followed, reporting at least once a year in writing to the CEO and the Board of Directors.

The internal auditing is performed by external consultants for the purpose of ensuring the quality and independence of the evaluation and review. In 2015, the Board of Directors commissioned the external consultancy firm OMEO Financial Consulting AB (OMEO), to execute the internal audit.

During 2015 Internal Audit focused its investigation on questions relating to Avanza's internal process mapping, securities administration, currency trading, new customer registration procedures, deposit system, reporting within the Treasury operations, and the Group's model for allocating income and expenses.

At Board meetings held on 10 June and 16 December 2015, OMEO reported its findings from the independent review for the year to the Board of Directors.

Suitability assessment of the Board of Directors and senior executives

In accordance with the European Banking Authority (EBA) guidelines and Article 16.3 of Directive (EU) No. 1093/2010, Avanza has issued internal guidelines for the suitability assessment of Board members, CEO and other members of Group Management and heads of control functions.

These guidelines stipulate the manner in which Avanza is to evaluate the suitability of individuals who have the aforementioned positions. These assessments are to be made in conjunction with each new appointment, and regularly as required. Background checks are made at least once a year.

Such assessments are to ensure that the person in question has adequate knowledge, insight, and experience and is suited to the role, as well as assessing any potential conflicts of interest. When appointing Board members, the collective expertise of the Board is also to be considered.

Assessments similar to the above were performed in 2015 in connection with the election of two new members onto the Board. In addition, background checks have been made during the year on all Board members, members of Group Management and heads of control functions.

Training requirements among Board members have also been assessed, and a couple of information and education initiatives were organised accordingly during the year.

The Board of Directors' report on internal controls in relation to financial reporting

The Board is responsible, under the provisions of the Swedish Companies Act (SFS 2005:551), the Swedish Annual Accounts Act (1995:1554) and the Swedish Code of Conduct for Corporate Governance ("the Code"), for internal controls regarding both Avanza Bank Holding AB (publ), referred to below as "Avanza", and the entire Avanza Group. This report is limited to internal controls regarding financial reporting, and constitutes a part of the Corporate Governance Report which shall be appended to the Company's Annual Report.

System of internal controls and risk management in relation to financial reporting

Internal control in relation to financial reporting is a process, the purpose of which is to ensure that the established principles for internal controls and financial reporting are complied with, and that the Company's financial reports are prepared in accordance with laws, regulations, applicable accounting standards and generally accepted accounting principles, as well as all other requirements regarding companies with transferable securities listed for trade in a regulated market.

Control environment

Fundamental to Avanza's internal control of the financial reporting is the control environment described in the Corporate Governance Report, a clear and transparent organisational structure, allocation of responsibilities, and governing internal documents, such as policies, guidelines and instructions. Examples of these include the work plan for the Board and CEO, the work procedures for Risk Control, Compliance and Internal Auditors. In addition, the documents include guidelines for internal governance and control, authorisation instructions and the information policy.

A further component of the control environment is risk assessment, that is, the identification and management of those risks which may affect financial reporting, as well as control activities aiming to prevent, identify and rectify errors and discrepancies.

Risk management

Risk management within Avanza, which includes risks related to financial reporting, is proactive by nature and carried out on a follow-up basis, with an emphasis on continuous assessments, controls and training programmes. Avanza applies the techniques and methods currently available in a cost-effective manner. Risk management is an integrated part of the business operations. Please refer to page 35 for further information.

Control activities

Control activities are integrated into the process for financial reporting. These include both general and more detailed controls, intended to prevent, identify and rectify errors and discrepancies. Control activities are formulated and documented at company-wide and departmental level, based on a reasonable level related to the risk of errors and their effects. Each departmental manager is primarily responsible for managing the risks connected to the operations and processes for financial reporting in their department.

Furthermore, a high level of IT security is a prerequisite for effective internal control of financial reporting. For this reason, rules and guidelines have been established to ensure the accessibility, correctness, confidentiality and traceability of information in the business systems.

Information and communication

The purpose of the information and communication channels in Avanza is to promote completeness and correctness in the financial reporting. Governing documents applying to financial reporting have been made available and known to the appropriate employees through the Company's Intranet and have been supplemented by descriptions of relevant routines and processes. Regular sharing of information, dialogue, training programmes and controls ensure that the employees are aware of, and understand, the internal regulations. This should ensure a high

standard of financial reporting. The entire Group applies the same system for financial reporting.

Follow-up

Avanza's Controller function draws up and reports financial and operative figures and analyses to departmental managers, Group Management and the Board. Furthermore, the department for accounting and control actively follows up on the on-going operational expenses in relation to the budget and forecasts.

This work is undertaken in close cooperation with Group Management and the managers within the organisation.

The control functions Risk Control, Compliance and Internal Audit follow up on compliance with policies, guidelines and instructions.

Additionally, since 2006, Avanza has had an internal management organisation for the purpose of following up, and assessing, the internal control and risk management focusing on the financial reporting, including the quality and efficiency of the control structure and compliance with internal governing documents. The internal management organisation, which held four recorded meetings in 2015, consists of representatives from Finance, Back Office, Trade, Pension, IT, Risk Control and Compliance departments.

The Board receives financial reports on a monthly basis, and the Company's and Group's financial situation is addressed at each Board Meeting. Prior to each Board Meeting, the Board receives reports from each of the control functions Risk Control and Compliance. All of these reports are based on an evaluation of the Group's activities and they cover the entire organisation.

The Board also reviews the interim financial reports and annual accounts, as well as the observations and conclusions of the external auditors and the internal auditors.

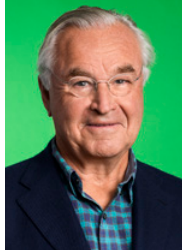
The information and communication channels of the Group are followed up on an on-going basis in order to ensure they are appropriate for financial reporting.

Assessment and positions regarding Internal Audits

Avanza's Internal Audit function is appointed by and is directly under the supervision of the Boards of Directors. The work of the internal audit function is based on an audit plan decided by the Board. The plan is based on risk analysis and the work comprises an examination and assessment of whether systems, internal control mechanisms and routines are appropriate and effective, issuing recommendations, checking that these recommendations are followed and reporting at least once a year in writing to the Board of Directors and the CEO.

The internal auditing is performed by external consultants for the purpose of ensuring the quality and independence of the evaluation and review. The Chairman of the Board is responsible for the procurement of the internal audit and has meetings with the internal auditors about issues to focus on.

Board of Directors and Auditors



Sven Hagströmer

Chairman

Born	1943
Elected	1997
Education	Studies at Stockholm University

Relevant employment history	1981 Founded Sven Hagströmer Fondkommission. Chairman of Avanza's Board of Directors since 1999
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Other significant assignments	Chairman of the Boards of Creades AB and Biovestor AB, Board member of Doberman AB and Doberman Group AB
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Holdings on 31 December 2015 (incl. family and companies)	5,887,105 (of which Creades 2,939,859)
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Sophia Bendz

Born	1980
Elected	2015
Education	Business Management and Marketing at Stockholm University, Arts at Baruch College, New York and at Stockholm University, studies at Hyper Island, New York

Relevant employment history	2007-2014 Global Marketing Director at Spotify, 2010-2011 Member of the Board of Happy Socks, 2010-2011 Member of the Board and co-founder of AllBright.se, 2006-2007 PR consultant at Prime PR, 2005-2006 Risk Management Consultant at Deloitte, 2000-2005 Trading Assistant at Handelsbanken Capital Markets
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Other significant assignments	Executive in Residence of Atomico, Board member of Norstedts and Unibet
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Holdings on 31 December 2015 (incl. family and companies)	0
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Jonas Hagströmer

Born	1982
Elected	2015
Education	MBA, Lund University, studies at Hong Kong University of Science and Technology

Relevant employment history	2012- Investment Manager at Creades AB, 2007-2011 Corporate Finance Associate and Analyst at Keystone Advisers
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Other significant assignments	Board member of Biovestor AB, DigiExam Solutions Sweden AB and Inet AB, Chairman of the Board of Wowallet Sweden AB
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Holdings on 31 December 2015 (incl. family and companies)	Indirect shareholding via Biovestor and Creades
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Birgitta Klasén

Born	1949
Elected	2014

Education	Master of Science in Engineering, KTH in Stockholm, BSc in Economics Stockholm University and Master of Education, Stockholm Institute of Education
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Relevant employment history	2006-2008 Member of the Board of Telelogic AB, 2005-2008 Member of the Board of OMX AB, 2004-2005 CIO at EADS, 2000-2005 Member of the Board of Föreningsparbanken, 1996-2001 CIO at Pharmacia & Upjohn, 1995-1996 CIO at Telia, 1976-2004 various posts at IBM including Deputy CEO at an outsourcing company wholly owned by IBM, Responsor AB
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Other significant assignments	Senior IT Advisor, Board member of Assa Abloy AB, Acando AB and IFS AB
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Holdings on 31 December 2015 (incl. family and companies)	7,000
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Mattias Miksche

Born	1968
Elected	2008

Education	Master of Science in Business and Economics, Stockholm School of Economics
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Relevant employment history	2005-2015 Founder and CEO of Stardoll Inc., 2003-2005 Founder and CEO of Boxman AB, now known as Lovefilm Nordic, 2003-2005 Member of the Board of E-TRADE Sverige, 2002-2003 CEO E-TRADE BANK AG (Germany), 2000-2002 CEO E-TRADE Sverige
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Other significant assignments	Board member of Stardoll AB, Dustin Group AB, Euroflorist Intressenter AB and Sportamore AB
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Holdings on 31 December 2015 (incl. family and companies)	2,790
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Martin Tivéus

Born	1970
Elected	2012
Education	Master of Science in Business and Economics, Stockholm School of Economics

Relevant employment history	2008-2011 Sweden Head of Consumer Market at Microsoft, 2004-2008 Marketing Director and then CEO at Globalnet, 2003-2004 Marketing Director at Snowflake
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Other significant assignments	CEO Avanza Bank, Board member of Teracom Boxer
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Holdings on 31 December 2015 (incl. family and companies)	17,998 and 58,810 warrants equivalent to an equal number of shares
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Hans Toll

Born	1970
Elected	2014
Education	Master of Science in Business and Economics, Stockholm School of Economics

Relevant employment history	2010-2013 Deputy CEO and Head of Banking & Investments, Avanza Bank, 2002-2010 Portfolio manager at RAM One, Rational Asset Management AB, 1999-2002 Analyst at Investor Trading AB, 1995-1999 Financial analyst at Investor AB
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Holdings on 31 December 2015 (incl. family and companies)	25,000
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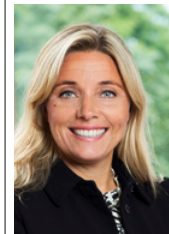
Jacqueline Winberg

Born	1959
Elected	2003

Relevant employment history	Master of Science in Business and Economics, Stockholm School of Economics, 1996-2005 Partner at Ray & Berndtson, Sweden, 1995-1996 Consultant at Michael Berglund Executive Recruitment, 1985-1990 Handelsbanken, 1984-1985 PK-banken
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Other significant assignments	Managing Partner and Board member of Stanton Chase
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Holdings on 31 December 2015 (incl. family and companies)	1,700
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AUDITORS

**Öhrlings
Pricewaterhouse
Coopers AB**

Auditor-in-Charge:

Catarina Ericsson

Born 1966

Authorised Public Accountant

Group Management



Martin Tivéus

Born	1970
Position	CEO
Employed	2011
Education	Master of Science in Business and Economics, Stockholm School of Economics
Employment history	2008-2011 Sweden Head of Consumer Market at Microsoft 2004-2008 Marketing Director and then CEO at Glocalnet 2003-2004 Marketing Director at Snowflake
Holdings on 31 December 2015 (incl. family)	
Shares	17,998
Warrants (corresponding number of shares)	58,810



Gustav Berggren

Born	1980
Position	Head of Private Banking
Employed	2007
Education	LL.M. European Law, Ghent University Law, Stockholm University Political Science, Stockholm University Business Administration and leadership, Suffolk University
Employment history	2006-2007 Management Trainee at Blendrow Consulting
Holdings on 31 December 2015 (incl. family)	
Shares	–
Warrants (corresponding number of shares)	36,700



Maria Christofi Johansson

Born	1970
Position	Head of Customer Service
Employed	2000
Education	LL.M. Stockholm University
Employment history	1996-2000 Account Manager for external funds at SEB
Holdings on 31 December 2015 (incl. family)	
Shares	8,600
Warrants (corresponding number of shares)	37,420



Birgitta Hagenfeldt

Born	1961
Position	CFO
Employed	2008
Education	MBA, Örebro University
Employment history	2002-2008 Head of Administration at RAM One, Rational Asset Management AB 1980-2002 Authorised Public Accountant and Head of Financial Auditing at KPMG
Holdings on 31 December 2015 (incl. family)	
Shares	39,430
Warrants (corresponding number of shares)	84,810



Henrik Källén

Born	1968
Position	COO, Deputy CEO
Employed	2000
Education	LL.M. Stockholm University
Employment history	1997-2000 Stockbroker at Orkla Securities 1995-1997 Team manager stock trading at Stadshypotek Bank
Holdings on 31 December 2015 (incl. family)	
Shares	22,001
Warrants (corresponding number of shares)	76,880



Annika Saramies

Born	1975
Position	CEO Försäkringsaktiebolaget Avanza Pension
Employed	2007
Education	Studies at University of Western Sydney and Örebro Universitet
Employment history	2005-2007 Corporate Sales at SEB TryggLiv 2001-2004 Pension insurance broker at Max Matthiessen 2000-2001 Pension insurance broker at Jahaya AB 1998-2000 Insurance advisor at Capena Fond och Försäkring
Holdings on 31 December 2015 (incl. family)	
Shares	99
Warrants (corresponding number of shares)	8,050



Peter Strömberg

Born	1972
Position	CIO
Employed	2014
Education	MSc Business Administration & Information Technology, Gotland University College/Stockholm University
Employment history	2010-2014 IT Director, IT-Service Management at RSA Scandinavia 1998-2010 Vice President OMX Technology at Nasdaq OMX
Holdings on 31 December 2015 (incl. family)	
Shares	–
Warrants (corresponding number of shares)	19,100



Peter Westling

Born	1971
Position	Marketing Director
Employed	2012
Education	MBA, Stockholm University
Employment history	2002-2011 CEO, Partner and Communication Strategist at Garbergs advertising firm
Holdings on 31 December 2015 (incl. family)	
Shares	–
Warrants (corresponding number of shares)	38,620

This report is published in Swedish and English. In the event of any difference between the two versions, the Swedish original shall prevail.

Stockholm, 10 March 2016

Sven Hagströmer
Chairman of the Board

Sophia Bendz
Board member

Jonas Hagströmer
Board member

Birgitta Klasén
Board member

Mattias Miksche
Board member

Hans Toll
Board member

Jacqueline Winberg
Board member

Martin Tivéus
CEO

Auditor's statement on the Corporate governance report

To the Annual General Meeting of Avanza Bank Holding AB (publ), Corporate Identity Number 556274-8458

The Board of Directors is responsible for the Corporate Governance Report for the year 2015 on pages 44–54 and for ensuring that the Corporate Governance Report is prepared in accordance with the Annual Accounts Act.

We have reviewed the Corporate Governance Report, and we believe that this review, in combination with our knowledge of the company and the Group, provides a reasonable basis for our opinion. This implies that our statutory review of the Corporate Governance Report has a different focus and is substantially more limited in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

We are of the opinion that a Corporate Governance Report has been prepared, and the statutory information contained therein is consistent with the other parts of the annual accounts and consolidated financial statements.

Stockholm, 10 March 2016

Öhrlings PricewaterhouseCoopers AB

Catarina Ericsson
Authorised Public Accountant