

Welcome to a bank as it should be

Annual and Sustainability report 2022
Avanza Bank Holding AB (publ)

Contents

Avanza – an overview	2
The year in brief	4
CEO's statement	5
Vision and strategy	8
Business model	10
Stakeholder dialogue	12
The Swedish savings market	15
Avanza as an investment	20
Targets and outcomes – an overview	24
Sustainability in the savings capital	28
Our customers	32
Our employees	36
Our shareholders and share information	42
Risk profile	44
Chairman's comment	48
Corporate governance report	50
Board of Directors and Auditors	58
Group Management	60
Administration report	63
Five-year overview	66
Consolidated income statements	72
Consolidated balance sheets	73
Changes in the Group's shareholders' equity	73
Consolidated cash flow statements	74
Parent Company income statements	75
Parent Company balance sheets	76
Changes in the Parent Company's shareholder equity	77
Parent Company cash flow statements	77
Notes	78
Audit report	121
Sustainability reporting	126
Customers and benefit levels	130
Brokerage fee classes	131
Products range	132
Definitions	134
Annual General Meeting	136
Financial calendar	137

The English version of the Annual and Sustainability Report is a translation. In the event of any differences between the English version and the Swedish original, the Swedish version shall prevail.

Sweden's leading platform for savings and investments

Avanza was founded in 1999 to offer online stock trading for individual investors at low prices. Low fees, a broad range of savings products, and education and support for investment decisions have since then been the basis of Avanza's offer.

We mainly target individual investors in Sweden, but also have services for professional investors and corporate customers, such as entrepreneurs, asset managers and those who want an occupational pension.

We offer customers approximately 80,000 investment opportunities through a wide range of Swedish and foreign securities and savings accounts, with no fixed fees and low prices. Our large fund offering includes 18 funds from our own fund company. Competitive occupational pension solutions and mortgages are available as well. For more information, see page 130.

The Group consists of the listed Parent Company, Avanza Bank Holding AB (publ), and four wholly owned operating subsidiaries. All operations are conducted in Sweden from one office, mainly managed by the subsidiaries Avanza Bank AB (publ) and Försäkringsaktiebolaget Avanza Pension. Avanza Fonder AB manages our own funds and Placera Media Stockholm AB, which is fully independent from Avanza's other operations, publishes news and analyses through the financial site Placera.se and the financial weekly Börsveckan.

As a customer at Avanza, you will have more money left to yourself

One of the market's widest range of savings products and a user experience that makes it simple

We inspire, educate and create tools to support investment decisions

Read about our range of products and services on pages 132–133.

Key figures for 2022

Sweden's most satisfied
savings customers
for 13 years

Source: Swedish Quality Index

Share of the Swedish
savings market

6.3%

Number of customers

1,776,700

Savings capital, SEK

664 billion

Market capitalisation, SEK

35 billion

Average number of employees

622

Income, SEK

2,973 million

Costs to savings capital ratio

0.15%

Operating margin

65%

Return on equity

36%

The year in brief by quarter

Q1

- The Pension Chase is launched as a tool to find and consolidate pensions with Avanza
- One of the cheapest actively managed real estate funds on the market, "Avanza Fastighet by Norhammar", is launched
- Fund fees for 2021 of SEK 19 million are refunded to Start customers
- The ceiling on how much margin loan customers can borrow at the lowest percentage rate is raised from SEK 50,000 to SEK 3 million

Q2

- Avanza signs the Business ambition for 1.5°C to set climate targets validated by the Science Based Targets initiative
- Avanza is the highest ranking bank and shares fifth place for all companies in Kantar Sifo's branding survey 2022
- Affärsvärlden names Avanza Best Advisor 2021 for IPOs in the categories "Quality in the billion cap company class", "Price performance in the billion cap company class" and "Quality in the small cap class"
- Avanza ranks third in Business and Economics in Universum's annual survey of Sweden's most attractive employers for students
- The new backoffice system is ramped up, enabling Avanza to increase efficiency at the same time that the scalability of product development is improved

Q3

- The transfer right for unit-linked and occupational pension insurance is further expanded to enable pension savers to choose better and cheaper solutions
- The external mortgage offer is broadened to include new loans and bridge loans
- A new feature is launched on the fund pages to find funds based on individual stocks
- The analysis pages are improved with an even more detailed summary of exposures to different markets and sectors

Q4

- Is awarded SQL's award for Sweden's most satisfied savers for the thirteenth consecutive year
- The Pension Chase is named Transfer service of the year by Privata Affärer
- Avanza is continuously included in Allbright Report's Green List
- Placera's new forum is reopened. A popular service for people who want to discuss stocks
- A total of SEK 53 million is paid to customers regarding stock lending for 2022, of which SEK 27.5 million pertains to the fourth quarter

CEO's statement

A tough year that created challenges for both customers and Avanza. At the same time, the importance of savings is becoming increasingly clear. We continue to invest in our offering to help our customers to gain insight and make sound savings decisions.

A challenging year

We have put 2022 in the books and can say that it has been an extremely challenging year. A horrible war in our region, where Russia invaded Ukraine, also had a big economic impact through a slumping stock market and record-high energy prices. In terms of the first half of 2022, you would have to go back as far as the 1930s to find a bigger downturn in the Swedish stock market. Add to that the high inflation and falling house prices we saw during the year. All in all, this has led to very tough times for households. We are seeing real wage declines for the first time in many years, and for younger people for the first time ever. This is naturally having an impact on the savings rate, which benefits neither savers nor Avanza. In these economically trying times, we are doing what we can to show customers how they should think and act through our podcasts, blogs and social media channels. We have also made it easier to adjust and suspend monthly savings. We fully understand that everyone cannot save as much as before, but we want to help our customers to still try to save on a monthly basis if possible. Over time, it is important for everyone to maintain this good habit.

Updated targets with a focus on continued strong growth

The extremely strong growth in 2020 and 2021 helped us to raise the bar at Avanza. I think we have proven emphatically that we have done so. The profit for 2022 was the second highest in Avanza's 23-year old history, only topped by last year's record. Trading income did not reach the level of the last two years, but was significantly higher than 2019. The Riksbank's policy rate hikes have at the same time helped to make net interest income our largest source of income.

In a volatile market like we saw in 2022, the importance of our growing pension business becomes even clearer. The advantage of the pension market is that it is not as sensitive to global factors as other savings and continues to generate stable premium inflows. The occupational pension assets managed by Avanza amounted to SEK 46 billion, which was only 4 per cent less than previous year – despite the bearish stock market and the fact that we sold off SEK 2.4 billion in contractual pensions.

“In a volatile market the stability of our pension business becomes clear”

Expenses for the year ended up below the cost range we announced for 2022. In 2023, planned expenses are estimated at a maximum of SEK 1,160 million. We find ourselves in a highly uncertain macroeconomic and geopolitical situation, at the same time that we have grown significantly in recent years. As a result, we have to consolidate our business and make sure we are working in the best and most efficient way. For this reason, we decided in 2022 not to increase the size of our staff in 2023, i.e. our staffing plan for 2022 applies to 2023 as well. With our close to 650 employees, and the development of the backoffice system behind us, there are strong resources to further develop Avanza for the benefit of our customers and to maintain our strong customer satisfaction. When it comes to development costs, I also want to stress that we are focused on maintaining a simple and transparent balance sheet, which is why as little as possible of these costs are placed there.

Meeting our most important target – customer satisfaction

Every day my colleagues and I go to work with our customers best interest in mind. That is why it is especially gratifying that we, for the 13th straight year, won Swedish Quality Index's award for Sweden's most satisfied savers. We would never have been able to manage this without the drive and engagement of everyone at Avanza. Although the engagement index (eNPS) among employees fell to the pre-pandemic level, we are still at a high level of 58.

Based on the year's strong profit and our low risk and capital efficient balance sheet, we also reached our return on equity target reaching a return on equity of 36 per cent. The Board of Directors is proposing to the Annual General Meeting a dividend of SEK 7.50, corresponding to 70 per cent of profit in accordance with our policy. At the beginning of the year, we had plans to issue Tier 1 capital to optimise the capital structure, which we have decided to delay until market conditions have improved. At this point, we feel secure with a leverage ratio of 5.5 per cent, which means that deposits can increase by SEK 25 billion without risking to fall short of the regulatory requirement including the guidance of 3.9 per cent.

In the latest measurement, Avanza's share of the Swedish savings market for the third quarter was 6.3 per cent, down from 7 per cent at the beginning of the year. Avanza's savings capital is to great extent invested in equities and funds, which have been affected by the decline in the stock market. The net inflow was also impacted during the year, as was customer growth, when savings and investments were not seen as attractive due to market uncertainty, at the same time that household expenses have risen. With respect to our target of a 10 per cent share of the Swedish savings market by the end of 2025, we will need at least a couple of years with a much more positive stock market and interest in savings than today.



Rikard Josefson, CEO

Despite the uncertain market conditions, we still need to save, especially with greater financial responsibility being placed on the individual. In a year like 2022, I am also convinced that the value of a financial buffer has become clearer, and that even more people have understood the importance of savings. Avanza's vision is to create a better future for millions of people. We do so through insight and tools for savings and investments.

Continuous tech upgrades are an important part of our culture

Development work during the year was largely focused on the replacement of our backoffice system, which has been a major effort but was accomplished in a fantastic way by my colleagues. At Avanza we have a strategy to continuously, in our day-to-day work, replace old technology in order to avoid massive system upgrades. However, sometimes it is unavoidable and last we replaced our trading system in 2017. Going forward, and with the backoffice system completed, we have no plans for replacements of this magnitude. Instead, we will continue to modernise and update our tech stack every day to ensure strong innovative capabilities, scalability and security.

“We are continuously future-proofing Avanza in order to avoid massive system upgrades”

We are often asked for our view on cloud technology and how far we have come, as well as how often we update the platform. When it comes to updates, we make around 10,000 a year, besides the weekly updates, which works out to around 40 a day. The apps are also updated weekly. In terms of the cloud issue, we have reached a high degree of maturity with over 75 per cent of our systems in cloud-ready technology and where our cloud-based data platform is used for an increasing number of applications. We continuously evaluate the cloud for various parts of our IT environment and migrate areas where we see advantages compared to using Avanza's physical data centres. At this point, we do not see any advantages to switching entirely to the cloud.

The Pension Chase named Transfer service of the year

In addition to all the tens of thousands of updates on the platform, we also completed several major launches during the year. We introduced Avanza Fastighet by Norhammar, an actively managed real estate fund, at the beginning of the year. Maybe not the best timing, since real estate struggled on the stock market in 2022. But in the long term it is a good area for many investors to allocate a portion of their capital to. Our customers can now also search for funds based on individual stocks, and the fund pages show each fund's 25 largest holdings.

Another important launch was the Pension Chase, with which you can find your transferable pensions with other life insurance companies and then easily transfer them to Avanza. It also shows how much you can save in fees by transferring. The Pension Chase has been well received by our customers and was named Transfer service of the year by the business magazine Privata affärer.

Transfer rights were expanded during the year, so that older pensions can now be transferred as well, which is very positive. However, we need more people to be active when it comes to pension savings, and get them to understand the difference between burying their head in the sand or truly taking stock of their situation. Here we continue to work with various educational efforts, but we are also talking to politicians to make sure they eliminate the obstacles that today are preventing Sweden's savers from easily choosing the solution that gives them the highest pension in the end, which they now have asked the Swedish Financial Supervisory Authority to investigate.

Ensure that we align with the Paris Agreement

To ensure that our operations align with the Paris Agreement, in 2022 we signed the Business Ambition for 1.5 °C campaign, which is led by the Science Based Targets initiative (SBTi). Through SBTi's framework we have set science-based emissions targets which we now expect to have validated. The targets cover Avanza's direct and indirect emissions as well as the funds that our fund company manages itself. Besides Avanza's own emissions reduction measures, we have also decided to finance climate solutions that will help to reduce emissions outside our own value chain.

From a customer perspective, we are concentrating on making it easier for them to choose sustainable investments and on increasing gender inequality in savings. There are still big differences in Sweden in how women and men save and how large a financial buffer they have, which could be even more impactful in a tougher economic climate. Avanza is working actively on these issues and has as an overarching target to reduce the savings gap.

2023 will also be tough, but hopefully things turn at the end of the year

With a turbulent 2022 behind us, my view is that 2023 will also be challenging. A tough year for our customers and Swedish households with increased costs and less room for all-important savings. We will continue to be there to support them by providing insights regarding savings. I have often said that you get strong legs by walking uphill. I have high hopes that the future will start looking brighter by the end of 2023 and that we will then return to better markets and economic growth.

I would like to conclude with the acronym TEAM – Together Each Achieves More – another way of saying we are stronger together. A big thanks to all you customers, shareholders and employees who make my job so much more enjoyable every day. It is thanks to your engagement, wisdom and feedback that Avanza is what it is today and that will take us to new heights in the future.

Stockholm in February 2023



Rikard Josefson, CEO

Our vision is to create a better future for millions of people

We want to encourage and inspire sustainable savings. Through continuous innovation, with a focus on what's best for the customer, we create better opportunities to save, build trust and generate growth. We want to create the best tool for our customers to successfully manage their finances.

Our strategy is to do it cheaper, better and simpler

We follow a strategy to continuously make our offering cheaper, better and simpler. The promise to our customers is that they will have more money left in their pockets with Avanza than with any other bank or pension company. We concentrate on three areas to achieve this: Customer Focus; Innovation, Scalability & Efficiency; and Sustainability.

The key to Avanza's strategy and success is our employees. The corporate culture draws its energy from a willingness to create change and it is important for employees to thrive, feel engaged and develop. Sustainability has always been deeply engrained in our culture and how we work. Since the start, we have been working to lower the thresholds to the financial market, reduce prices, increase transparency and educate the public on personal finances. We place great importance on maintaining a strong culture where everyone is encouraged to think in new ways, challenge and come up with new ideas. It is also characterised by collaboration and humility.

We are convinced that satisfied customers, combined with engaged employees who enjoy and find it meaningful going to work, create long-term growth and shareholder value.

Customer focus is the cornerstone of our offering

Avanza's business is built on a strong customer focus with a world-class user experience and customer service. Doing what's best for our customers is central to everything we do. We believe our offering must stand the test of time and want to offer a broad range of products and services through continuous innovation and development.

We believe in our customers own ability to make the best decisions and do not offer investment advice. Instead we want to inspire them to sound investment decisions by providing information, education and decision-making tools. We do not recommend specific products or services, either. They are presented objectively with both pros and cons. Another important factor to make financially sustainable investment decisions is transparency, where the price and fee model are clearly shown and where it is easy to understand each product.

Innovation, Scalability & Efficiency

Customer focus and paying attention to their needs is integral to our product development. All of our employees are potential product developers. Development is delegated to autonomous teams with cross-functional competencies and expertise in their areas. This, coupled with a modern technological platform, facilitates a highly competitive rate of innovation and simulta-

neous development in all our channels. By concentrating our business and development in areas where we are, or can be, the best, we create the most value for our customers.

Innovation is also important from a cost perspective. Scalability and efficiency allow us to maintain cost leadership. Continuous improvements to our systems also enable us to quickly respond to changing customer preferences. We work tirelessly to eliminate old technology that could slow development. We continuously evaluate new technology and update and modernise our systems. Our technological platform is among the industry's most modern. The strategy is to never put ourselves in a dilemma with old systems and to continuously automate and simplify our processes. By not planning too far into the future, we stay flexible and can respond to what happens around us. We update the site and apps with improvements and new functions on an ongoing basis through dozens of releases a day. Our systems provide stability, large capacity and economies of scale, and they enable us to deliver high quality.

Avanza should be the obvious choice for those who save sustainably

Since the start, we have worked to reduce prices, educate the public on saving and investing, and promote gender equality. We want to engage people and help them understand how to save. We also want to drive development in the industry and put focus on how fees impact the savings capital, while challenging established structures that disadvantage savers. The environment and greater social engagement have become increasingly important to sustainable development and business. We therefore also want to encourage and inspire sustainable savings. Our sustainability work is focused on three areas. See below and pages 28–31.

Sustainable investments

Our ambition is to facilitate and inspire sustainable savings. An important part of making financially sustainable investment decisions is transparency, where prices and fees are clearly spelled out and where it is easy to understand each product.

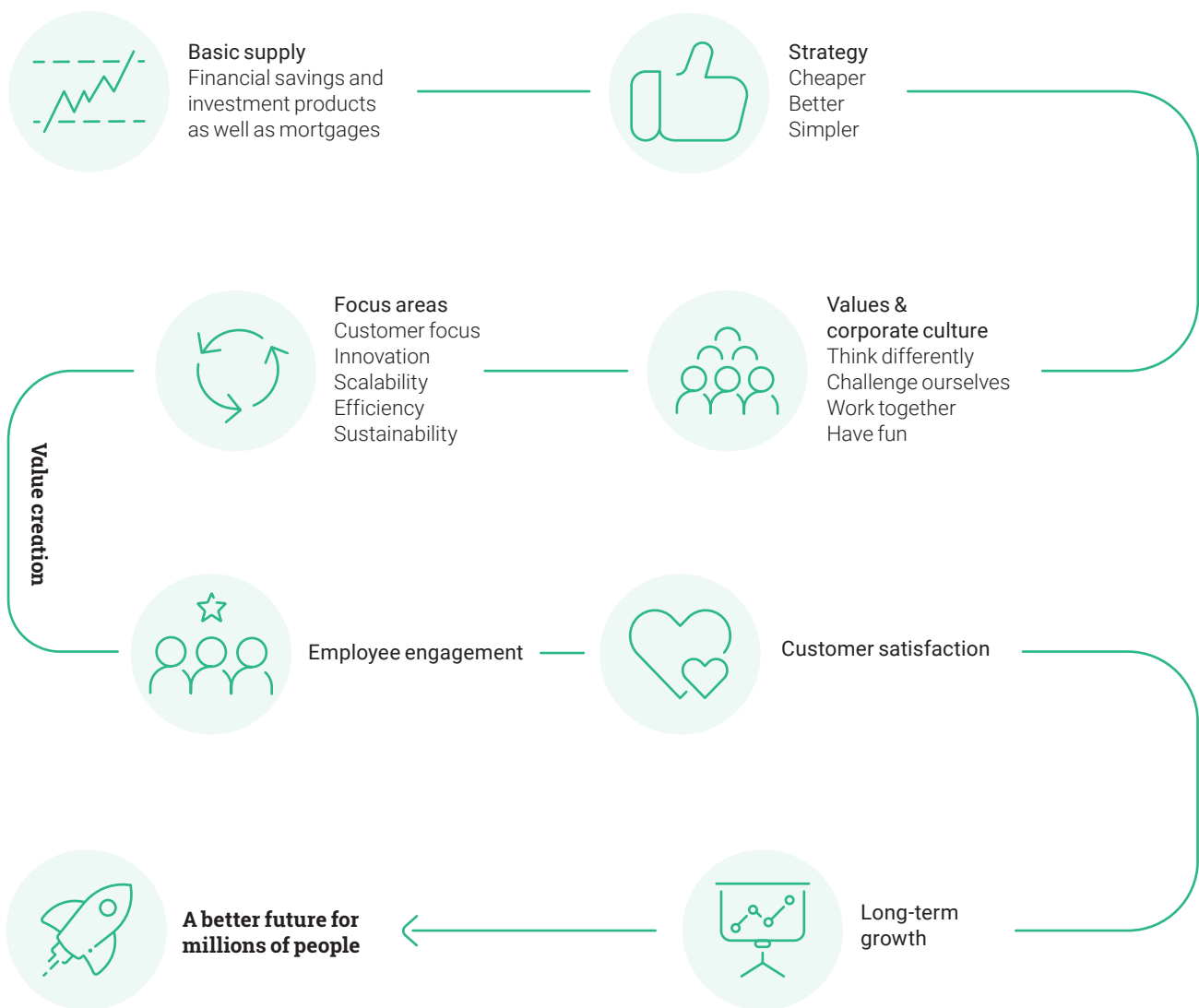
Educate & Challenge

We want to be the obvious choice for those who want to learn more about personal finances and we want to contribute to a more equitable savings market. By educating, driving opinion and challenging convention, we want to create opportunities for more people to be financially empowered. Contributing to

greater equity in savings is a key element in our sustainability work and we work actively to reach women. Our customers have SEK 664 billion in savings capital with Avanza, and through information and inspiration we can also do more to encourage sustainable choices. We are continuously improving our decision support and want to give our customers opportunities to include sustainability preferences in their investment decisions.

Sustainable organisation

We operate in an industry built on trust and will ensure good governance and control. Avanza will also be an attractive workplace for those who value gender equality and a limited carbon footprint. We work actively with diversity issues and to be a net zero emitter of greenhouse gases. For more information, see pages 26 and 36–40.



Business model built on customer focus and scale

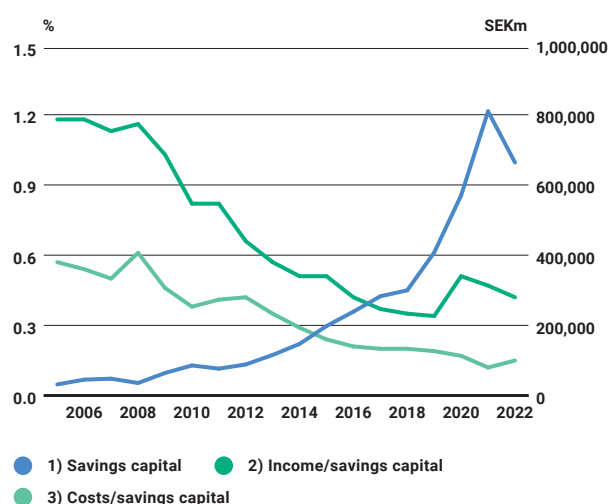
Strong customer growth, combined with the market's lowest costs to savings capital ratio, creates long-term growth in income and facilitates further development.

1) The inflow of savings capital is driven by new and existing customers, which places great importance on customer satisfaction. Throughout Avanza, there is a very strong focus on doing what's best for our customers. Satisfied customers are good ambassadors, talk about us, recommend us to others and want to stay with us.

2) The income to savings capital ratio is a result of our pricing strategy to make the offer more attractive. It is also due to market trends, including changing customer behaviours, the savings mix, market conditions, trading activity, and not least the interest rate environment.

3) To deliver shareholder value and at the same time meet our promise to customers, cost effectiveness is critical. Our business is built on scale, and our success in this respect is illustrated by the declining costs to savings capital ratio.

Timeless business model built on scale



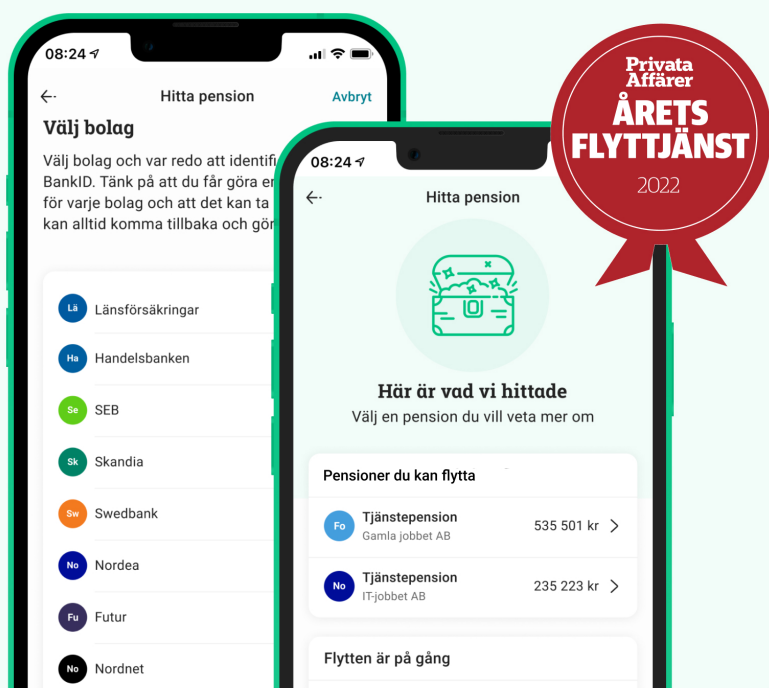
Five year summary	2022	2021	2020	2019	2018
Operating income, SEKm	2,973	3,301	2,349	1,193	1,049
Operating expenses, SEKm	-1,031	-864	-763	-666	-629
Operating profit, SEKm	1,940	2,437	1,576	520	418
Profit for the year, SEKm	1,666	2,047	1,335	447	349
Earnings per share before dilution, SEK	10.69	13.19	8.66	2.94	2.32
Operating margin, %	65	74	67	44	40
Return on shareholders' equity, %	36	50	57	27	24
No. of new customers (net)	116,600	379,800	303,900	139,300	126,500
No. of customers	1,776,700	1,660,100	1,280,300	976,400	837,100
Net inflow, SEKm	23,600	89,800	76,300	32,600	27,600
Savings capital, SEKm	663,900	809,600	570,500	407,700	300,000
Income to savings capital ratio, %	0.42	0.47	0.51	0.34	0.35
Costs to savings capital ratio, % ¹⁾	0.15	0.12	0.17	0.19	0.20
Average no. of employees	622	560	478	429	406

¹⁾ Excluding the administration fee of SEK 35 million imposed on Försäkringsaktiebolaget Avanza Pension by the Swedish FSA, reported in the fourth quarter of 2018.

See definitions on pages 134–135.

Avoid fees – Add SEK 1 million to your pension

Saving should be cheap and easy – including pension savings. Transferring an occupational pension has long been a complicated process where you have to track down loads of information and forms to calculate whether you are even entitled to make a transfer, and whether there is any benefit. With the Pension Chase, you can easily find your old occupational pensions with other companies with the help of a BankID, directly see whether they can be transferred or not, and how much you save by transferring them to us. A prefilled form with all the necessary information is created and sent home to you. You simply have to sign and mail it, then we take care of the rest – easy, just like it should be.



Our success requires listening to our customers

The longevity of Avanza's business is tied to our ability to deliver what our stakeholders want. Listening to our customers and meeting their needs improves our offering and gives us new perspective.

Key focus areas are identified in dialogue with our stakeholders

Avanza's most important stakeholders from a business standpoint are our customers, employees and owners. This is in addition to partners, suppliers, media, authorities and legislators. By maintaining an open dialogue, we learn what is important to them. Transparency, innovation, user experience, availability and working effectively with IT security are areas that customers, employees and owners prioritise, but what they are most interested in is our strong customer focus. There are also other areas more specific to each stakeholder group, as illustrated on the next page. They are important parts of our strategy and development, and encompass the entire organisation without limitation.

A close dialogue has helped us to have the most satisfied savings customers for 13 consecutive years

We dialogue with our customers by phone and email, through social media, personal meetings and surveys.

We regularly send out customer surveys, both general and for more specific products, tools and functions. Prior to new launches, several steps are taken. We conduct customer interviews and user testing and also go back to look at years of feedback on old pages and functions. In addition, we review quantitative data on how customers interact with the page. In connection with major changes, we release a beta version to a limited number of customers for feedback on the new pages in a real environment and then make additional adjustments. Customers can choose themselves whether they want to test out the new functions.

Our customers are highly engaged and we also get feedback through tens of thousands of messages to our customer service, social media and app reviews, which we consider when we develop new functionality or new products. We also have a tool called "Feedback Buddy," where customers can leave comments directly to the development teams.

Each year we send out a number of surveys on the range of products and services we offer, including an open question on what would make Avanza perfect.

After talking to customer service, customers are automatically called back and given the opportunity to answer a short survey by phone to ensure we have provided the best possible service. This enables us to continuously measure customer satisfaction, receive feedback and respond to customers if needed.

Many of us receive feedback from customers. Within customer service we have a special team responsible for coordinating and forwarding customers' views and suggestions to product teams and management. Improvements are made to our offering on a weekly basis through updates to the site as well as the apps and infrastructure, largely based on responses from customers and changes in user preferences.

All this, together with our market analysis, is important to improving the offering.

An open work environment and creative dialogue encourage employee engagement

Our employees are driven by our vision and by creating change, at the same time that they want to develop professionally and have fun on the job. An open work environment is essential to capitalise on ideas and create engagement, which increases our innovative capacity.

We track how our employees feel about the work environment through anonymous pulse surveys. They are conducted three times a year and focus on the work environment, leadership and engagement and have a response rate of around 90 per cent. The surveys are used to identify what is working and what is not, and whether we are improving over time. Employees are also encouraged to discuss what they feel needs to improve or change to make them happier and more engaged. The results are followed up through workshops within each department and within Group Management.

Performance reviews are conducted periodically between employees and their managers. They provide an opportunity to identify needs, opinions and wishes, and to directly follow up and give feedback on the employee's personal development and performance, but also on softer values.

New employees respond to a follow-up survey in their first three months to ensure that leadership, culture, personal responsibilities and their initial time with Avanza have met expectations. When an employee leaves the company, we ask them to take an anonymous quantitative exit survey to identify why they are leaving and why we may not have succeeded in meeting their expectations. This is an important way to get an honest opinion on Avanza as an employer, our leadership and whether the individual felt they could impact their work situation. HR compiles a semiannual report for Group Management on areas of improvement that have been identified.

In addition to this and day-to-day communication, there are a number of ways we strengthen this dialogue and ensure that our employees are heard. For example, we hold monthly meetings where the whole company gathers to talk about what the company is doing and provide an opportunity to ask questions directly to Group Management and the CEO. The meetings are held in person and live-streamed.

We work in an open office concept, which creates a closeness and availability and along with an unpretentious culture is designed to foster internal dialogue.

Transparency to create understanding and give a fair view of Avanza to our owners

In addition to our financial reports and press releases, we publish monthly statistics and have historical financial data dating back to 2001. We communicate regularly with analysts, owners and potential investors. In 2022, we held over 160 investor meetings, most of which were virtual. Also, Avanza took part in several roadshows and investment seminars during the year. We have 12 analysts who follow Avanza.

Owners, investors and analysts want transparency and availability to understand the decisions we make, for the industry as a whole and for our financial reporting. We strive to be as transparent and available as possible to give an accurate picture of Avanza. Through this dialogue and communication, and by listening to opinions, we try to build trust among owners, potential investors and analysts. Reporting and information disclosures shall reflect our progress in meeting targets and priorities while facilitating thorough analysis and well-informed investment decisions.

What our stakeholders want and the main topics we discuss

Important for all stakeholders

Strong customer focus, user experience and availability, IT security, transparency, and innovation

Specific among customers

Simple and smart tools & decision-making support
Easy to navigate user experience
High service level
Broad product range & product development
Low prices

More about customers on pages 32–34.

Specific among employees

Live our vision and values-based culture
Clear communication and transparency
Good leadership
Stimulating work environment with flexibility and good development opportunities
Have fun at work
Equality in the workplace

More about employees on pages 36–40.


Specific among owners

Growth
Scalability & cost efficiency
Increasing stable income
Low risk taking
Performance on targets
Engaged management and strong ownership

More about owners on pages 22 and 42–43.

Performance review on material analysis

Material aspects	Evaluation criteria	Page
Strong customer focus	Customer satisfaction and cheaper, better and simpler offering	32–34
User experience	Customer satisfaction and average daily active users	21, 24
Availability	Platform availability	44
IT security	Substantiated complaints concerning breaches of customers' integrity	69
Transparency	Transparency in supply, prices as well as in financial reporting	8, 13, 32–34
Innovation	Product development and efficiency	8, 12, 32–34, 36



Dive down in 'Your 2022'

Educating and providing insight to our customers is important to us at Avanza. Regardless of market conditions, we want to be there and support your savings journey. In "Your 2022", we go in depth into your year with Avanza and share ideas of what to consider and how to act in turbulent times.



Redo att dyka ner i ditt 2022?

Visst kan det kännas lite mörkt och läskigt här nere på djupet. Men andas bara lugnt och se dig omkring.

Längs botten finns även sånt som glimrar.

[Visa mitt 2022](#)

Sweden's savings and mortgage market with its opportunities and risks

The need for savings became even more apparent in a turbulent 2022 and the interest stayed high even though market conditions affected abilities to save. At the same time, society to a greater extent assume everyone to have personal savings.

The Swedish savings market

Since Sweden introduced tax-subsidised fund savings in the late '70s, an almost unique savings culture has been built, and investing in the stock market has become widely popular. When the Public Savings Scheme (Allemanssparande) was launched in 1984, funds truly caught on with Swedish investors and new groups began investing. The next big step was in 2012, when the Investment Savings Account was launched, making it much easier to invest in equities and giving the stock market another boost.

The parts of the Swedish savings market where Avanza is active amounted to just over SEK 10,190 billion as of 30 September 2022. Households' net inflow to the savings market was SEK 452 billion during the period October 2021 to September 2022. This was a decrease from the same period in 2021, when the net inflow was SEK 527 billion.

Pension and insurance savings, i.e. the life insurance market, is the single largest segment, accounting for nearly half of the savings market. Of this portion, private pension and insurance savings account for just under SEK 1,250 billion. The occupational pension market can be divided into traditional life insurance and unit-linked insurance and amounts to just over SEK 3,600 billion, of which the portion outside collectively agreed occupational pensions and within which Avanza is active amounts to SEK 815 billion. The premium inflow to this portion of the market was SEK 53 billion, an increase from SEK 49 billion in the previous year, which reflects the stability of this portion of the savings market.^{1) 2)}

Just over 26 per cent of the savings market consists of direct investments in funds and equities. In occupational pension savings and individual pension savings, the largest share also consists of fund and equity investments. This means that 75 per cent (80) of the savings market in Sweden consists of securities.¹⁾ The Swedish fund market is characterised by low prices from an international perspective and historically high returns. The average annual fee for an equity fund in Sweden was 1.06 per cent in 2021.³⁾ This compares to the volume-weighted average fee of 0.70 and 0.60 per cent that Avanza's customers paid in 2021 and 2022 respectively. Eighty per cent of the Swedish population invests in funds, either directly or indirectly through pension savings. The share of the individuals who own equities has grown in recent years and was 25 per cent in 2021. Despite the market turbulence in 2022, the total number of shareholders in Sweden increased as of 30 September. Interest in shares is also increasing among women, where share ownership rose by

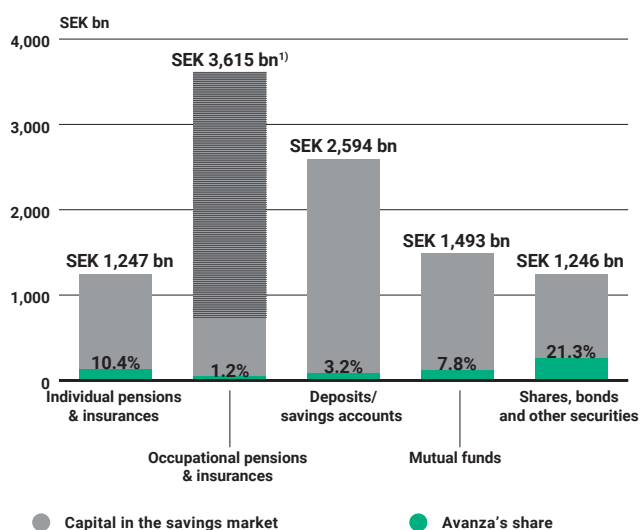
1.6 percentage points from 2020 to 2021. However, 6 out of 10 shareholders are still men. Young people account for a growing share of equity ownership, a trend that dates back several years.⁴⁾

The Swedish savings and insurance market is dominated by the largest banks and major pension companies. There are also a number of smaller players.

Avanza's position in the savings market

Avanza's share of the Swedish savings market as of 30 September was 6.3 per cent, while the share of the total net inflow for the twelve-month period was 10.7 per cent.¹⁾

The Swedish savings market



¹⁾ The occupational pension market can be divided into traditional life and unit-linked insurance. Unit-linked insurance amounts for close to 40 per cent, of which Avanza is active in the portion outside collectively agreed occupational pensions, which at the end of 2021 was valued to nearly SEK 815 billion.

Avanza's 1,776,700 customers correspond to a market share of 16.5 per cent of Sweden's population. Avanza's share is strongest in urban areas and among people aged 20–39. For example, in the Stockholm area and among men it exceeds 40 per cent in this age category.⁴⁾

¹⁾ Statistics from the Savings barometer and Insurance Sweden are published with a lag; the latest refer to 30 September 2022.

²⁾ Based on numbers from Insurance Sweden as of 31 December 2021.

³⁾ Swedish Investment Fund Association, www.fondbolagen.se and AMF, Fees on the Fund Market 2021

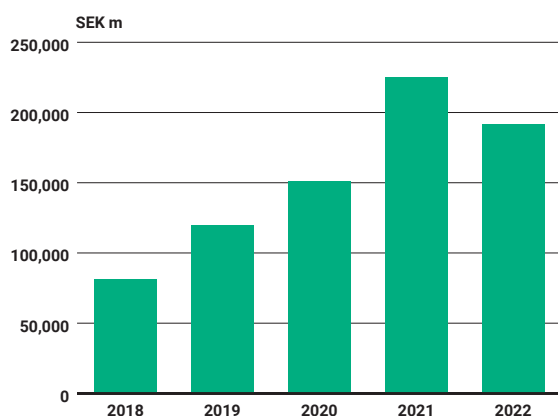
⁴⁾ Statistics Sweden and euroclear.com.

The Swedish savings market

Savings capital on Avanza's platform amounted to SEK 664 billion at year-end, corresponding to a decrease of 18 per cent in 2022 tied to lower valuations due to the stock market decline. The Stockholm Stock Exchange, OMX Stockholm Gross Index, fell by 22 per cent. The net inflow amounted to SEK 24 billion.

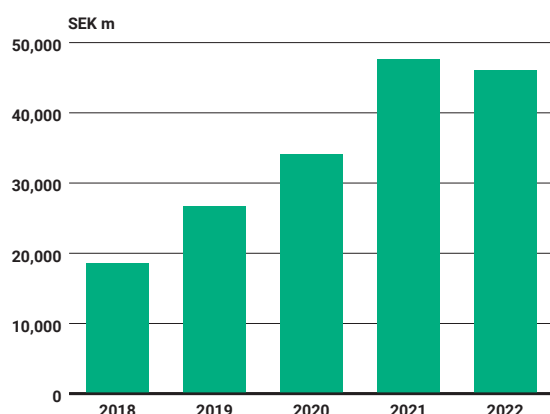
Fund capital on the platform was SEK 192 billion with a net inflow of close to SEK 2 billion. On the fund market as a whole, there were net outflows of SEK 4 billion during the year. Of the fund capital on Avanza's platform, just over 33 (29) per cent was invested in Avanza's own funds. Avanza Fonders' share of the net fund inflow was 34 (8) per cent, compared to its total market share of 1.3 per cent of the fund capital in the Swedish savings market.

Development in fund capital with Avanza



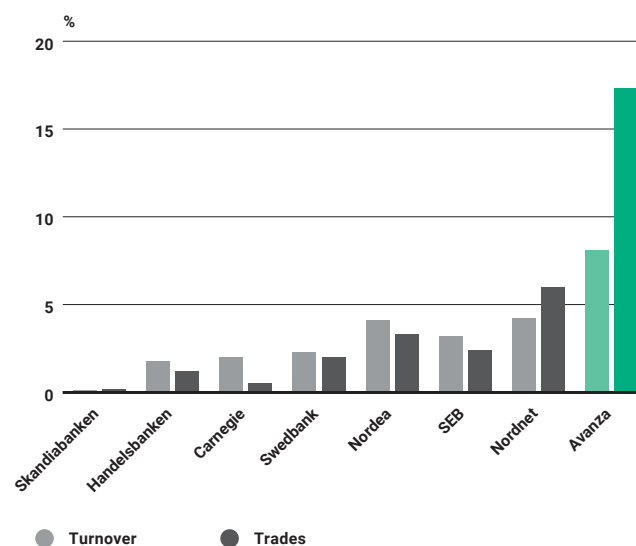
In the life insurance market, Avanza's share of the premium inflow for the period October 2021 to September 2022 was 10.4 per cent. Occupational pension capital invested with Avanza totalled SEK 46 billion at year-end, corresponding to a decrease of 4 per cent. The market share of the premium inflow to non-collective occupational pensions was 8.4 per cent for the twelve-month period.

Development in occupational pension capital with Avanza



In equity trading, in 2022 Avanza was the largest Swedish player on Nasdaq Stockholm including First North in terms of both number of transactions and turnover. Of the approximately 2.7 million equity investors in Sweden in December 2021, just over 1 million were Avanza customers.

Market shares in stock trading among Swedish firms 2022



The Swedish mortgage market

Mortgage lending to Swedish households as of 30 September 2022 amounted to just over SEK 4,030 billion. The market is dominated by the four major banks, but competition from new mortgage providers has grown in recent years.²⁾ This has contributed to a decrease in the average gross margin on mortgage loans. In the twelve-month period October 2021 to September 2022, margins averaged 1.23, compared to 1.43 in the corresponding period a year earlier.³⁾

Avanza's position in the mortgage market

Avanza has since 2013 offered mortgages on a small scale to Private Banking customers on its own balance sheet. Such loans require SEK 3 million in savings capital with Avanza and a maximum loan to value ratio of 50 per cent. Only a limited share of deposits is used for lending. Since 2017, Avanza also has a broader external mortgage offering where we distribute other loan providers' products via Avanza's platform. To date, mortgages are offered from two loan providers. In 2022, the offering from one of these was expanded to include down payment loans, bridge loans and new loans. To provide a comprehensive mortgage offering to Avanza's customers, it has to be expanded to loan to value ratios of up to 85 per cent.

Total mortgage volume amounted to SEK 35 billion at year-end, of which SEK 11 billion related to internally financed lending. This produced a market share of 0.9 per cent. For net lending as of 30 September the market share was 3.2 per cent (2.9) on an annual basis.²⁾

¹⁾ Statistics from the Savings barometer and Insurance Sweden are published with a lag, the latest refer to 30 September 2022.

²⁾ Statistics from Statistics Sweden as of 30 September 2022.

³⁾ Banks' margins on mortgages, Fi.se, refers to 8 November 2022.

⁴⁾ Swedish Investment Fund Association.

The savings market in 2022

Conditions in the savings market changed dramatically during the year. Last year, the interest in savings was higher than ever, but in 2022 customer activity decreased as a result of macroeconomic conditions and the market turbulence. After several years of great interest in the stock market and an upward price trend, we have in recent years seen new firms pop up and offer savings solutions through new business models, strengthening competition in the market. Some of these models will now be stress tested as conditions change. We find ourselves in a very different macroeconomic environment, which places high demands on agility and underscores the importance of a sustainable business model.

In all likelihood, global economic growth will take a sharp downturn in 2023, and the risk is high that we will face a recession in many countries around the world. Sweden is a small, open economy and is therefore especially vulnerable to a global slowdown. From having maintained an expansionary monetary policy to boost inflation, the focus now is on fighting it. During the year, several of the world's central banks, including the Swedish Riksbank, announced large rate hikes. We have also seen monetary policy tightening in the form of reduced asset purchases by central banks. Furthermore, we find ourselves in a highly uncertain geopolitical situation.

At the same time that this is occurring, individuals are having to take on greater responsibility for their personal finances as the social safety net weakens. This, along with massive technological development, places high demands on everyone in the financial market, including investors.

Opportunities for Avanza in the Swedish savings market

Greater responsibility for personal finances

For some time, we have been moving toward a society where individuals are expected to take greater responsibility for their financial well-being. Everyone needs a buffer for unexpected events as well as savings for every stage of life, from a down payment for a first home to a pension to live on.

The gaps in the pension system are huge, especially between women and men, and they are expected to grow. Through occupational pensions and the public pension scheme, new pensioners in Sweden receive on average 75–86 per cent of their salary. For women and men with high incomes, men received an average of 84 per cent, while women received 75 per cent. At the same time, the level of compensation paid out by the public pension scheme is likely to drop significantly in the coming decades, partly due to slowing global growth but primarily as the average life expectancy increases.

For the individual, this means either delaying retirement or compensating the difference through personal savings. There is a great need for personal savings for pension and is expected to remain so, as long as the pension system is designed according to today's model and the gender wage gap persists. Women's wages average 90 per cent of men's.

Another example which shows the importance of personal savings is the structure of the housing market, where nearly 65 per cent of the housing stock in Sweden consists of tenant-owned apartments. Although home prices began falling during the year, it was from a historically high level, which increased household indebtedness. To mitigate the risks that come with a high debt level, both for the individual household and society as a whole, a mortgage ceiling and amortisation requirement have been introduced in recent years. All in all, this means that households that want to buy a home have to save more to afford the

down payment. This is especially true of first-time buyers, and the situation is not expected to change.

Increased savings among women

In addition to pension savings, there is a big savings gap in general between men and women, further accentuating the difference between genders when it comes to lifetime incomes. For one thing, women save a smaller share of their salary compared to men, and for another they save more in savings accounts. At the same time, we are seeing the number of female shareholders increase, according to Euroclear, and are also seeing interest in equities rise among female customers of Avanza.

A well-functioning stock market and a strong savings tradition in Sweden

Sweden's savings culture is stronger than ever. Nowhere else in the world are funds such a popular form of savings than in Sweden, and despite that 2022 was a tough year for the stock market, where the total market capitalisation of privately owned shares decreased by 33 per cent from January to September, the number of shareholders in Sweden continue to increase in the same period, according to Euroclear. This also makes the Swedish market a good breeding ground for new, innovative companies.

Possible introduction of a tax-exempt basic level of investment savings accounts

The debate on the tax on investment savings accounts has been lively in recent years, with one side claiming that the tax currently is too low and should be raised, while the other is lobbying for cuts.

In connection with the shift in government in autumn 2022, a tax-exempt basic level of SEK 300,000 was proposed. When this will be introduced is still uncertain, but the current government has promised such a change during their term of office. This is considered positive to further reduce the barriers to invest in the stock market.

Digitisation creates new conditions

The Swedish financial market is highly digital and today most people manage their banking and savings digitally. Additionally, the full-service offerings of the major banks are being picked apart by niche players that focus on a single product or service and can maintain lower costs and prices. Taken together, this increasing digitisation is leading to a more agile financial market with a wider range of competitively priced products and services. In spite of this, the major banks in Sweden continue to dominate in most sectors. But with digitisation as an engine, this is beginning to change as customers seek out the best user experience and price.

At the same time, customers want to be able to create an overview of their investments. Within the EU we are seeing legislative initiatives that eventually could help to meet this demand while further digitising the financial markets. A Digital Finance Strategy presented in autumn 2020 includes several measures to strengthen cyber security in the financial market which will have a major impact on all financial firms within the framework of among other things the Digital Operational Resilience Act (DORA). Also included is a review of the Payment Services Directive (PSD2) and the launch of the next step in Open Banking, called Open Finance. Other proposals call for new rules on the crypto asset market (MiCA) as well as a pilot programme to test the use of distributed ledger technology (DLT). The hope

is that it will be even easier for consumers to compare different financial products and switch to new providers. The aim of the strategy is also to ensure that regulations within the EU are adapted to a more digitised financial market. Our view is that this will improve opportunities for further digitisation to the benefit of customers.

Internationally, we are seeing a trend where firms with different business models and product ranges are expanding and competing in the savings market. This ranges from payment apps and neobanks to investment banks that have launched, or announced plans to launch, savings products and services to the mass market. We have also seen a number of so-called neobrokers pop up in Europe and achieve some degree of success during the pandemic years – even though the majority have not yet become profitable. Their business models differ from more traditional online brokers in Europe in that they waive commissions but offer stripped-down functionality, and that their profitability instead comes from foreign exchange and account fees or selling order flows. Many of these newer players are financed with venture capital and will need significant capital injections before they succeed in becoming profitable. In a cooler venture capital market the majority of these new challengers could find it difficult to raise capital and the likelihood of acquisitions or in the worst case business shutdowns rises.

A strong and growing capital market as well as increased transparency and consumer protection

Work has been underway within the EU since 2015 to strengthen the European capital markets through the Capital Markets Union (CMU). The CMU consists of an umbrella of measures to deliver on three main objectives: support a green, digital and inclusive financial market so that financing becomes more widely available for firms within the EU, make the EU a safer place to save and invest long-term, and integrate national capital markets. Within the framework of the CMU, a number of proposals have been put forward. Although the Swedish capital market has come further than many others in Europe, the proposals that have been presented are also beneficial for Sweden. Not least because it will be easier for capital to flow between EU member states when regulations are harmonised and clarified.

One example is the work being done to review consumer protections. In 2023, the EU Commission is expected to present concrete proposals to strengthen investor protection, which is part of the EU's strategy for non-professional investors. The aim is to empower consumers to invest in the EU's capital markets. This will further strengthen the need for and range of products where the saver can find support to make their own financial decisions without commission-driven advice.

A more mobile occupational pension market

A large part of the occupational pension capital outside the major collective agreements in Sweden is invested through insurance companies, which charge an annual volume-based fee of around 0.6 per cent of invested capital. This means that Sweden's pension savers pay several billion SEK in unnecessary annual fees, money that could instead contribute to a better pension at a time when responsibility for pension savings increasingly rests with the individual. There is much to gain by beginning to take active decisions on your occupational pension savings.

Current pension transfer rights are constrained by high fees and overly complex, time-consuming administration for the individual. The government has for several years tried to simplify the transfer market in Sweden, and in July 2022 transfer rights were expanded to include private pension insurance and indi-

vidual occupational pension insurance policies signed before 2007. Since April 2021, the fee charged on occupational pension transfers is limited to approximately SEK 600.

Wealth transfers across generations

Within a few years, several countries, including Sweden, will see a transfer of assets from older to younger generations. The big generation born in the 1940s and 50s has built up tremendous wealth and today owns a major part of the savings capital. This will affect many younger people in a positive way, and in the future impact the capital markets as well.

The financial industry's role in achieving the Sustainable Development Goals

2022 will go down in history as the fifth warmest year ever. Extreme heat, historic forest fires, disastrous floods and rapidly melting glaciers. The world is facing the risk of a catastrophe if we do not phase out fossil fuels and limit global warming to 1.5 °C.

Increased awareness of climate change and its serious consequences are raising demand for sustainable savings products. One example of this is how capital flowed during the year to funds that pursue sustainable investment objectives, so-called Dark Green Article 9 funds.

Steering capital to sustainable businesses also aligns with the EU Action Plan for Financing Sustainable Growth. The EU's Sustainable Finance Disclosure Regulation (SFDR), which took effect in 2021, is part of this and will force companies in the financial sector to disclose, in a standardised way, how they address sustainability issues, how sustainability risks are integrated in investment decisions and client advice, and how companies' funds and other financial products are classified from a sustainability standpoint. This is in addition to the EU's Taxonomy Regulation, part of which applies as of 1 January 2022. This regulation will ensure that the financial sector is eventually provided clarity on which investments can be called green and sustainable.

Analysing savings from a sustainability perspective will become an important economic issue as corporate profitability is affected by changing consumer behaviours, stricter regulations and physical climate impacts. This will, in all likelihood, have a long-term impact on companies and their share prices.

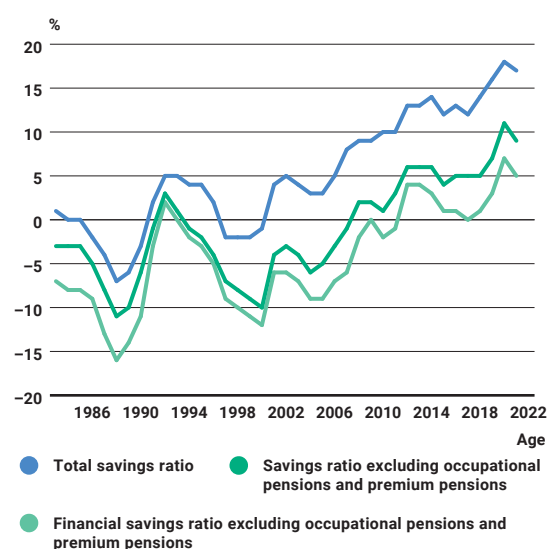
Risks for Avanza in the Swedish savings market

Less room for savings

During the year, households experienced surging mortgage rates, significantly higher electricity bills and the highest inflation in several decades, which has resulted in declining real wages. This means that consumer purchasing power and the ability to save have decreased.

Although more and more borrowers have chosen to lock in their mortgage rates in recent years, variable rates have long been the most popular alternative and Sweden has a high share of mortgage borrowers with variable rates compared to other countries. This means that Swedish households are especially sensitive to policy rate hikes.

That households adjust their spending to current economic conditions is positive, and it is natural that the savings ratio goes down in connection with a recession, as we have also seen historically. If the new savings pattern continues long-term, there is a risk that it could be a serious blow to the financial sector. From a historical perspective, however, the consumer savings ratio has always recovered over time.

Households' savings ratio¹⁾**Persistently high inflation**

Inflation has a major impact on households, and there is a risk that any future fiscal stimulus to support vulnerable households and firms will help keep inflation at a high level. This in turn could affect future wage demands, which could further consolidate inflation at the higher level. To date, the opposing sides in the collective bargaining negotiations have said they do not intend to compensate for the high inflation, but uncertainty will persist until the agreements are signed in spring 2023.

Geopolitical concerns

Russia's invasion of Ukraine has not only created enormous human suffering but also led to an energy crisis in Europe. At the time of writing, there is no solution to the conflict in sight. On the contrary, we can expect a further escalation, which will lead to even harder sanctions and measures against Russia that adversely affect the global economy.

At the same time that this is happening, we are seeing an escalating situation involving China, where the threat of the Chinese invasion of Taiwan rose significantly in autumn 2022. The economic impact of an invasion could be even worse compared to the Ukraine war. China's economy is significantly larger than Russia's and more important to global manufacturing chains. Furthermore, Taiwan accounts for 90 per cent of the global production of the advanced semiconductors needed for high-tech products, and an invasion could paralyse the chains that supply semiconductors and tech products. A war would result in new, or stronger, military and economic alliances in the world, which could further increase geopolitical tensions and continue to affect stock prices, exacerbate supply chain problems and contribute to a more protracted recession.

New tax conditions for investment savings accounts

Since their introduction in 2012, investment savings accounts have quickly become the most popular form of investment account for equities and funds. These accounts are designed to simplify tax reporting and in recent years have been beneficial from a tax perspective for most savers. The introduction of these accounts has simplified investing in the stock market and reduced barriers to entry. This year's rate hikes will more than double the tax on investment savings accounts to 0.882 per cent in 2023 versus this year's 0.375 per cent. The tax is based on the total account value as well as installments. The tax increase will create the highest tax on investment savings accounts since their introduction. In the short term, this could scare off new savers.

A bearish stock market could discourage investors

A number of stock exchanges around the world have performed strongly in recent years and new record levels have been set. This, coupled with low interest rates, has made the stock market an attractive investment alternative and enticed many new savers.

In 2022, the market climate changed dramatically and many of the world's markets suffered significant declines. Together with inflation and rate hikes, this could be a major blow in the short term to investors' finances, and in the longer term there is a risk they will not be willing to continue to invest in the market and thereby miss out on the chance for a higher return.

Pension transfers remain a complicated process

As mentioned, several measures have been taken in recent years that have contributed to a better pension market with opportunities to transfer pensions at a significantly lower fee. At the same time, the complex and administratively time-consuming process has not changed and more work is needed to create a well-functioning, freer pension market.

Public awareness about pension savings is low in some places, and there is a risk that many people are starting to think about their pension far too late in life. Current market conditions, where households are otherwise preoccupied, make it even harder to build engagement and interest in saving for retirement. This can in the short term be a risk for the growth rate in Avanza's pension business.

More competition in the savings market

The strong stock market in recent years has attracted an increased number of new firms. Fund savings stand out as an area with many such firms in Sweden with different business models offering either robo-advisors or fund marketplaces. Depending on how many of these who will gain a foothold in the market, greater competition could eventually pose a risk for Avanza's growth rate. Many of these firms are dependent on venture capital, however, and the current market environment could affect their opportunities for financing. Some of them will probably be acquired by other larger investment banks and banks, as we have already seen both nationally and internationally

¹⁾ Source: Ekonomifakta.se

Avanza is an investment in growth and scalability

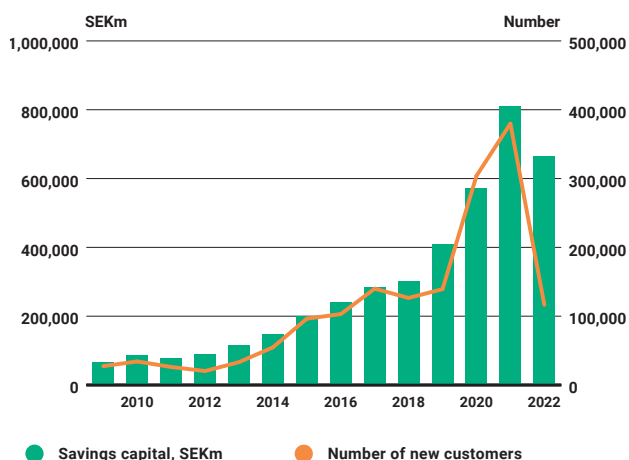
Despite a challenging year with tough market conditions and declining stock market, Avanza added 116,600 new customers. Everyone in Sweden with a bank account and who understands the importance of savings is a potential Avanza customer.

Avanza maintains a strategy of cheaper, better and simpler offerings with a focus on savings and investments. We want to be close to our customers and create an engaging user experience with smart and proactive tools that help them manage their finances. Here our culture and strong customer focus are essential to our success.

More customers and greater savings capital are driving income and creating shareholder value. In 2022, 116,600 new customers were added and the net inflow was SEK 24 billion.

Avanza's target is a market share of 10 per cent of the Swedish savings market by the end of 2025, which compares to the total market share of 6.3 per cent as of 30 September. In light of the difficult market conditions and outlook for 2023, this goal will be challenging to reach unless the market turns around. We need at least a couple of years of rising share prices and a higher risk tolerance among savers to get there.

Savings capital and new customers



Market conditions affect income

Avanza's income is greatly affected by market conditions, customers' trading activity, interest rates and changes in deposit and lending volumes. A strong stock market and high volatility tend to increase the willingness of customers to take on risk and their activity, while a more uncertain or downward market has the opposite effect. High volatility combined with uncertainty can at the same time make customers more cautious and reduce activity, which we saw proof of during the year. Low interest rates squeeze net interest income but create opportunities for high income from securities trading, since the stock market becomes a more attractive alternative. Periods of higher or rising interest rates affect Avanza's net interest income pos-

itively, which we saw in 2022, at the same time that customer activity may level off. All else being equal, without accounting for changes in customer behaviour, the competitive landscape or the bond portfolio's interest rate duration, a 1 percentage point decrease or raise of the policy rate would affect full-year net interest income by between SEK -270 million and SEK 580 million, based on volumes and rates by the end of the year and depending on how much will be shared with customers. It is important to note, however, that when interest rates rise, it becomes harder to assess the competitive landscape and the effects of customer behaviour, which affect the pricing of both deposits and lending and can reduce the impact on net interest income. The sensitivity in the event of a decline in savings capital due to a downturn in the stock market is difficult to assess, as income is dependent on among other things how customers choose to invest their capital. There is a strong correlation, however, between savings capital and income.

Structural trends and changes that benefit the savings market and Avanza

The increasing degree of digitisation, the intention behind existing and future regulations, and the structural changes occurring in society probably benefit Avanza more than many other firms. Avanza is agile with a scalable business model that can be adapted and that helps customers build sound saving habits regardless of market conditions. Everyone in Sweden with a bank account and who understands the importance of savings is a potential Avanza customer.

The need to save is growing as greater responsibility is placed on the individual

The increased need for personal savings in recent years to buy a home or afford a decent pension is an important growth factor. At the same time, the pandemic, where the employment rate decreased, and today's difficult macroeconomic conditions have clearly shown the need for a savings buffer to cope with unforeseen events. The ambition is that our offering will attract broad target groups: experienced and established savers as well as new ones. Availability is strengthened through an increasingly refined mobile offering. We also continue to develop offerings in niche areas to meet the needs of those who use Avanza to a greater extent.

A world-class user experience through a continually improving and expanding offering also makes our existing customers more willing to transfer a larger share of their savings to Avanza.

Important to encourage more women to save

The growing interest in stock investing among women is positive for both the individual and society as a whole. At the same time, big differences still remain in how women and men save.

During the year, Avanza further strengthened its efforts to motivate and inspire more women to save. We work actively to reach broader target groups and encourage women to save by regularly collecting data on how women save and targeting them with special information campaigns.

Avanza is a natural platform for different types of savers to seek. We are working to give them tools to make their own well-informed financial decisions.

Growing interest in savings

The growing interest in savings and a broader customer base are expected to lead to higher growth in fund savings than in stock trading. This should increase the share of recurring income and reduce income volatility over time. At the same time, the number of people in Sweden who invest in equities continues to increase and is around 2.7 million, just over a million of whom were Avanza customers at year-end. As a result, there is still good potential to grow in equity trading as well. Brokerage income, which will always be volatile, strengthens Avanza's earnings, especially when market conditions are good.

Moreover, there is a strong tradition of equity investing in Sweden, which benefits Avanza.

Digitisation is creating new conditions

Avanza's strong brand, user experience and high customer satisfaction are important strengths when new competitors enter the savings market. Our cost leadership, which enables us to keep fees low, gives us a strong starting point. Scalability and cost control are essential to both customer value and shareholder value. The high cost effectiveness is illustrated by a cost to savings capital ratio of 15 basis points, which increased during the year, however, mainly due to the decline in the value of the savings capital in a slumping market.

We have a wide range of around 80,000 investment options. Due to the increasing digitisation, however, the user experience is just as important as product range and price. The number of daily average active users on the platform was approximately 370,000 in 2022, holidays and weekends included.

Avanza has a strong presence in social media and a highly engaged customer base that provides us feedback and ideas on new products, which helps us to develop what they want.

Our customer-centric culture and modern organisation are well-suited to capitalise on the opportunities that changing market conditions will mean going forward. It is an important reason why we do not plan too far into the future. Thanks to an agile organisation with cross-functional teams, which can deliver a wide array of products and services, and a modern technological platform, which facilitates simultaneous development in all channels, we have a time-to-market that is hard to beat and innovation capabilities that attract talent.

Avanza has long been a distributor of a number of savings products from various providers and therefore is well-positioned for the many opportunities that come with further digitisation from both a business model perspective and a customer experience perspective. Outside collaborations will continue if they strengthen our offering and align with what customers want. Here Avanza's strong distribution capabilities are a big competitive advantage to attract new partners.

Strong pension offering creates good growth opportunities when transfers are simplified

Quality of life in retirement depends to a large extent on the investment decisions made today. A big push is needed in communication and education to increase awareness in the general

population. Here, Avanza's spokespersons on savings and our education channels in the form of blogs and podcasts play an important role. Avanza is still a relatively small player in occupational pensions, but one of the fastest growing.

Avanza's broad offering and our digital tools, without insurance-related fees, are strong competitive advantages as transfer rights for unit-linked insurance are improved. Through simple tools, we educate savers on pensions and the importance of fees, which means more money left for them in retirement. Here new technology and the rules introduced as part of Open Finance enable more tools and services to be developed. One example is the Pension Chase, which was launched during the year to help customers see what they pay in fees to other companies, and makes it easy for them to consolidate their pensions with Avanza.

There are still big opportunities to further simplify the administration of pension transfers in the industry. Avanza continues to promote these changes.

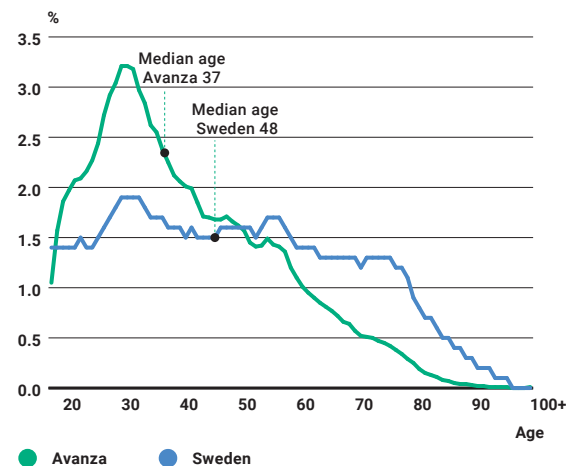
The pension business also has more stable earnings and net inflow than the bank, since companies pay occupational pensions to their employees regardless of market conditions. Within occupational pensions, fund savings account for 75 per cent, which as the pension business grows is also expected to increase the share of more stable income and reduce the sensitivity to market fluctuations.

To this point, only 8 per cent of our current customer base consists of occupational pension customers, which we see as further growth potential.

Wealth transfers to younger generations

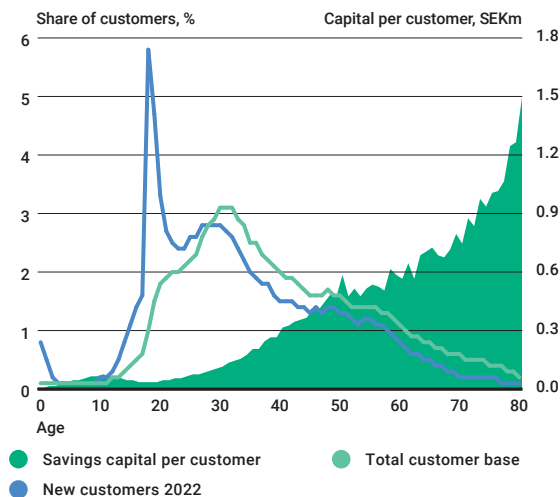
We have attracted a large share of young customers in the last ten years. While they generally have fewer financial resources than older customers, which affects the relationship between customer inflow and growth in savings capital and income here and now, there is great potential if we continue to create attractive offerings and good reasons for them to stay with Avanza. This is especially true when it comes to wealth transfers from older to younger generations. Avanza will probably be positively affected by this. The churn in recent years has been under 2 per cent, which shows that very few customers are leaving us.

Age distribution Sweden's population and Avanza's customers



In addition, there is great potential in young savers who have learned about and become interested in the savings market at an early age. They have good opportunities to build their savings over time.

Savings capital grow by age



More transparency and stronger consumer protection

For Avanza, the interests of customers come first. We have always focused on low prices with a long-term view and avoided commission-driven advice in favour of convenient tools on our platform to help customers save based on their personal needs. Avanza therefore is also well-positioned with respect to the rules on consumer protection and transparency on commissions and independent advice. Also, Avanza Pension is one of the few pension companies that does not pay commissions to insurance brokers. If new limits are placed on third party compensation in Sweden, there are concrete plans to take action and adapt the business model. Avanza respects clear and transparent pricing.

Market conditions are expected to continue to put a squeeze on prices in the industry and benefit consumers, especially in fund and insurance savings. This is likely to strengthen Avanza's position.

We contribute to the redistribution of capital by facilitating and encouraging sustainable choices

Since the start, Avanza has sought to lower prices and educate the public about saving and investing. The user experience and our information and education programmes are important puzzle pieces as interest in and demand for sustainable investments grow. This also helps us attract a broader group of savers.

The new regulations, which have partly entered into force and will be further elaborated in the coming years, set the standards for disclosure of sustainability information, which in turn will improve the tools and information on Avanza's platform.

Avanza's distribution power creates opportunities for interesting collaborations

Our large customer base and strong brand provide an attractive platform for interesting collaborations that can strengthen the offering and Avanza's user experience to create the best tool for customers to manage their finances. Currently this includes our partnerships in funds, external savings accounts and mortgage loans.

Avanza's platform also provides a strong foundation for cost-effective ownership diversification for companies, at the

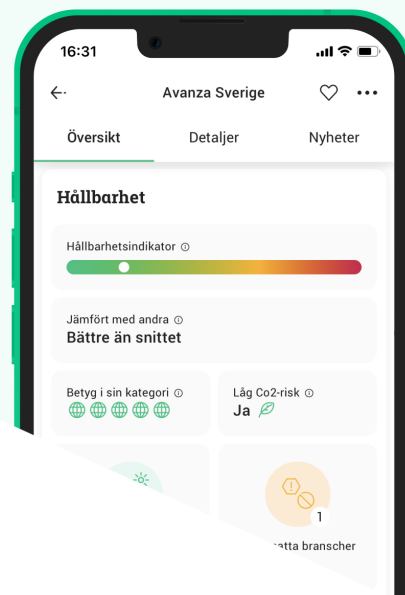
same time that our customers gain access to investment opportunities that otherwise are available only to institutions and a limited number of individuals. Avanza has in recent years been part of most of the deals on the Stockholm Stock Exchange, even though market activity was low in 2022.

Focus at investor meetings in 2022

- **Market conditions and what we are doing to maintain customer activity.** Customer activity is a reflection of overall market conditions as well as volatility and turnover on the stock market. The best thing we can do for our customers is to develop good tools and support them in various market conditions, through education and information. We do not pressure our customers to trade. Our ambition is to contribute to longevity and continued high customer satisfaction.
- **Differences in behaviour between new and old customers as well as lower savings.** This year's rate hikes and inflation is affecting the households room for savings, but we continue to encourage them to maintain good saving habits. Historically, the savings ratio has always recovered following tough times. If we compare new customers with those who have been with us longer, we cannot detect much difference in behaviour in terms of either savings or activity. We are seeing a downturn in both groups. In more negative and uncertain market conditions, we have historically seen a lower net inflow among those who have been customers longer and already have liquidity on the platform. In these circumstances, the share of net inflow from new customers increases, which was also the case in 2022. At the same time, those who have been customers for several years have managed to build up more savings capital and probably more knowledge, and they are therefore at a slightly higher level of activity in general.
- **When will Avanza expand outside Sweden?** Our focus remains the Swedish market, where we see continued growth potential. That said, we have an opportunistic view should opportunities arise. If or when an expansion occurs, it will probably be through acquisition. In the event of an international expansion, we cannot minimise the importance of a strong, recognised brand to attract customers and their savings, and the fact that savings cultures, regulatory contexts and tax structures differ by market.
- **The impact of uncertain market conditions on credit risks.** We work actively with risk monitoring, and the credit risk in margin lending is not assessed to have increased during the last year's turbulence. The risk of credit losses due to the lower repayment capacity of borrowers is considered very low in both margin lending and mortgages.
- **Status of technology platform and how far we have come in the use of cloud technology.** The latest version of our tech stack is built on cloud-ready technology and currently covers over 75 per cent of our systems. The remaining systems are being upgraded on a continuous basis in our day-to-day work. Our cloud-based data platform has achieved a high level of maturity and is used successfully in a growing number of applications such as analysis, business intelligence, reporting, third-party integrations and critical workflows. We work continuously to modernise and upgrade our systems to keep them up-to-date. The strategy is in this way to avoid building up technical debt, which would require extreme one-time investments. We therefore do not have any major tech investments planned, either. Continuous technological progress is an important part of our culture.

Saving sustainably should be easy

Sustainability is important to Avanza. By encouraging more sustainable choices, we want to contribute to a better future for billions of people. To do so, it has to be easy for our customers to find and make sustainable investments. Over the years, we have therefore developed and implemented a number of different tools on the platform for filtering and analysis based on sustainability criteria. We want to be the obvious choice for those who want to invest sustainably. For more information on the sustainability support tools we offer, see pages 29–30.



Targets and outcomes

Growth is an important element in our business model. Performance on target is therefore measured mainly by customer satisfaction, where our employees play a key role. Our sustainability targets are focused on creating opportunities for a better financial situation for each and everyone and encouraging more sustainable investments. The targets were revised upward for 2022.

TARGET	PERFORMANCE ON TARGET	COMMENT																		
Customer satisfaction																				
Annual target: Sweden's most satisfied savers according to Swedish Quality Index (SQI)	<table border="1"> <caption>Customer satisfaction according to index</caption> <thead> <tr> <th>Year</th> <th>Index</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>75</td> </tr> <tr> <td>2019</td> <td>78</td> </tr> <tr> <td>2020</td> <td>80</td> </tr> <tr> <td>2021</td> <td>75</td> </tr> <tr> <td>2022</td> <td>75</td> </tr> </tbody> </table>	Year	Index	2018	75	2019	78	2020	80	2021	75	2022	75	Avanza's most important target is to win the SQI's annual award in the savings category. In 2022, Avanza won the award for the thirteenth consecutive year. The study is done in the areas of image, expectations, product quality, service and affordability, which lead to customer satisfaction and loyalty.						
Year	Index																			
2018	75																			
2019	78																			
2020	80																			
2021	75																			
2022	75																			
Employee engagement																				
Annual target: Employee Net Promoter Score of at least 50	<table border="1"> <caption>eNPS according to index and Target</caption> <thead> <tr> <th>Year</th> <th>eNPS</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>45</td> <td>50</td> </tr> <tr> <td>2019</td> <td>55</td> <td>50</td> </tr> <tr> <td>2020</td> <td>70</td> <td>50</td> </tr> <tr> <td>2021</td> <td>68</td> <td>50</td> </tr> <tr> <td>2022</td> <td>58</td> <td>50</td> </tr> </tbody> </table>	Year	eNPS	Target	2018	45	50	2019	55	50	2020	70	50	2021	68	50	2022	58	50	Satisfied customers requires engaged employees. eNPS shows how willing our employees are to recommend Avanza as a place to work. The score for 2022, which was measured three times during the year, was 58. A result over 40 means the highest score. The target is an indication of our high level of ambition in this area and how seriously we take our employees' well-being and work situation.
Year	eNPS	Target																		
2018	45	50																		
2019	55	50																		
2020	70	50																		
2021	68	50																		
2022	58	50																		
Long-term value growth																				
A market share of 10 per cent of the Swedish savings market at the end of 2025	<table border="1"> <caption>Market share of the Swedish savings market, %</caption> <thead> <tr> <th>Year</th> <th>Market share (%)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>3.8</td> </tr> <tr> <td>2019</td> <td>4.5</td> </tr> <tr> <td>2020</td> <td>5.8</td> </tr> <tr> <td>2021</td> <td>7.0</td> </tr> <tr> <td>2022</td> <td>6.3</td> </tr> </tbody> </table>	Year	Market share (%)	2018	3.8	2019	4.5	2020	5.8	2021	7.0	2022	6.3	There is a strong correlation between growth in savings capital and growth in income. Avanza's share of the Swedish savings market as of 30 September 2022 was 6.3 per cent (6.6). The decrease is mainly due to the declining stock market as the main part of the savings capital on the platform is invested in equities and funds. The statistics are published with a lag.						
Year	Market share (%)																			
2018	3.8																			
2019	4.5																			
2020	5.8																			
2021	7.0																			
2022	6.3																			
Annual target: Return on shareholders' equity of at least 35 per cent	<table border="1"> <caption>Return on shareholders' equity, %</caption> <thead> <tr> <th>Year</th> <th>Return on equity (%)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>25</td> </tr> <tr> <td>2019</td> <td>28</td> </tr> <tr> <td>2020</td> <td>58</td> </tr> <tr> <td>2021</td> <td>50</td> </tr> <tr> <td>2022</td> <td>36</td> </tr> </tbody> </table>	Year	Return on equity (%)	2018	25	2019	28	2020	58	2021	50	2022	36	Our return on equity target ensures a continued focus on profitability, and demonstrates the low risk and capital efficient balance sheet. The return on shareholders' equity was 36 per cent in 2022.						
Year	Return on equity (%)																			
2018	25																			
2019	28																			
2020	58																			
2021	50																			
2022	36																			

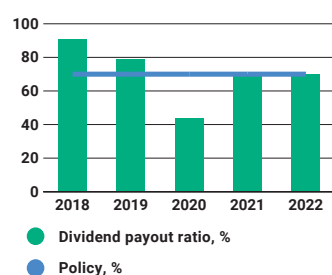
TARGET

PERFORMANCE ON TARGET

COMMENT

Long-term value growth, continuation

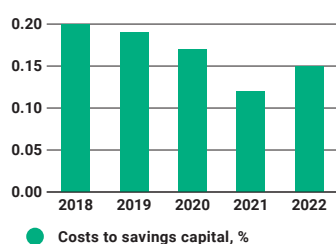
Annual target:
Dividend of 70 per cent of net profit for the year, taking into account the leverage ratio requirement, including the Pillar 2 guidance and internal buffer



The proposal for 2022 is a dividend of SEK 7.50 (9.20) per share, corresponding to a dividend ratio of 70 per cent (70).

In 2021, a leverage ratio requirement of 3 per cent was introduced, which applies to both the consolidated situation and the bank. In 2022, the Swedish FSA informed Avanza of Pillar 2 guidance at the consolidated level of an additional 0.9 per cent. The target is to distribute 70 per cent of profit, taking into consideration the total requirement of 3.9 per cent.

Maximum annual costs to savings capital ratio of 12 basis points over time



Cost effectiveness is an important part of our profitability focus and the target should be seen as a ceiling with the ambition to be lower. The measure can be affected by market fluctuations, which was the case in 2022.

In 2023, we will consolidate our operations after the strong growth in recent years and ensure that we utilise our resources in the best way. We will not increase the number of employees in 2023. However, the focus on improving the customer offering applies in both good and bad times. Costs for 2023 are estimated at a maximum of SEK 1,160 million.

Sustainability targets

Strengthen the sustainability score of our customers' investments

Avanza is a savings platform and the aim is to provide a wide range of alternatives. Avanza does not offer investment advice but tries to inspire customers and make it easier to invest sustainably through clear information, decision support and education. During the year, Morningstar's sustainability rating for fund investments among Avanza's customers decreased from 20.2 to 20.0. The ratings are given on a 0–100 scale, where the goal is as low a score as possible. For more information, see page 29–30.

Increase gender equality in savings

We work actively to reach broader target groups and promote savings among women. Today women save less, have lower savings capital and begin to save later. We want to help change this. By the end of 2022, the share of women on Avanza's platform was 38 per cent, which is the same as 31 December 2021. The share of women among new customers was 42 per cent, and the share of savings capital held by women was 25 per cent as of year-end.

Gender equality	2022	2021	2020	2019	2018
Share of female customers, %	38	38	37	36	35
Share of women among new customers, %	42	41	40	44	41
Share of savings capital held by women, %	25	24	23	24	23

TARGET

COMMENT

Sustainability targets, continued

Net zero emissions

Avanza will be a climate-smart organisation. Each year a climate report is prepared with the help of an independent analysis tool based on the methodology in the Greenhouse Gas Protocol (GHG Protocol). The report includes Scope 1, Scope 2 and essential Scope 3 emissions. This year's emissions totalled 281 tonnes CO₂e, for which carbon offsets were purchased. The decrease in this year's emissions is mainly attributable to less IT equipment purchases.

In 2022, Avanza joined Business Ambition for 1.5 °C and pledged to set Science Based Targets aligned with the 1.5 °C target. The short-term emission targets are to reduce our direct and indirect emissions by 40 per cent by 2030 and that at least 75 per cent of the capital in Avanza's own funds should be invested in companies with their own Science Based Targets. Targets and streamlined routes have been submitted to SBTi with approval expected in 2023, with 2021 as base year. The long-term target is to be net zero by 2045.

Emissions by scope according to GHG Protocol, ton CO ₂ e	2022	2021
Scope 1		
Transport	–	0
Total Scope 1	0	0
Scope 2		
Electricity	4	5
Heating/cooling	20	27
Total Scope 2, location based	24	32
Scope 2		
Electricity	–	–
Heating/cooling	20	27
Total Scope 2, market based	20	27
Scope 3		
Purchased goods and services	115	358
Capital goods	31	70
Fuel-and-energy related activities	6	7
Upstream transportation and distribution	10	47
Waste	6	12
Business travel	38	5
Employee commuting	52	50
Total Scope 3, emissions	258	549
Total Scope 1, 2 & 3, location based	281	575
Total Scope 1, 2 & 3, market based	278	575
Avanza's energy consumption, MWh (location based)	2022	2021
Electricity	369	379
<i>Whereof renewable</i>	67	60
District heating	693	642
<i>Whereof renewable</i>	82	86
<i>Whereof renewable or recycled energy</i>	97	98
Total	1,062	1,021
Avanza's energy consumption, MWh (market based)	2022	2021
Share of renewable electricity	100%	100%

¹⁾ The comparative figures for 2021 have been adjusted since last years Annual report due to a change in the calculation of total emissions during 2022.

Avanza's sustainability work tied to the SDGs

We want to contribute to a better and more sustainable future for millions of people and drive the development of a sustainable financial market. Our sustainability strategy and targets have been shaped by Agenda 2030 and the Sustainable Development Goals. Avanza can, to varying degrees, contribute to all of the SDGs, but the seven we focus on are those most closely associated with our business and where we have the greatest opportunity to have an impact.

Goal 5: Gender equality

Gender equality is something that permeates the entire organisation, and we have concrete goals to achieve gender parity both in the organisation as a whole and at the management level. In terms of savings capital, one of our sustainability targets is to increase gender equality in savings.

Goal 7: Affordable and clean energy

We strive to reduce our energy consumption and we buy sustainably sourced energy for our office and server rooms. For our customers we offer simple decision support to find investment opportunities in companies and funds that can contribute to the green transition.

Goal 9: Industry, innovation and infrastructure

We work continuously to develop and improve our decision support with the hope that it will help customers to invest in sustainable industries, research, environmentally friendly technology and innovation. In Corporate Finance we assist small and medium-sized firms of various types with ownership changes, acquisitions, divestments and funding, which often are essential to their growth and development.

Goal 10: Reduced inequalities

Through our free educations everyone can learn how to improve their financial well-being and create a secure future. We use a simple, understandable language so that a general audience can understand. We are striving for our services to be designed to be accessible to those with disabilities. We have an accessibility advisory council that educates internally, and accessibility days for our developers and designers to dedicate to the issue. In terms of price, we have been working since the start to maintain low prices and encourage greater transparency in the financial market.

Goal 12: Responsible consumption and production

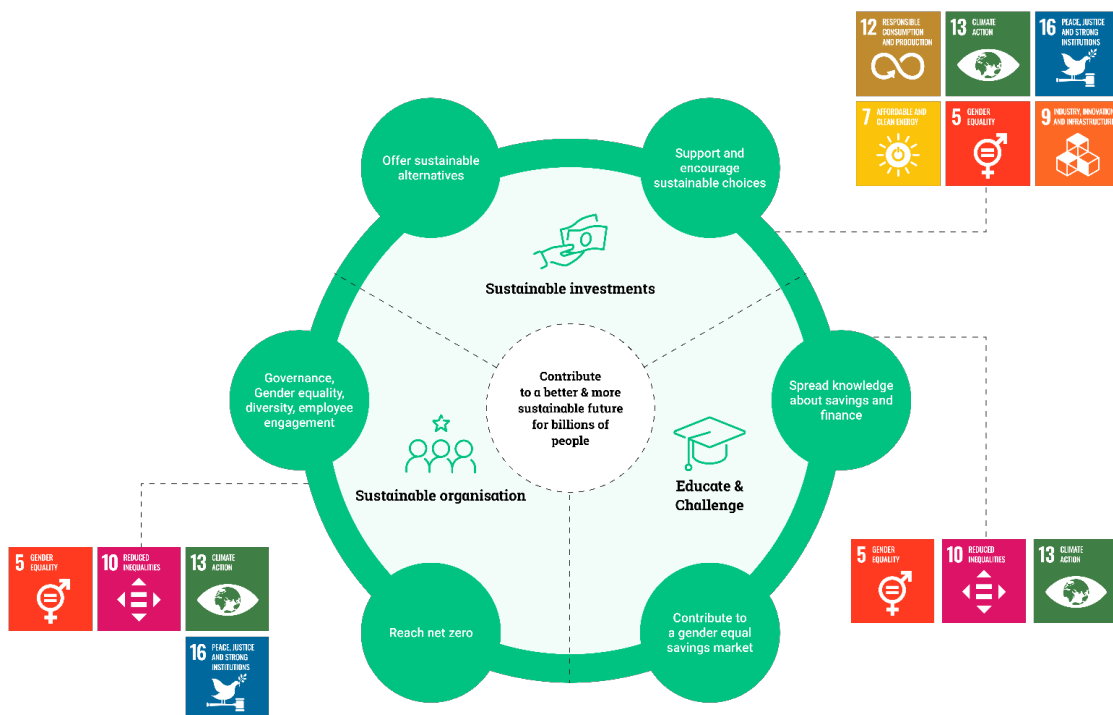
We are working to reduce the direct and indirect emissions our business generate. Avanza will reach net zero emissions as soon as possible, and to help us get there we have joined Business Ambition for 1.5 °C.

Goal 13: Climate action

Besides taking responsibility for our own carbon footprint, we are working to continuously develop and improve our decision support, so that our customers can include climate change in the best way in their investment decisions. Reducing sustainability risk in their portfolios is one of Avanza's sustainability targets.

Goal 16: Peace, justice and strong institutions

We work actively to prevent and combat money laundering and terrorism financing. We have routines to investigate and report suspected violations to the police authorities. Internal training programmes ensure that employees have the knowledge they need in this area, and all employees receive basic training each year. The goal is to effectively minimise the risk that the products and services Avanza provides are used in financial crime.



Sustainability in Avanza

Sustainability has always been an important part of Avanza, and it is essential that we continuously improve our sustainability work in order to maintain low risks, stay competitive and attract new customers and talented employees.

Sustainability management

Avanza’s sustainability work is decentralised and integrated in the business operations. The work is coordinated by Avanza’s CSR Manager, who reports to the Chief Communications & IR Officer in Group Management. The CSR Manager is also Chairman of the Group’s Sustainability Committee. The committee meets at least four times a year to analyse and coordinate Avanza’s sustainability work. The committee discusses and submits proposals for resolution on the sustainability focus, development of the sustainability strategy and sustainability targets, and implementation of new and revised rules on sustainability. In addition, they also inform and when needed discuss the interpretations and assumptions that have been made at the operating level regarding these rules. The committee can also highlight and proceed with issues that could pose a potential sustainability risk for Avanza. The Sustainability Committee consists of decision makers from the entire organisation, including the CEOs of the subsidiaries Avanza Pension and Avanza Funds and the Group’s Chief Risk Officer. Several of the members of the committee are also members of Group Management.

The Board of Directors, together with management, is ultimately responsible for adopting Avanza’s sustainability targets. Avanza’s Board annually adopts a sustainability policy and code of conduct, and receives regular updates on the work on the sustainability strategy and monitoring of the sustainability targets. The Board together with the CEO annually approves Avanza’s sustainability report by signing it.

More on Avanza’s sustainability strategy and targets

Our sustainability strategy is based on international frameworks and guidelines and is focused on three main areas: Sustainable investments, Educate & Challenge, and Sustainable organisation. We have tied an overarching sustainability target to each of these areas.

An attractive workplace for those who value gender equality and a small carbon footprint

We work actively with diversity and to be net zero. To ensure that we have a viable plan and method to reach our emissions targets, we joined Business Ambition for 1.5°C in 2022 and committed to setting Science Based Targets (SBT). As a result, a comprehensive screening of our indirect emissions was done last autumn and new categories were added to the annual climate report. The target, which was submitted to the Science Based Targets initiative (SBTi) and which we expect to have validated, is to reduce emissions by 40 per cent by 2030 and that 75 per cent of the capital in Avanza Funds’ own funds will be invested in companies with their own SBTs by 2030. Currently, 51 per cent of the capital in the funds is invested in companies with their own SBTs.

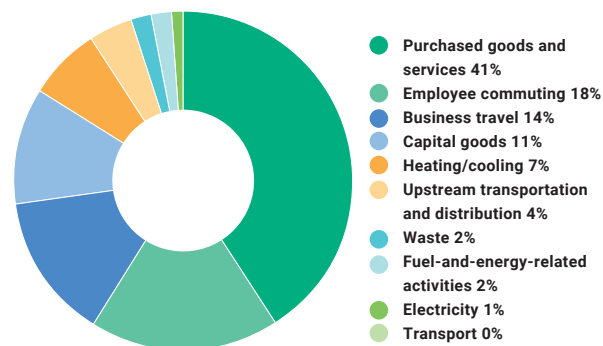
We have also committed to reaching net zero emissions, which means a reduction of at least 90 per cent. This target will be set out in detail and sent to SBTi for validation in 2023.

Direct environmental and climate impact

Avanza’s environmental impact consists of a direct impact from our operations and an indirect impact via our suppliers. To minimise our impact and reach our targets, internal environmental work is continuously improved. We try to maximise resource efficiency and recycling and to take environmental impacts into account in our procurement and travel.

We are a resource-efficient organisation and our environmental impact is relatively low. The head office is our only physical office as our business model is to maintain contact with customers digitally and by phone. The aim is to run our office on 100 per cent renewable energy and buy renewably sourced energy for our server rooms.

Emissions by scope according to GHG Protocol, ton CO₂e



Our environmental impact mainly comes from purchases of IT equipment and employees’ commute. To promote a circular economy and resource efficiency, we resold old IT equipment in 2022; 95 per cent of these computers, laptops and monitors were in good enough condition to be reused, while 5 per cent was recycled. This saved 30,921 kg of CO₂, which is reported by the buyer and is not included in Avanza’s climate report.

Climate finance

Total carbon emissions from Avanza’s operations amounted to 281 tonnes for 2022. We have been buying carbon credits for our emissions since 2019. For 2022 we chose instead, in accordance with the guidelines from the Science Based Targets, to invest in solutions with the biggest positive impact on climate change and the environment. The focus is on positive impacts

rather than claiming climate neutrality through carbon credits. As a result, Avanza is now fully compliant with the recommendations in the WWF/BCG Corporate Climate Mitigation Blueprint that companies should: account and disclose emissions, reduce emissions in line with a science-based target pathway, quantify a financial commitment by pricing remaining emissions, and invest the financial commitment for climate and nature impact.

Avanza is committed for its scope 1 and 2 emissions and for its business travel to finance climate solutions with USD 100 per tonne of CO₂. For other scope 3 emissions we finance USD 10 per tonne. For our 2022 emissions the contribution went to the Milkywire Climate Transformation Fund, a charitable fund that invests in projects and solutions necessary for the world to reach climate targets. The fund invests in projects with three themes: permanent carbon removal, restoring and protecting nature, and decarbonisation.

Gender equality in the organisation

We want our organisation to reflect the diversity of Swedish society, and as an employer we work actively on gender equality issues and strive for gender parity at every level of the company. We use a competence-based recruiting process, but are also working to increase gender equality and diversity from several perspectives. For more information, see page 37–38.

Financial literacy

Since the start, we have worked to reduce prices, increase transparency in the financial market, and support financial literacy. Our belief is that by educating and inspiring, we enable more people to be empowered and increase the share of savings capital invested sustainably. We also want to promote gender equality in savings. For more information on how we inspire and guide customers on savings, read from page 33.

Contributing to gender equality in savings is central to our sustainability work, and increased gender equality in savings capital is one of our three overarching sustainability targets. We work actively to reach out to broader target groups and encourage women to save. While interest in stocks is increasing among women, six out of ten shareholders are still men.

Examples of what we accomplished during the year to increase gender equality in the savings market:

- Shaped public opinion on the issue by regularly publishing data on the gender savings gap
- Driving force in a network created by industry and the government to share knowledge and discuss measures to encourage more women to start saving. A lecture tour was held under the direction of the network with the aim of spreading savings information
- Targeted campaigns in traditional media, podcasts and social media to reach women with inspiration and investment guidance

At a time when many people are falling into debt, understanding how to manage your money is critical. We are on the program council of the National Network on Financial Education, which is coordinated by the Swedish FSA to spread financial information through various informational and educational efforts.

Sustainability in the savings capital

Avanza is a platform and the aim is to provide a range of alternatives. While we do not control how our customers invest, we can make it easier and inspire them to save sustainably through a variety of sustainable alternatives and clear information.

At year-end, 4 per cent of the total fund volume on Avanza's platform was invested in Article 9 funds, i.e. funds that have sustainable investment or a reduction in carbon emissions as their objective. 73 per cent was invested in Article 8 funds, i.e. funds which promote environmental or social characteristics.

Strategy for sustainability in the savings capital

When it comes to customers' savings, our sustainability work is focused on providing tools and decision support for sustainable investments and educating them about sustainable savings. Through the media and education, we build interest and engagement. The platform, blogs and Avanza Academy have sections on saving sustainably, and our podcast hosts a steady stream of experts on various sustainability topics. By educating and informing customers about sustainable choices, we can together play a part in steering capital to sustainable companies, which is a key factor for achieving the Sustainable Development Goals and the Paris Agreement's climate targets. ESG screening your savings is also an important economic issue given that corporate profits are increasingly being affected by climate change, stricter regulations and climate laws.

It has to be easy to invest sustainably

We want Avanza to be the obvious choice for those who invest sustainably and make it easy for our customers to find and invest in sustainable choices. This requires that our fund range can be analysed based on sustainability criteria. Over the years, we have developed and implemented a number of tools and disclosed sustainability data on the platform, today mainly for funds. The fund list allows funds to be filtered based on a number of sustainability aspects.

Examples of sustainability-related support:

- **Nordic Swan ecolabel** is an assurance that a fund is committed to working with sustainability. It is the official ecolabel of the Nordic countries and was established by the government as an unaffiliated non-profit.
- **Sustainability Label** was developed to help customers choose funds based on their own sustainability preferences. A filter lets customers decide what is important to them in four areas: Environment & Climate, Controversial Industries, Social Responsibility, and Corporate Governance. In this way, they can find funds that match their personal choices.
- **ESG Score** is a visualisation tool we added to the fund list so that customers can clearly and easily compare funds. Scores are on a scale of 0–100, where a lower number means a lower sustainability risk. The score a fund receives depends on whether it invests in companies that embrace sustainability and report their ESG work. The analytics firm Sustainalytics provides the company analysis and Morningstar then calculates an aggregate score for the fund.

- **Morningstar's Sustainability Globes** is another tool available to our fund customers. It is also based on Sustainalytics' analyses, which Morningstar uses to generate an aggregate score. The score is a gauge of how the companies in a fund manage ESG risks relative to other funds in the same global category. The score is one to five, with five globes meaning the best sustainability score and lowest sustainability risk.
- **Fund portfolio analysis** – In "My fund portfolio analysis" customers can analyse their fund holdings by sector and individual holding, as well as how many of the funds have a low carbon risk and how fund companies work with ESG issues.

A great deal is happening in the sustainability area, not least in terms of regulation, because of which companies are getting better at sustainability reporting and reporting is becoming more uniform. Sustainability data on the platform is continuously being improved.

Avanza's own funds and sustainability in the fund management

When Avanza launches its own funds, we do so to fill a gap we see in the fund market. We also want to inspire more sustainable investing.

Avanza Funds' funds of funds promote environmental and social aspects and have been classified according to Article 8 of the Disclosure Regulation as light green funds. Sustainability aspects are implemented primarily by including light and dark green funds, i.e. funds that meet the requirements in Article 8 or 9 of the Disclosure Regulation, and excluding firms with large sustainability risks. The funds of funds exclude funds that invest in companies that violate international norms and conventions on the environment, human rights, labour and business ethics, such as the UN Global Compact and the OECD's guidelines for multinational enterprises. They also exclude funds that invest in companies linked to controversial weapons. Moreover, the funds of funds have restrictions on how large a share of the turnover of the companies in their underlying funds can be generated from coal. Management of the funds of funds also entails a dialogue on the sustainability work of the underlying funds. The purpose is to influence the external managers' sustainability work and reduce sustainability risks in the funds.

The Avanza Zero index fund's objective is to track the benchmark SIX30 Return Index, which screens out companies with turnover from controversial weapons and companies that violate international norms and conventions (such as the UN Global Compact) on the environment, human rights, labour and business ethics (so-called norm-based screening). Companies can be excluded if they do not take measures to address identified problems. Avanza Funds votes at general meetings for its direct holdings when it is considered beneficial to the fund's investors and dialogues with selected companies to better understand their sustainability related challenges and risks.

The Avanza Sverige fund tracks an index we developed together with Morningstar, the Morningstar Sweden Sustainability Select 70. The index consists of around 70 companies in various sectors with the highest sustainability ratings and in this way includes companies that, according to Sustainalytics, have the lowest sustainability risks in each sector.

Management of the feeder funds Avanza Global, Avanza Emerging Markets, Avanza USA and Avanza Europa is handled collaboratively with Amundi. They are active owners who dialogue with their companies and vote at general meetings. The feeder funds replicate two types of indices: a broader index that primarily works with exclusion and a narrower SRI index with extensive sustainability work.

The feeder fund Avanza World Tech by TIN is a collaboration with TIN Fonder. This is an actively managed equity fund, that focuses on global technology companies as well as companies with a sustainability orientation. The sustainability work consists of investing in companies that contribute to a better world and are trying to reach the Sustainable Development Goals with a focus on environmental technology, resource efficiency and simulation, security and privacy, dematerialised growth and healthcare. The opt-out principle is applied as well.

Avanza Småbolag by Skoglund is focused on Swedish small caps with sustainable business models, where the green transition in society is an investment theme. Another important factor is avoiding companies with high sustainability risks. The master fund excludes companies based on established sustainability criteria, and the master fund company is an active owner.

Avanza Fastighet by Norhammar is an actively managed equity fund focused on listed Nordic real estate companies. The sustainability analysis is an integral part of the fund's investment process. In the real estate industry there is no contradiction between being sustainable and being profitable in the long term. On the contrary, it is critical to attracting new and retaining tenants. The fund's aim is to invest in companies that make continuous sustainability improvements based on their individual situations. The companies' sustainability level is analysed in part by collecting quantitative data and in part through annual surveys sent to the portfolio companies.

Avanza Funds has signed the Principles of Responsible Investments (PRI), an independent standard developed by the UN to promote sustainable investing. Six principles have been established that signatories adopt in their sustainability work. The principles cover among other things incorporating ESG criteria in investment decisions and ownership policies, reporting sustainability work and implementing the principles. All underlying funds and the management companies that Avanza's funds of funds invest in must also adopt the PRI.

Reporting according to the EU Taxonomy

On 1 January 2022, the EU's Taxonomy regulation took effect. The regulation contains requirements to disclose the extent to which a company's activities are associated with environmentally sustainable economic activities according to the definition in the Taxonomy. The disclosure requirements are being introduced gradually and for Avanza mean that we for the financial years 2021 and 2022 are reporting how large a share of the assets on our balance sheet are taxonomy eligible. Avanza's reporting covers the consolidated situation, comprising Avanza Bank Holding AB, Avanza Bank AB and Avanza Fonder AB. The table is based on the Swedish Bankers' Association's template.

The share of Taxonomy eligible assets consists only of loans to households with a property as collateral. As of 31 December 2022, Taxonomy eligible economic activities accounted for 18 per cent. Exposures to Taxonomy non-eligible assets consist of margin lending to households and amounts to 12 per cent.

Avanza's lending to companies consists of margin lending, which is classified as assets related to NFRD non-eligible companies and amounts to 2 per cent

Assets, mandatory Taxonomy reporting ¹⁾	Share of total assets, %
Taxonomy eligible assets	18
Taxonomy non-eligible assets	12
Assets related to central governments, central banks etc.	62
Derivatives	–
Assets related to non-NFRD undertakings	2
Trading portfolio	–
On demand inter-bank loans	3

Clarification of disclosures tied to the Taxonomy

Exposure to economic activities that are or are not subject to the Taxonomy

Exposure to economic activities that are subject to the Taxonomy occurs in Avanza's case via the bank's internally financed mortgages. Other household credit is currently considered Taxonomy non-eligible.

National governments, central banks and supranational issuers as well as derivatives

Exposure to these types of assets is not included in the above classification and is reported separately. In the exposure to national governments, central banks and supranational issuers, Avanza has included the exposure to municipalities and regions.

Assets related to companies that are not subject to NFRD

This category includes Avanza's exposure to companies through margin lending and shares and participations. To determine whether these companies are subject to NFRD, data on the number of employees they have is obtained from third parties. Since none of the corporate clients that leverage their portfolios has over 500 employees per 31 December, it has been determined that they are not subject to NFRD.

¹⁾ The table does not sum up to 100 per cent due to exposure against other assets, such as prepaid expenses and accrued income not being included.

Sweden's most satisfied savings customers 13 years in a row

A deteriorating macroeconomic environment has affected both customer growth and households' ability to save, but it also further underscored the need for personal savings. Ratings from customers remained high.

A broad customer base with high market shares especially among young urbanites

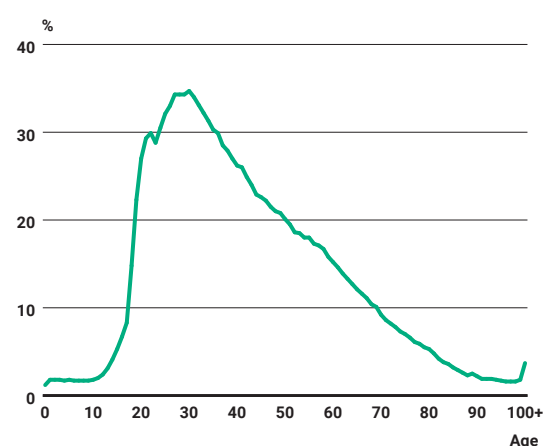
Customer growth in 2022 was 116,600 and the number of customers at year-end was 1,776,700. Rising inflation and higher interest rates, with higher borrowing costs as a result, left households with less room to save. At the same time, the stock market decline made customers less willing to take on risk and less interested in equities for a large part of the year. This also affected customer growth, net inflows and trading activity. Many households experienced real wage cuts for the first time after many years of low interest rates and low inflation. At the same time, tougher times make people more conscious of their financial situation, and the need for savings has remained top of mind with greater financial responsibility now placed on the individual due to the structural changes in society.

Avanza's customers mainly consist of private individuals. The new customers in 2022 and those who became customers during the strong growth years during the pandemic do not differ from the customer base as a whole. The average age of new customers was 34, although the largest share of new customers was between 19 and 30, which was in line with last year. Also, the amount of 18 year old customers increased. The average age of all customers was 40. The breakdown between new customers who own equities and those who own funds is also consistent from a historical perspective. On the other hand, monthly savings among new customers was slightly lower during 2022 than during the pandemic, which likely was a result of current market conditions. In total, automatic monthly savings on the platform fell from SEK 1.8 billion in December 2021 to SEK 1.5 billion as of 31 December 2022. An Orvesto survey of Avanza's customer base in autumn 2022 showed that our customers to a greater extent have a higher education, higher average salary, higher savings and more assets on average than the Swedish population as a whole. They are also more interested in personal finance and savings.

The share of women among new customers increased to 42 per cent, but still represents only 38 per cent of the customer base. Avanza continues to grow strongly among customers in urban areas. The market share of Sweden's population was 16.5 per cent. The market share within ages 20–39 is significantly higher, and is over 40 per cent among men in the Stockholm area in this age group. Few customers leave us; churn was a low 1.5 per cent, excluding one-off effects.

More than half of all customers register using the apps. The share of customers who use the apps exclusively has increased from over 50 per cent by year-end 2021 to around 70 per cent on 31 December 2022. The number of daily average active users on the platform was 368,100 (493,500) in 2022, holidays and weekends included. It was mainly the web activity that decreased. In terms of orders placed, it stayed constant at around 70 per cent through the apps.

Avanza's share of the Swedish population



Customer activity decreased during the year as a result of market conditions, with the first half year seeing the worst downturn since the 1930's and for the full year the worst stock market decline since the financial crisis 2008, which affected risk appetite. For more information, read from page 17. Despite lower trading activity, the number of equity-owning customers and the number of fund customers increased.

Private Banking customers account for the largest share of the savings capital. In terms of turnover in commission-generating securities, customers in the standard segment account for 76 per cent of brokerage income, showing the importance of the broad customer base. In 2022, however, the share from Private Banking and Pro customers increased due to market conditions. Pro and Private Banking customers account for half of the turnover in commission-generating securities. What our private banking customers rank highest in comparison with other firms are our digital services, superior customer experience, competitive prices and sustainable investments. Avanza also has a very high recommendation rate in private banking among these customers.

The number of occupational pension customers was 148,300, which represents an increase of 17 per cent for the year. Avanza mainly targets smaller firms that choose not to enter into collective agreements. Distribution is handled via Avanza's own sales force or digitally via the website. Approximately 30 per cent of the agreements come through the website, without assistance from a sales representative. Occupational pension capital decreased by 4 per cent in 2022, which shows the stability of the pension business despite unfavourable market conditions. Premium inflow to occupational pensions amounted to SEK 4 million (3.5) during the year.

For more information on our customers and offering, see pages 130–133.

We take a long-term view of our offering with the customer in focus

The goal of Avanza's offering is to get more people to feel smart, engaged and educated about their personal finances and savings. We want to play the role of a savings buddy by offering suggestions and guidance, and by always answering questions and explaining in a way that is easy to understand for anyone.

A majority of our customers come to us by way of recommendation from another customer, which is a result of our strong customer focus and brand, but also because when we launch new products, we do it in our own way, by thinking innovatively. We are never done; there is always something that can be better; the savings market is constantly evolving.

We want to guide people to better savings

We want to build interest and engagement in savings through various media outlets and education. We have a savings economist and spokespeople who address the entire savings market and generate media attention for savings issues. In addition, many of us at Avanza contribute to the blogs.

The importance of understanding personal finance is growing. Through our free education, anyone can improve their financial well-being and build a secure future. On the site we educate and inspire, among other things, through our podcast and the Avanza Blog. Avanza Academy shows our customers what to consider when choosing stocks, funds and other securities, and how to build various types of portfolios. There are also answers to questions on taxes and tax filings. During the year, the podcast had 5 million streams, which was in line with last year.

We always try to be as close to our customers as possible. An important part of this is a strong presence in social media. We communicate daily with customers via Twitter, Facebook and Instagram. On Instagram we have over 85,000 followers and work extensively with educational material – both videos and images. Activity on Avanza's Twitter account is also high with around 60,000 followers. Furthermore, our savings experts and developers often communicate directly with customers via their own accounts, where our savings economist has nearly 80,000 followers. We have also started a new educational format on YouTube, where the first six episodes have generated over 300,000 views. We work actively to reach broader target groups and to encourage women to save. For more information on our gender equality work, read from page 28.

As a guide to better savings, the Pension Chase was launched during the year to make it easier to find and consolidate occupational pensions and pension insurance with Avanza. The customer can, via Avanza, find any pensions they may have with other companies, see which ones are transferable and how much they can save, and then request a transfer digitally through the platform.

A clearer description was provided of every step to transfer securities to Avanza in order to increase safety, reduce the thresholds to make a transfer and create a better overview of the customer's entire savings.

The new function "Trade funds" in the apps makes it easier and more fun to find new funds through lists of suggestions by sector and other categories, where the customer easily can put different funds together in their cart to either create monthly savings or trade directly.

To increase transparency and provide better decision support, the analysis pages have been improved with a more detailed overview of exposures to different markets and sectors as well as performance over various periods of time.

After years of zero or negative interest rates, corporate customers can now open savings accounts with interest with Avanza. Corporate customers have not been able to open accounts through Avanza's external partners, who only serve retail customers. The interest rate on the savings account was 1.50 per cent at the end of the year.

Avanza's independent media company, Placera, relaunched its popular Forum for those who want to discuss stocks. The forum was redesigned and new functions were added. Authentication requirements were introduced as well in the form of Bank-ID, although it is still possible to participate using a pseudonym.

In keeping with tradition, "Your 2022" by numbers was launched for customers to track the performance of their holdings and how they did in relation to the average Avanza customer. Due to market conditions in 2022, the focus was on information and insight on previous market slumps, how to spread risks and the importance of thinking long term.

Product development to simplify and improve

During the year, a number of improvements and simplifications were made to the user experience on the website and in the apps. The contents list was expanded with more information and sorting alternatives. An option was added to the page "Right now" to choose which indexes, commodities or currencies the customer wants to follow and which accounts to include. The page was also adapted for customers who only own funds to contain more fund-related insight and information. The calendar tab, where customers can monitor future events such as dividends, reports and monthly savings, is now available on the apps and the website.

Many people are experiencing a worsened financial situation, which is why we have made it easier to adjust monthly savings with the option to suspend them until a specific date or skip a single monthly transfer. We want to make it easy for customers to maintain a healthy habit of saving.

In terms of funds, we have made it easier to switch between various funds, and shareholder data can be divided up by age and gender. Morningstar's fund ratings date back three, five and ten years, and it is now easier to see if a fund has replaced its manager. It is also easy to find funds based on individual companies or exposure to specific shares. The fund pages show each fund's 25 largest holdings. Performance relative to risk and the fund company's investment horizon are shown as well. This makes it easier to compare funds.

The stock pages were complemented with clickable sector choices where a list of other companies in the same sector are shown. Companies are sorted based on popularity with Avanza's customers. This makes it easier to diversify. Order conditions can be added, including hidden orders, where transactions with a value over EUR 10,000 are hidden from the order depth. An order can also be removed if it cannot immediately be filled at the desired size and price, or as much of the order as possible can be filled before it is removed. Also, bulk purchasing stocks was made possible. By choosing which stocks in their account and how many more they want to invest in, customers can easily fill out their portfolio by buying collectively.

Additionally, corporate actions including share issues and issues for non-cash consideration such as mergers and acquisitions can be responded to directly in the apps, making it more convenient for customers who primarily use mobile devices.

The credit meter for margin lending was improved to let customers stress test their loans. They can simulate an account over time and see how large the margin is to the next interest-rate level. They can also see their interest-rate history for the last 12 months. To make clear how customers' credit is affected by a purchase, they can now see when placing an order how much credit has been used for the purchase, how the purchase affects their debt and what the total loan-to-value ratio will be after the purchase. For investment savings accounts the net rate is shown, making it easier to see how much was actually paid.

The information on ETFs was improved by showing the 25 largest holdings in each fund along with clearer descriptions of investment approaches, distributions by industry, country exposure and dividend data.

Development work during much of 2022 was still devoted to replacing the backoffice system. The new system, which was ramped up in the spring, will enable us to use smarter technology and solutions to increase efficiency, at the same time that scalability and the conditions for product development are improved.

Cheaper offers to fulfil our customer promise

Fees are critical to the value of savings over time, and we want the entrance barriers for savings to be low. Avanza does not charge fixed fees. This also applies to occupational pensions. The price list is adapted by activity level and capital to benefit each individual.

To help more people start saving, Avanza has since 2016 a Start offer with free stock trading on the Stockholm Stock Exchange, and since 2021 funds are included as well. Start is available to customers with savings capital of less than SEK 50,000. Fund fees are refunded with a lag, and at the beginning of the year fees of SEK 19 million were refunded to Start customers for 2021.

Among the price cuts and fee transparency improvements to live up to our customer promise of "more for you and less for the bank" we also made improvements in the fund pages, which now show performance-based fees and trading information more clearly, along with a filter to only show funds with a maximum fee of 1 per cent. The filter can also be set to risk level and also show whether the selected fund integrates ESG, how the fee compares with similar funds, and whether it is popular among Avanza's customers.

Avanza's fund company launched the actively managed fund Avanza Fastighet by Norhammar in collaboration with manager and real estate expert Peter Norhammar, who has over 25 years of experience in the industry. The fund, which invests in publicly listed Nordic real estate companies with a focus on growth and urbanisation, has a total fee of 1.10 per cent, making it one of the cheapest real estate funds on the market.

The external mortgage offering was expanded to include the option when buying a tenant-owner unit to apply for a mortgage directly from Avanza via Stabelo. Help is also offered with down payment loans and bridge loans. This makes it possible for more people to secure fully digital, preapproved mortgages on better terms.

As an early Christmas present for our Private Banking customers, we postponed the rate increase until February 2023, after the Riksbank's last policy rate hike of 75 basis points. This is despite that the terms on Avanza's internally funded mortgages are directly tied to these rate changes.

In December, we also eliminated commissions on US equities for our active Pro customers.

Continued high ratings from customers in 2022

After two years of record growth and a buoyant stock market, 2022 was characterised by Russia's invasion of Ukraine, a plunging stock market, high inflation, rising energy prices and tightening household budgets. Despite these challenges, we still managed to maintain customer satisfaction and be there to help our customers.

Our most important long-term target is customer satisfaction and to win the Swedish Quality Index's (SQI) annual award for Sweden's most satisfied savings customers. In December, we received SQI's award in the savings category for the thirteenth year in a row. In 2022, we received 76.3 points (76.5) on a scale of 0-100. The driving aspects in the survey are image, expectations, product quality, service and value for money. Avanza received the highest scores in loyalty and service.

SQI also measures Net Promoter Score (NPS), which was 44 (32). Scores range from -100 to 100. A score between 0-50 is good, and above that extremely good and highly unusual. Avanza's score exceeds the industry average of 10 by a wide margin.

Avanza was ranked the highest among banks and shared fifth place among the most reputable companies in Sweden in Kantar Sifo's reputation index 2022.

The business magazine Affärsvärlden named Avanza Corporate Finance, which serves as an advisory connection with IPOs and funding, Best Advisor 2021 for IPOs in the categories "Quality in the billion-kronor company class", "Share performance in the billion-kronor company class" and "Quality in the small-cap class".

Avanza came in first place in the banking category in a survey of Sweden's Greenest Brands by Differ. The survey, which has been conducted since 2008, measures attitudes and trends in how consumers view sustainability.

In addition, the Pension Chase was named Transfer service of the year by Privata Affärer.

These awards are recognition of our efforts to improve the customer experience by consistently prioritising customer value.

A tool to succeed with your personal finances

We want more people to feel engaged, informed and secure about their personal finances and savings. In addition to our broad range of investment alternatives, we therefore provide inspiration, decision support and educational aids on our platform. For example, we publish frequent updates on the Avanza blog on savings and investment topics, we release a new episode of the Avanza podcast each week where our savings economists share information and tips on savings, and we are active on social media, where we update daily and maintain close contact with our customers. See page 33 for more information on how we work with social media and page 133 on our inspiration and decision support.



A strong culture with employees who want to challenge and create change

Avanza is a company of dedicated employees who want to make a difference, where everyone's ideas are listened to and enrich our development. The foundation of our culture, and what drives us, is that we feel what we accomplish is meaningful and important.

A strong corporate culture focused on the customer

We started Avanza with a simple idea – to build a company where we would want to be customers. In the same way, our aim has been to build a company where we thrive and want to work. This has resulted in a very strong corporate culture that draws its energy from a vision to create a better future for millions of people. Our position as a challenger and our employees' willingness to create change have shaped the culture, which is characterised by collaboration, humility, constantly challenging ourselves to think differently, and shared responsibility. Each quarter we reward an employee who has stood out by embracing our values. The aim is to encourage and nurture the entrepreneurial spirit that has gotten us where we are today.

We have chosen to formulate our values, or guiding principles, in four short sentences. We help a colleague help a customer. We take responsibility. We challenge and think differently. We have fun together.

Our employees

The majority of our employees have a college or university education, usually in Business & Finance, Computer science and Programming, and a background in IT and financial services. In 2022, we had an average of 622 employees with an average age of 36.

All development is handled internally

We are constantly developing. There are always things that can be improved and new products and interfaces to develop. In recent years, investments have focused on digital decision support, an improved user experience and a stronger mobile

offering. We have 30 cross-functional development teams divided up by customer journey, products, core flows and technological platform. The role of the technological platform teams is to ensure that the right technologies are used and to create the best opportunities for innovation, quality and short lead times. This means phasing out old systems and future-proofing Avanza. The core flow teams are responsible for ensuring that central customer flows such as "Become a customer" and "Deposit money" are intuitive, convenient and meet regulatory requirements. The customer journey teams focus on the various stages of being a customer, from getting started to finding help, while the product teams are divided up by product category. An agile organisational structure simplifies roles and mandates while stimulating creativity. The organisational structure contributes to faster development as well as happy and engaged employees and teams.

We want to create opportunities for our employees to grow by believing in their abilities and allowing them to test new ideas and think differently. Every team has its own mission and targets, which are tied to Avanza's long-term targets and vision. Our employees should feel they have a say and can find an outlet for their creativity. One example of how we encourage them to innovate is "Brainy Days", when employees get the chance to convince their colleagues to help them develop their ideas. They work on the ideas for two days, individually or together in teams, before they are presented. Several ideas are further developed and put into production. In 2022, "Drainy Days" were also held to share information and build a culture where we work continuously to minimise technical debt and ensure that our tech stack is cutting edge.

Employee key ratios	2022	2021	2020	2019	2018
Average no. of employees	622	560	478	429	406
of which women, %	37	36	36	36	36
Women in Group Management and managers with personnel responsibility, %	47	46	47	46	45
Average age	36	36	36	36	36
Employee turnover, %	15.3	12.0	12.6	18.3	15.7
Internal movement, %	–	–	–	3.6	7.6
Internal mobility, % (replaces internal movement)	32	22	32	–	–
Redundancies, no. of	1 ²⁾	–	1 ¹⁾	6 ¹⁾	–
Recommendation rate (eNPS)	58	67	69	54	44
Leadership index	82	88	87	81	–
Occupational health and safety index	85	82	82	80	–
Engagement index	80	85	83	81	77

¹⁾ Shutdown of office in Gothenburg

²⁾ The legal consequence when an employee declines a replacement offer is redundancy due to labour shortage.

How we attract talented employees

Avanza offers secure employment and a safe workplace. The best way to create engagement and participation, we feel, is by hiring in-house rather than using consultants. We take an open and trusting approach to remote work, depending on the position and role. At the same time, we have a strong corporate culture and want to create a workplace where we are comfortable and want to be. Physical proximity and communication between colleagues create the best opportunities to do a good job and strengthen the culture.

Recruitment and employer branding strategy

Avanza's success is closely tied to our attractiveness as an employer. Competition for talent is fierce, especially in tech. There continues to be high demand and a shortage of IT talent in Sweden. At the same time, macroeconomic conditions have adversely affected many companies, resulting in layoffs by tech firms and startups. This is expected to give companies like Avanza, with a sustainable business model and strong brand, greater appeal. Through our corporate culture, values and the way we work, we strive to offer an attractive workplace, where one of the challenges is maintaining an exciting technology platform. The goal is also to find employees with ambition and the drive to push the business forward, at the same time that it is important to fit into the culture.

Avanza's employer brand is measured, among other things, through Universum's ranking of "Attractive employers". In the 2022 survey, the ranking among business students improved to 3rd (4), but among IT students we dropped to 14th (11). Among those with one to eight years of work experience, Avanza ranked 11th (11) for Business and 8th (5) for IT. The long-term internal goal is to place in the top 10 in all four categories.

Universum named Avanza Career Company 2022 as one of Sweden's most attractive employers with the motivation that Avanza succeeded exceptionally with their employer branding and short decision-making channels, where employees collaborate and have fun along the way. Communication is straightforward and reflects a corporate culture that embraces diversity and inclusion.

In the Young Professional Attraction Index from Academic Work in 2022, Avanza ranked 64th and was included in Sweden's 100 most attractive employers and number two in finance.

Succession planning and critical competence

Each manager is responsible, with support from HR, for having the right team. To ensure continuity and safeguard business-critical processes, a structured mapping of critical competence is done each year. Employee dialogues are conducted several times a year to follow up individual goals and development plans. To facilitate a smooth transition when employees in senior positions move on to other roles, internal candidates are also identified as part of succession planning.

We work actively to maintain low employee turnover

In 2022, after the pandemic, job switching increased in Sweden, which also increased turnover at Avanza. In the two previous years turnover has dropped, before reaching 15.3 per cent in 2022. Although challenging, our long-term target is between 11 and 13 per cent.

The single most important reason why employees stay with an employer is leadership, which is why we have increased the resources devoted to leadership development in recent years. A successful recruiting process also has a direct impact on turnover. HR supports recruiting managers to ensure that the right people are hired in terms of expectations and development potential, and that candidates have the right skills and fit into our culture. We also closely monitor internal mobility and recruiting needs.

Two groups, IT/Tech and customer service, generally have slightly higher turnover than the rest of the organisation. Around 40 per cent of our employees work within Product & Tech and IT, and to reduce turnover we focus on leaders with the skills to develop and lead agile teams. Our culture and values are also an advantage and attract many people in IT/Tech. We offer the flexibility to work remotely or in an office with a stimulating environment for creative teams and modern technology.

In most industries, customer service generally has higher turnover. For many people, it is a good first job when starting a career. With Avanza as well, customer service is a starting point for further development in other areas of the company. To reduce turnover in customer service, we try to recruit more candidates with service experience who enjoyed the work and want to stay with it long term.

Gender equality and diversity – differences contribute to a better corporate culture

At Avanza, we welcome you as you are. We have an open and inclusive corporate culture that contributes to equality in the workplace, welcomes diversity and is free from harassment, as stated in the policy on diversity and gender equality. The CEO has overarching responsibility for the work with diversity and gender equality, which is addressed systematically through documentation, analyses, active measures, evaluations and follow-ups.

Our diversity plan clarifies how we strategically work to achieve even greater diversity. Recruiting is a focus area to ensure that we have an unbiased process and that all available positions are formulated in a gender-neutral way to both avoid discrimination and attract candidates with a range of qualifications. We have introduced digital, structured and standardised reference checks to eliminate cognitive bias, subjectivity and gut instinct. Personal letters have been replaced by skills-based screening questions, and in the recruiting system, candidates can be anonymised. Every year managers are offered internal training to better understand competence-based and unbiased recruiting.

In an inclusive and transparent culture, it is also a given that we maintain contact with employees on parental leave, so that they are kept informed and part of the team to the extent they want to be. They also have the opportunity to apply for open positions and participate in our activities while on leave.

Putting together the right teams and creating a successful group dynamic is an important management responsibility and a natural component of long-term HR management. In recruiting for senior management, gender equality is an important parameter – as it is in salary audits, to ensure that there are no gender pay gaps and gender differences in sick leave. Our annual pulse survey includes a number of questions where we systematically

monitor gender equality, diversity and any instances of discrimination. The results are followed up by senior management and HR, and every manager is responsible for reviewing their team's results.

Our goal is to achieve gender parity in management and for our staff as a whole. While men still outnumber women, the distribution is better when it comes to management, and within Group Management where parity has been reached. Avanza was included in the Green List in the Allbright Report on Sweden's most gender diverse companies. The list consists of 69 listed Swedish companies.

Women are underrepresented within IT/Tech and we work actively to broaden the range of candidates we recruit. Through various events and activities such as IGEday (Introduce a Girl to Engineering day), we get young women interested in engineering.

To increase the diversity of our employees, we have been working for many years with companies that help people with disabilities or other backgrounds who are having difficulty gaining a foothold in the labour market.

Avanza's operations do not pose a material risk of human rights violations, directly or indirectly. As a result, we have no formalised oversight, policy or performance monitoring in this area. We have a code of conduct with guidance for employees on business ethics and how we maintain fair and lawful business relationships, and we follow international and national codes of conduct in the industry. For more information, see page 46.

Incentive programmes and efforts to ensure equal pay

Avanza pays fixed remuneration, with the exception of a few employees in Corporate Finance and Brokerage who also have the opportunity to receive variable remuneration. The CEO or the Board of Directors decides on variable remuneration. Avanza works continuously to ensure equal pay, for instance, through job reviews used in connection with new hires and internal

mobility. HR is involved to ensure a fair, equal, quality-assured process. The annual salary audit covers current conditions, analysis of proposed pay adjustments and a summary of the final outcome. Differences not based on objective grounds are investigated before the audit is approved.

Avanza also offers warrant programmes with the opportunity for all permanent employees to become shareholders of the company. For more information, see pages 42 and 50.

Leading up to 2023, Avanza and other employers face a challenging situation where high inflation is raising employees' salary expectations. In Sweden, the labour market's benchmark is set by the unions. The benchmark in the collective bargaining for 2023 is currently under negotiation. Wage inflation for Avanza is estimated at 4 per cent.

Opportunity to develop in a stimulating environment

To give our employees the best chance to live up to their full potential, skills are taught on a daily basis on the job as well as through internal and external educations. Helping employees to develop in their roles is important. All employees have a personal plan that is followed up three times a year through the employee dialogue.

Through the Avanza Academy, all employees are given the opportunity to learn the business. The Academy regularly offers educations in our various product areas. All employees also receive training in regulations, risk management and IT security as well as internal governance and control. Certain positions require Swedsec licensing, which includes annual knowledge updates on financial services. There is also an annual trainee programme for developers, offered to four to six recent graduates who join our development teams for six months, after which many go on to become employees of Avanza.

New employees receive introductory education on Avanza's business, strategy, goals, vision and product areas, along with

Salary data	2022	2021	2020	2019	2018
Women's wages as a proportion of men's salary					
Group Management (excluding CEO), %	84	82	91	89	87
Managers (excluding Group Management), %	103	101	103	107	98
Senior specialists (excluding Group Management), %	100	102	102	94	103
Other employees, %	90	94	94	96	99
Median salary, men, SEK ¹⁾	53,600	49,800	47,000	48,000	45,000
Median salary, women, SEK ¹⁾	47,000	48,000	46,000	46,000	42,000

¹⁾ The tech organisation consist of 74 per cent men. There is a labour shortage in Sweden within the area, resulting in higher salaries. This affects the median salary between men and women.

control functions and security. All new employees also receive mandatory regulatory training. The introductory education includes Avanza's culture and values as well.

In customer service, every new hire starts with a three-week introduction. This comprises both practical and theoretical sections, where they get to learn everything they need to know about Avanza as a company, our product range, savings and investments, and customer care. After this, in-depth training is regularly provided as needed and based on time of employment. We work continuously to build a feedback culture through employee dialogue, and employees are also able to listen in on their colleagues' conversations with customers.

Focus on leadership

Everyone at Avanza is expected to understand and take responsibility for the business, be a good communicator and ambassador, and be able to coach others and help them develop. Our leaders are an important part of Avanza's development and success. Leadership training is offered continuously to ensure that everyone has the skills and tools they need as leaders. We also offer a number of modules on practical leadership as well as leadership days, seminars and forums. Leadership reviews are regularly tracked through pulse surveys.

A positive work environment means healthy and motivated employees

Avanza has an occupational health and safety committee made up of representatives from both the employer and employee sides who work together to improve the work environment. Action plans and routines are in place to manage incidents that could affect our employees, including cases of discrimination and harassment. During the year, there has not been any whistleblowing incidents related to discrimination and harassment.

To encourage a work-life balance, we offer wellness allowances, exercise activities through our sports club, parental ben-

efits, crisis management assistance, and health and rehabilitation insurance. During the year, all managers were educated on supporting employees with addictions. We also provide professional support to managers to proactively communicate with employees who need help. A work-life balance is important not least to handle a high-performance environment over time. The work environment is measured and followed up regularly through pulse surveys.

Avanza supports the rights of its employees to unionise and collectively bargain. At the same time, we believe in the abilities and participation of the individual, and have chosen not to enter into collective agreements. Avanza offers similar terms compared to relevant collective agreements.

High engagement and recommendation rate among employees

To drive Avanza forward and ensure an attractive workplace, pulse surveys are conducted three times a year. The aim is to maintain an open dialogue on how we feel on the job. The questions are tied to engagement, leadership and work environment, where the goal is a score of 80 in each area; see the table on page 36. These areas, along with an eNPS of at least 50, are cornerstones to create a strong and engaged culture. The 2022 surveys reported an average eNPS of 58 (67). The main reasons why our employees recommend Avanza are still strongly tied to our corporate culture, where we feel proud and responsible for the company, our products and our offering, and that there is a sense of freedom, variation and responsibility associated with our jobs.

Benefits¹⁾

Group insurance ²⁾	For everyone
Occupational health care	Work related injuries
Crisis management support	For everyone
Parental leave with salary over and above compensation from the Swedish Social Insurance Agency ³⁾	For everyone
Occupational pension	For everyone > 25 years
Warrant programme	For everyone
Health insurance	For Group Management

¹⁾ Reported KPIs refer to permanent employees. In addition, we have a large number of fixed-term employees to staff areas of the business. Most part-time employees are young people who work extra while studying. They are also a natural part of and successful recruiting base for Avanza.

²⁾ Comprises life, health and disability, and child insurance.

³⁾ In addition to compensation for parental leave of up to 18 months, the public social insurance system in Sweden provides compensation for care of close relatives, sick leave and care of a sick child.

Employee key ratios ¹⁾	2022	2021	2020	2019	2018
Average no. of employees	622	560	478	429	406
of which no. of fixed-term employees	6	7	14	4	6
of which women, %	37	36	36	36	36
of which 0–29 years, %	20	23	22	26	29
of which 30–49 years, %	70	69	73	69	64
of which 50+ years, %	10	8	5	5	7
Average no. of employees within IT	209	184	148	125	111
of which women, %	20	22	21	19	20
of which managers, %	8	8	9	9	8
of which female managers, %	44	47	49	50	44
Average no. of full-time employees	603	525	439	400	369
of which women, %	37	36	35	34	34
No. of recruitments	115	137	126	109	75
of which women, %	44	39	42	34	36
of which 0–29 years, %	33	42	46	49	42
of which 30–49 years, %	58	53	51	49	54
of which 50+ years, %	9	6	3	2	4
No. of completed employments	92	65	60	77	62
of which women, %	42	43	43	29	34
of which 0–29 years, %	35	38	42	36	37
of which 30–49 years, %	62	55	55	56	62
of which 50+ years, %	3	6	2	8	1
Sickness absence, % ²⁾	3.5	3.3	2.5	2.8	3.0
of which women, %	3.6	3.6	4.4	3.8	4.4
of which men, %	3.5	3.2	1.1	2.4	2.1
of which 0–29 years, %	4.9	4.9	1.8	3.1	2.7
of which 30–49 years, %	1.8	1.6	2.5	2.9	3.2
of which 50+ years, %	3.9	4.2	3.3	1.4	1.2
Average no. of parental leave	34	22	13	18	12
of which women, %	42	43	42	67	61
No. of directors at the Board	9	9	9	7	8
of which women, %	44	22	22	29	38
of which 0–29 years, %	0	0	0	0	0
of which 30–49 years, %	56	44	44	43	63
of which 50+ years, %	44	56	56	57	38
No. of employees in Group Management	10	9	9	9	9
of which women, %	50	44	44	44	56
of which 0–29 years, %	0	0	0	0	0
of which 30–49 years, %	60	44	56	56	56
of which 50+ years, %	40	56	44	44	44
No. of managers	81	70	65	60	57
of which women, %	47	46	49	47	44
of which 0–29 years, %	1	3	2	2	9
of which 30–49 years, %	74	79	86	87	75
of which 50+ years, %	25	19	12	12	16
Distribution of employment level					
Employees in entry and mid-level positions, %	89	90	89	85	–
of which women, %	37	35	34	36	–
Employees in senior and executive positions	11	10	11	15	–
of which women, %	47	46	48	41	–

¹⁾ Refers to permanent employees, hourly employees excluded. Of the Group's total number of employees, 16 per cent are paid on an hourly basis, 1 per cent are fixed-term employees and 0 per cent are temporary positions.

²⁾ Avanza has chosen to only report sickness absence, since accidents and injuries are not relevant to our type of working environment. Sickness absence is calculated in relation to normal working hours.

A simple and cheap mortgage for everyone

Apart from our own mortgage loan, we offer mortgages via external partners that do not require minimum savings levels or other commitments. We believe that everyone should receive the same low rate without having to negotiate or keeping track of expiring discounts. On the platform you can easily compare the rate on your current mortgage with the rate on our mortgages to see whether you can lower your interest costs.



The share and our shareholders

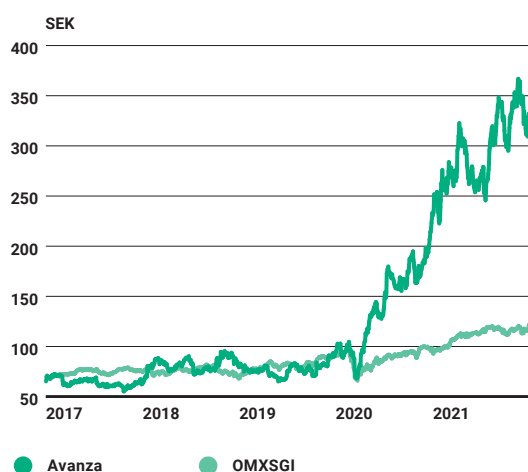
Share information

Avanza Bank Holding AB (publ) is traded on the Nasdaq Stockholm Large Cap. Avanza is included in the Financial Services sector under the ticker symbol AZA. In total, the average turnover was 1,783,668 Avanza shares per day, equivalent to a volume of 385,716,796. In 2022, Avanza's share price fell by 33 per cent to SEK 223.60. Including the dividend paid, the total return on the Avanza share was -30 per cent for the year.¹⁾

Decreased share of foreign ownership

At the end of the year, Avanza had 92,830 shareholders. The ten largest registered owners accounted for 59 per cent of the total number of shares and votes. The share of foreign owners dropped significantly after Russia's invasion of Ukraine and amounted at year-end to 33 (48) per cent. Foreign ownership was highest in the UK at 16 per cent.¹⁾ Avanza did not own any repurchased shares as of 31 December 2022.

The share's total return relative to index



Share capital and incentive programme

The share capital and number of outstanding shares increased during the year due to the redemption of warrants through a new share issue. Avanza's outstanding warrant programmes comprise a total of 4,650,000 warrants, which entitle holders to subscribe for an equal number of shares, divided among three programmes, each of which run for three years. The warrant programme is offered to all permanent employees and is issued on market terms. The Black & Scholes model is used to determine the value of the warrants. There is a risk for the employee of losing money if the company and the share do not perform well enough. For more information on the outstanding programmes, see page 50 and Note 29 Equity.

The board of Directors proposes a dividend in line with the dividend policy

The Board of Directors proposes a dividend of SEK 7.50 (9.20) per share, equivalent to 70 (70) per cent of the profit for 2022, in line with Avanza's policy taking into account the leverage requirement, including Pillar 2 guidance and an internal buffer requirement. This provides a comfortable margin to manage swings in the uncertain market conditions. The leverage ratio requirement is 3 per cent plus the Pillar 2 guidance at the consolidated level of 0.9 per cent. The notification from the Swedish FSA regarding Avanza's Pillar 2 guidance was communicated during the autumn and was fully aligned with expectations. The leverage ratio requirement affects both the consolidated situation and the bank, while the Pillar 2 guidance only affects the consolidated situation. At year-end, Avanza's leverage ratio for the consolidated situation was 5.5 per cent. This means that deposits can increase by SEK 25 billion without falling below the requirements of 3.9 per cent, including the guidance. Since the margin to the leverage ratio requirement is good, it has been decided to delay any issuance of other Tier 1 capital. For more information, see page 70. See also the Board of Directors' statement on the allocation of profits proposal on page 119.

Share data	31-12-2022
Share capital, SEK	78,309,513.50
No. of outstanding shares	156,619,027
Quotient value, SEK	0.50
Market cap, MSEK	35,020
Share price, SEK	223.60
Highest closing price (16-11-2021), SEK	334.30
Lowest closing price (27-01-2021), SEK	152.40
P/E multiple	21
Dividend yield, %	3.35
Turnover rate, %	291
Earnings per share before dilution, SEK	10.69
Earnings per share after dilution, SEK	10.67
Shareholders' equity per share before dilution, SEK	31.61
Proposed dividend per share, SEK	7.50
No. of outstanding warrants	4,650,000

¹⁾ Source: Modular Finance. For definitions see pages 134–135.

Change in share capital

Year	Change	Change in number of shares	Total number of shares	Changes in share capital, SEK	Total share capital, SEK
2001	New issue	4,425,907	25,415,478	11,064,767	63,538,695
2001	New issue	1,207,396	26,622,874	3,018,490	66,557,185
2005	New issue	842,800	27,465,674	2,107,000	68,664,185
2007	Repurchase of own shares	-305,674	27,160,000	-	68,664,185
2008	Withdrawal of repurchased shares, 2007	-	27,160,000	-764,185	67,900,000
2008	New issue	435,843	27,595,843	1,089,608	68,989,608
2008	Repurchase of own shares	-18,233	27,577,610	-	68,989,608
2009	Withdrawal of repurchased shares, 2008	-	27,577,610	-45,583	68,944,025
2010	New issue	379,860	27,957,470	949,650	69,893,675
2011	New issue	580,603	28,538,073	1,451,507	71,345,183
2011	Repurchase of own shares	-275,524	28,262,549	-	71,345,183
2012	Withdrawal of repurchased shares, 2011	-	28,262,549	-688,810	70,656,373
2012	New issue	611,198	28,873,747	1,527,995	72,184,368
2015	New issue	470,341	29,344,088	1,175,852	73,360,220
2016	New issue	494,834	29,838,922	1,237,085	74,597,305
2017	New issue	157,300	29,996,222	393,250	74,990,555
2018	New issue	276,774	30,272,996	691,935	75,682,490
2019	Share split	121,091,984	151,364,980	-	75,682,490
2019	New issue	2,421,342	153,786,322	1,210,671	76,893,161
2020	New issue	1,167,688	154,954,010	583,844	77,477,005
2021	New issue	617,748	155,571,758	308,874	77,785,879
2022	New issue	1,047,269	156,619,027	523,634.50	78,309,513.50

The ten largest shareholders, 31-12-2022 ¹⁾	Country	No. of shares	Share of capital and votes, %
Sven Hagströmer (incl family and company)	Sweden	15,817,230	10.1
Creades AB	Sweden	15,725,000	10.0
AMF Pension & Fonder	Sweden	15,385,901	9.8
Baillie Gifford & Co	UK	13,911,758	8.9
Liontrust	UK	7,538,831	4.8
Sten Dybeck (incl family and company)	Sweden	6,489,208	4.1
Vanguard	US	5,023,699	3.2
Swedbank Robur Fonder	Sweden	4,829,534	3.1
SEB Fonder	Sweden	4,318,955	2.8
Columbia Threadneedle	US	3,611,131	2.3
Other owners		63,967,780	40.9
Total		156,619,027	100.0

Concentration (by group of owners), 31-12-2022 ¹⁾	Share of capital and votes, %
The 10 largest owners	59.1
The 20 largest owners	73.0
The 100 largest owners	87.6

Distribution of shares, 31-12-2022 ¹⁾	No. of shareholders	Owners, %	No. of shares	Shares, %
1 – 100	69,286	74.6	1,883,496	1.2
101 – 1,000	19,475	21.0	6,297,794	4.0
1,001 – 10,000	3,647	3.9	10,512,489	6.7
10,001 – 100,000	337	0.4	8,146,446	5.2
100,001 – 1,000,000	61	0.1	19,099,114	12.2
> 1,000,001	23	0.0	117,556,856	75.1
Anonymous ownership			-6,877,168	-4.4
Total	92,829	100.0	156,619,027	100

¹⁾ Modular Finance, Monitor.

Limited financial risks and strong focus on IT and information security

Our customers expect a high level of availability and security on the platform. This, together with rapid technological development and growing digital threats, makes IT and information security critical for Avanza.

Strong focus on IT and information security

Avanza's operations are largely digital with high demands placed on stability and availability. Protecting our information assets is critical to maintain the trust of customers. Availability of the platform during the year was 99.9 per cent (99.9).

The high availability of the platform and Avanza's services is ensured in part by having redundant, geographically distributed data centres. During the year, we created a better infrastructure for testing and IT security. We work proactively to replace hard- and software with more modern solutions in order to avoid technical debt. Performance and new functionality are carefully tested before production releases. Moreover, weekly launches on the website, along with continual updates and improvements, help to reduce operational risks. This applies to the apps as well.

Russia's invasion of Ukraine and increased geopolitical tensions are expected to lead to an elevated threat to systemically critical infrastructure, including the financial system. This is taken into consideration in Avanza's cyber security work. We continuously invest to develop our competencies and capabilities. We also cooperate with industry colleagues through the Swedish Bankers' Association to share experiences, insights and advice. The goal of our work is to strengthen awareness of IT and information security and at the same time put the right talent in place to proactively reduce risks. We regularly test and evaluate technical and organisational safeguards. Our employees receive training in risk management and security. IT and information security are included in the introductory training for new employees to ensure that everyone has the knowledge they need. The Board and Group Management receive regular training as well.

Third Party Players and significant counterparties

Avanza offers its own and distributes others' savings and mortgage products. Avanza does not offer advice. To help customers make sensible investment decisions about their finances, it is important that our products and services are promoted objectively with both advantages and disadvantages, and without promoting individual products.

The majority of Avanza's counterparties are providers of financial products and services, which are governed by the Swedish FSA or similar foreign authorities, and/or are subject to the rules of various stock exchanges. To better understand the counterparty, and thereby identify and minimise any business, sustainability or reputational risks, we work systematically to control and monitor Third Party Players and other significant counterparties. Counterparty assessments are done for among other reasons to ensure

that the counterparty has the correct authorisation and is not involved in any legal disputes or enforcement actions that could potentially impact the company's reputation or financial stability. The assessments are also conducted to ensure that the company is addressing sustainability issues and reporting emissions. In certain cases, more detailed reviews and supplier visits are conducted. Follow-ups are done according to a risk-based approach and always when there is an indication of a change in risk level.

Avanza's largest service providers are TietoEvy, Nasdaq, Euroclear Sweden and NGM. Among the most important third party collaborators are external fund companies, our partners in external savings accounts and mortgages, and Avanza Markets. In connection with transactions such as an IPO or rights issue, Avanza works exclusively with established counterparties on the Swedish financial market. In transactions where Avanza is the lead and only advisor, thorough due diligence is performed to ensure that the company's operations align with Avanza's sustainability view, that its representatives have not been sanctioned or convicted of serious or financial crime, and that the company is in compliance with stock exchange rules and listing requirements.

As of 1 January 2023, all fund companies on Avanza's platform are required to have signed the Principles for Responsible Investments (PRI). The fund companies that are already on the platform, but have not yet signed the PRI must do so within 12 months. The requirement is ensured as part of the counterparty assessment conducted before a new fund company is introduced. As of year-end, only 15 fund companies had not signed the PRI. The capital invested in these funds represented less than one per cent of the fund capital.

Low financial risks

Avanza's financial risks, such as credit risks, market risks and liquidity risks, are limited. Avanza does not offer traditional consumer credit or engage in proprietary trading. The balance sheet consists largely of assets and liabilities in the insurance business. It is the policyholders who bear the direct investment risk, so they also retain the yield on these assets. The value of insurance liabilities tracks the value of insurance assets. Avanza Pension does not offer any insurance products with a guaranteed return.

The liability side of the balance sheet mainly consists of customer deposits. Avanza is self-financed through shareholders' equity and customer deposits. Only a limited share of deposits is used for lending with longer contractual maturities, which creates a low liquidity risk. Lending in relation to deposits amounted to 37 (37) per cent at year-end.

All lending is collateralised by liquid financial assets with good collateral margins or Swedish residential properties with a low loan to value (LTV) ratio. Margin lending requires collateral in listed securities with good liquidity. Avanza's mortgage offering is designed for high-end-worth Private Banking clients with at least SEK 3 million in total savings on the platform and a low LTV ratio of no more than 50 per cent when the loan is granted, as well as for employees. The low LTV ratio ensures adequate collateral, even in the event of a sharp drop in property prices. The rising inflation during the year has contributed to monetary tightening. The Riksbank's rate hikes and market uncertainty have negatively affected house prices in Sweden. The average LTV ratio at year-end remained low at 38 per cent (41). There has been no need to revise the credit strategy due to the downturn in house prices during the year. The low LTV ratio makes the loan book resilient even with respect to potential climate-related risks. Concentration risk is managed by individual mortgages as a rule being limited to SEK 10 million and by making sure that the collateral for any one security only represents a limited share of total collateral. In the case of the external mortgage offering, Avanza is only a distributor, which means that the loans do not affect the balance sheet and do not entail a credit risk for Avanza.

Surplus liquidity is managed effectively with the lowest risks and costs possible, within the framework of the limits placed by the leverage ratio, liquidity coverage ratio (LCR) and net stable funding ratio (NSFR). Surplus liquidity is invested mainly in covered bonds and with the Riksbank and systemically important Nordic credit institutions. The liquidity portfolio is managed with a balanced maturity structure of up to five years, where the average interest term is a maximum of three months. Surplus liquidity as of 31 December was SEK 41 billion (35) including client fund receivables.

For further information, see Note 35 Financial risks.

Sustainability risks

Climate change poses a risk to many sectors of society, which in turn represents a risk to the financial sector. It is important to understand how climate change can affect our operations and the return on the customer's funds in both the short and long term. Besides the risk, there are also opportunities, where political decisions, technological advances and demand from stakeholders will have a great impact. Regulatory changes and social activism targeted at unsustainable business models could affect Avanza's reputation as well.

Climate risks are usually divided into physical and transition risks. Physical risks are the risks of physical destruction due to such climate events as droughts, floods and forest fires. Transition risks are risks of negative financial consequences from society's transition to sustainability.

Avanza's climate- and sustainability-related risks, both financial and nonfinancial, are reported in accordance with the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD).

Management

Management of climate-related risks and opportunities begins with the Board of Directors, which among other things decides on issues concerning Avanza's strategic direction, including

the sustainability strategy and targets. This also includes policy documents, which together with the sustainability strategy provide the basis for Avanza's sustainability work. The CEO is responsible for day-to-day management. To support the sustainability work, the CEO has appointed a head of sustainability and established a sustainability committee.

Strategy and risk management

Risks and opportunities have been identified in operations, as well as the potential effect they could have in the short and long term. This is part of the assessment of whether Avanza's strategy aligns with among other things the Paris Agreement. The climate- and sustainability-related risks and opportunities that Avanza has identified are described below, with how they are assessed and managed.

Climate and sustainability risks tied to the balance sheet

On the asset side, Avanza has exposure to municipalities in the form of the municipal bonds in the liquidity portfolio. The exposure is limited in terms of both amount (max 20 per cent) and rating (AAA/A1). If a municipality incurs higher climate-related costs, thereby affecting its credit worthiness and credit spread, the short average maturity also means that a change in credit rating would have a very limited impact on the portfolio.

Sustainability and climate-related risks are also considered low in the credit portfolio – even in cases where the underlying collateral for Avanza's Private Banking mortgages is in geographically vulnerable areas, which could affect the collateral's value. The loan value in the portfolio remains low and mortgage customers are usually over-collateralised. If the underlying collateral decreases significantly in value, it is captured in the annual revaluation, which can trigger an amortisation requirement.

In Avanza's margin lending, environmental and climate-related risks could have an indirect impact since the loan is strictly used to finance investments in securities. Transition and climate-related risks that an issuer is exposed to through its business model are normally reflected in the asset's volatility and therefore taken into account in assessing the value of the collateral. Increased volatility triggers a re-evaluation of the LTV ratio, which if necessary is lowered for the individual issuer.

Climate and sustainability risks tied to the business operations

To help customers make sustainable choices and minimise the sustainability risk in their investments, Avanza develops various tools and provides information and education on sustainable savings. For more information, see pages 28–30.

In Corporate Finance, assignments where the underlying environmental and climate-related risks are disregarded could have a negative impact on Avanza's reputation and brand. This type of risk is addressed by the bank's nomination committee when deciding whether to accept an advisory assignment. Avanza Bank's Board has also adopted a risk appetite for Avanza's advisory assignments in which ESG aspects are given special treatment.

In the fund company, ignoring sustainability considerations in the management of funds could have a detrimental effect on both performance and reputation. Special criteria for responsi-

ble investments have been designed for funds of funds. As a way to limit sustainability risks in the fund company's investments, all external funds that its funds invest in must comply with PRI and have a policy for responsible investing and shareholder engagement. Sustainability risks are also taken into account by excluding companies with revenue from controversial sectors and companies that violate international norms and conventions. By including funds that promote environmental and social development, so-called light green funds according to article 8 of the Sustainable Finance Disclosure Regulation (SFDR), sustainability risks are further reduced. The funds of funds also have a limit on companies that sell coal, chemical and biological weapons, cluster bombs, land mines, nuclear weapons as a means to reduce the climate risks in their investments. For more information, see page 30.

Risks tied to personnel and social issues

Avanza's success is highly dependent on our culture and strong employee engagement in order to retain and attract employees. The modern technology platform and our technical choices, coupled with the way we work and our values, are important to remain attractive as an employer. We also work actively to identify key persons and reduce the dependency on individuals. Avanza has a recruiting policy, diversity and gender equality policy, and occupational health and safety policy, which ensure that these issues are addressed. For more information, see pages 36–40.

Human rights risks

Avanza's code of conduct describes in detail our values and business ethics and applies to both Board members and all employees of Avanza regardless of form of employment. Sustainability aspects are implemented in the fund company based on the opt-out principle. The funds of funds exclude funds which invest in companies that do not follow international norms and conventions with respect to the environment, human rights, working conditions and business ethics e.g. the UN Global Compact and OECD Guidelines for Multinationals. Beyond that, Avanza's operations do not entail a material risk of violating human rights, directly or indirectly. Avanza's operations are concentrated in Sweden, which makes the likelihood of human rights violations relatively low. Strong protection is afforded through the constitution and other laws and regulations. Since the '90s, Sweden adopted as its law the European Convention on Human Rights and Fundamental Freedoms.

Anti-money laundering and anti-terrorist financing

We work actively to prevent and combat money laundering and terrorist financing. The goal is to effectively and efficiently minimise the risk that the products and services Avanza offers are used in financial crime. It is critical to our work that we know our customers and properly understand the risk of being exploited.

At least once a year, Avanza's Board and CEO establishes a general risk assessment, Group-wide policy and guidelines that serve as a framework for Avanza's AML/CTF work. We are proactive in managing this risk through our Know-Your-Cus-

tomers process and by analysing improprieties on a continuous basis. Avanza has routines to investigate and report suspicious activity to the Financial Intelligence Unit within the Swedish Police. Internal training programmes are in place to ensure that employees have the knowledge they need, in addition to which all employees receive basic training each year.

Avanza serves Swedish customers, and to be a customer of Avanza you must also have an account with another Swedish bank. Our aim, using a risk-based approach, is to continuously improve both automatic and manual customer processes and routines.

Compliance risks

Avanza operates under the supervision of the Swedish FSA. The financial sector is strictly regulated and faces high demands on active compliance.

Avanza places the highest priority on lawful and ethical conduct and has established internal rules, routines and processes to ensure that it complies with regulations. All employees have a clearly stated responsibility to follow these rules, routines and processes. A key element of compliance work is good internal governance, risk management and control, as well as a sound risk culture, which the Board of Directors and the CEO are ultimately responsible for.

In accordance with the three lines of defence principle, Avanza has established an independent compliance function, which is directly subordinate to the CEO. Compliance is responsible for verifying that licensed operations comply with laws, regulations and internal rules, and that the internal rules are appropriate and effective. Compliance is also responsible for supporting operations by providing advice on compliance issues and by identifying relevant compliance risks related to the business. Moreover, Compliance is responsible for ensuring that impacted employees are kept informed and educated on new or amended rules for licensed operations.

Stress tests ensure that Avanza's strategic and business model is resilient in the event of a more negative climate scenario

Within the framework of Avanza's work with stress tests, the strategy and business model are challenged based on various climate scenarios. The results are reported to the Board's Risk, Capital and Audit Committee and included in the annual own risk and solvency assessment (ORSA), which the Board establishes and which is sent to the Swedish FSA. The stress test uses the Paris Agreement Capital Transition Assessment (PACTA), an open platform to measure whether an investment portfolio aligns with the commitments of the Paris Agreement. With the help of PACTA, customers' investments are categorised into climate-relevant sectors such as energy, oil & gas, and coal mining.

The various scenarios have been articulated based on one assumption where customers are passive and hold onto the same assets and one assumption where they are active and act rationally by reweighting over a five-year period from the four categories Energy, Oil & Gas, Coal and Material production to more sustainable asset categories. Since the business plan

does not stretch to either 2030 or 2050, the outcomes from the two climate scenarios are compared against each other. The business plan is followed to 2025 in terms of volumes, earnings and costs per transaction, and insurance capital. To isolate the climate effect, the net inflow is assumed to be zero. Revenue and expenses are held constant from 2025 and all generated results are distributed to the shareholders. This is done to avoid inflating the balance sheet and to isolate the climate impact.

The stress test showed that the direct exposure to physical risks due to climate change was very limited. The transition to a more sustainable, fossil-free economy creates transition risks for Avanza, since our earnings are largely tied to the value of customers' investments and how actively customers trade. In both the passive and active scenario, the stress test showed very little effect. The low exposure to the directly affected industries is an important reason. Even if the analysis itself shows very little effect, sustainable assets are expected to generate fairly different returns in each scenario. While this is only marginally captured in the analysis, it is considered to have a fairly big impact on customers' savings capital and Avanza's earnings over this long period of time. The extent is highly uncertain, however. Individual customers may have a greater exposure to particular sectors, which is why it is important that Avanza continues to offer sustainable investment alternatives as well as inform and inspire customers to make sustainable choices.

Target and measure

Avanza follows a number of key figures and indicators linked to our operations and sustainability work, which are based on three focus areas. Read more on pages 8–9 and 25–27.

Earnings risk

An important part of Avanza's risk management is to evaluate and challenge our business model when it comes to earnings risks. Earnings risk is managed by continuously improving and broadening our offer to ensure high customer value and broader, more diversified earnings. Continued strong growth in the number of customers and savings capital, along with increased cost efficiency, improves economies of scale and makes Avanza more competitive. Avanza continuously monitors the market and its pricing in order to respond to changes in customer preferences and market developments through planned measures and adjustments to the business model. In 2022, Avanza's brokerage and commission income was negatively affected by the reduced risk appetite and decline in equity prices, which at the same time was compensated by stronger net interest income. For more information, see pages 17–22 and page 69 under Significant risks and uncertainty factors.

For more information on liquidity and asset management, see page 70 in the administration report as well as Note 34.

Chairman's comment

Hopefully we can look back at 2022 as a tough transitional year

Not only did the stock market plunge in 2022, but high inflation, rising interest rates and substantially higher electricity bills added to the burden. Notably, we have rarely seen such bad yields from both the stock market and bond market at the same time. There is a reason for optimism, however. For example, the West has shown uncommon solidarity with Ukraine in response to Russia's aggression. We have opened our eyes to the value of stable electricity systems. And savers can finally enjoy a little interest on their savings accounts.

“The company with the most satisfied customers will be the winner in the long term”

On a personal level, I am extremely pleased, and not a little proud, that Avanza won the Swedish Quality Index award for the most satisfied savings customers for the 13th year in a row. It is especially gratifying since it is given by our customers. I have always

assumed that the company that keeps its customers the most satisfied will be the winner in the long term. It is a target that all employees at Avanza are well aware of.

The events in 2022 were remarkable from a historical perspective

What is perhaps the least remarkable is the big drop in equity prices. The stock market was incredibly strong in 2020 and 2021. The bow was pulled tightly. That the drop-off was so steep was mainly the result of other events, some of which were interrelated: the war, inflation, higher interest rates and rising energy prices.

In terms of the war, I do not have much more to add other than it is a shame to see Russia fall back on its history of war, despotism and repression. After the fall of the Soviet Union, the country had an historic opportunity to choose a path to prosperity. Instead, territorial expansion wound up on top of the agenda. The hope is now that the brave people of Ukraine, with support from the West, will manage to break the back of the Russian bear for the foreseeable future and put a stop to this expansion.

The rise in electricity prices is partly tied to the war, but at its root is shocking naivety on the part of Europe's politicians in general, and Germany and Sweden's in particular. Allowing yourself to become dependent on Russian gas directly or indirectly and not



Sven Hagströmer, Chairman of the Board

comprehending the risk, even after Russia's invasion of Crimea in 2014, is astonishing. Just as surprising is the phaseout of nuclear power in Germany and Sweden. A baseload source of energy is a prerequisite for stable electricity access and prices, which in itself is essential for companies to stay competitive and individuals to manage their finances.

Rising electricity prices are one reason for the big jump in inflation that began in early 2022. I would say, however, that the main reason is the Riksbank's monetary policy. Keeping rates extremely low while flooding the market with money is bound to end up in inflation sooner or later. As every economics student learns early on. If the supply of a product (in this case money) soars, the price of the product, i.e. the interest rate, will by definition drop. The decline in the value of money is what we call inflation. Pumping liquidity into the system at the beginning of the pandemic may have made sense, but continuing to do so after the markets have recovered is difficult to understand. Even more strikingly, the central bank also bought mortgage bonds, commercial paper, municipal bonds and corporate bonds.

It is not especially surprising either that the extremely low interest rates the Riksbank maintained over a very long period have led to unwanted economic disruptions. One of the more striking measures was negative interest rates. It is almost inconceivable to be paid to borrow. The market mechanisms for capital allocation become disrupted. Investments that would not have been made had interest rates been normal suddenly look highly profitable when rates are artificially low.

This led to a spike in asset prices, while conventional inflation on goods and services remained low. The turnaround came back in 2021, however, before the war.

“The inflation target should contribute to price stability and sustainable growth”

While the goal of the measures was to raise the low inflation to the target rate of 2 per cent, the tools used were as sensitive as trying to light a candle with a can of petrol. The reason for the 2 per cent target is in the Riksbank's own words, “to contribute to price stability and create the conditions for good, sustainable growth”. Anyone in the housing market can tell you that the goal of price stability has been missed by a wide margin. Moreover, political developments have resulted in a record-low Swedish krona against both the euro and the US dollar. A German car that a year ago cost SEK 300,000 today costs SEK 349,000, without adjusting for anything other than the currency. This can hardly be called price stability. It also removes the needed pressure on Swedish companies to change, since they receive an automatic cost reduction relative to foreign competitors through lower relative costs. Since Sweden's referendum in 2003, the euro has risen by just over 20 per cent. This was not the monetary policy I voted for. Had I known how the Riksbank would utilise its mandate, I would have voted for the euro in 2003.

The Riksbank's interest rate forecasts have seemed odd as well. Repeated prognostications that rates would rise went unfulfilled. During the eight-year period when the Riksbank's rate path has pointed upward, rates have instead fallen. The Riksbank if anyone should be in the best position to predict rates. They basically set them. Who is going to believe someone who cries wolf for eight years without once being right?

“I hope that the difficulties in 2022 will lead to something positive”

The hope has to be that the trials and tribulations in 2022 will lead to something positive. Russia will be seen as the evil and unreliable power it is, the naivety of politicians when it comes to energy appears to be decreasing and the Riksbank is pondering how its mission can be fulfilled more effectively. Why not a white paper written by our more renowned economists, so that we can in any event benefit from the experience from this tumultuous period? We are now putting our hopes in the new Riksbank governor and what he can accomplish.

The year ahead is full of black and white swans

The war in Ukraine could get worse or it could find a solution, politicians could learn a lesson or not, and the Riksbank could act rationally or irrationally. It will be a nail-biter to see which colour the swans are. Let's hope for white, but plan for black.

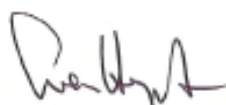
This was supposed to be about Avanza, and it is very much so. Everything that happens with the Riksbank and in the world impacts the Swedish financial market, and in the end our customers and shareholders.

In 2022, we saw that Avanza, through its net interest income, was able to compensate for the decline in trading income due to lower customer activity. This demonstrates the resilience of our business model and the importance of having more than one leg to stand on – from both a customer and owner perspective. Imagine if 2023 is a year when Avanza can stand on both legs with both strong net interest income and strong commission income.

“The resilience in our business model benefits both customers and owners”

At Avanza we continue to work diligently to create new and improve old products. Continuously improving efficiencies is another obvious goal, where the replacement of the backoffice system can help to create a more efficient and potent Avanza. Everyone who has been working for years on this can now go back to creating a better experience for our customers. This bodes well for the future. It is primarily through continued high customer satisfaction that we can continue to create value for Avanza's shareholders.

Stockholm in February 2023



Sven Hagströmer
Chairman of the Board

Corporate governance report

We want to create a better future for millions of people. The key to success is a high level of trust and the most satisfied customers. It is our firm conviction that it is through customer value that we create the best shareholder value.

Avanza's Corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance (the Code). Avanza Bank Holding AB (publ), hereafter "Avanza", does not deviate from the Code. As a publicly listed Swedish limited liability company, Avanza's operations are also governed by other laws and regulations, including the Swedish Companies Act, Nasdaq's Nordic Main Market Rulebook for Issuers of Shares and the International Financial Reporting Standards (IFRS). The operating subsidiaries are subject to the supervision of the Swedish FSA, which requires strict application of various financial and ethical rules and guidelines based on Swedish and European law and the Swedish Securities Markets Association's guidelines.

Avanza is driven by a strong customer focus and ambition to provide a world-class user experience and customer service. We believe our offer must stand the test of time. We do not offer investment advice and instead inspire and educate customers to make informed savings and investment decisions. Our promise is that customers will have more money left in their pockets with Avanza than with any other bank or pension company. In the long term, what we do benefits the Swedish savings market and the industry's development, which in turn has a positive effect on society as a whole. From a societal and sustainability perspective we also promote sustainable investments. This is done by facilitating sustainable choices and by educating and challenging. An important part of this work is a sustainable organisation with thorough oversight and control. We work actively to increase gender equality and diversity.

To achieve our vision and promote a better savings market in the long term, we have to maintain a dialogue with and listen to our stakeholders. We have to earn their trust every day and ideally surpass their highest expectations. These stakeholders include customers, employees, owners, partners, media, suppliers, authorities and legislators, all of whom affect and are affected by our operations.

A. Ownership and voting rights

The share capital consists of one class of shares. All shares confer the same rights. There are no limitations on the right to transfer shares or how many votes a shareholder may cast. The share is listed on Nasdaq Stockholm's Large Cap list. The share capital at the end of 2022 amounted to SEK 78,309,513.50, represented by 156,619,027 shares and votes. An ownership distribution is presented on page 43. The largest shareholders are represented on the Nomination Committee and in the nomination process for the election of Board members and the auditor; see below.

Avanza has three outstanding warrant programmes comprising warrants with the right to subscribe for 4,650,000 new shares with a maximum dilution of approximately 2.9 per cent. Of the total number of outstanding warrants, approximately 53 per cent had been transferred to employees at year-end. An additional incentive plan was established by the AGM 2021 comprising a total of 1,200,000 warrants which cannot be transferred until 2023, as the existing incentive plans expire. For further information on the Avanza share, see pages 42–43 and Note 29 Equity.

B. Nomination process for election of Board members and auditor

The AGM 2020 established the nomination process for the election of Board members and the auditor as well as the appointment of a Nomination Committee. The principles for the nomination process apply until further notice.

The names of the Nomination Committee's members, and the shareholders they represent, were made public on 29 September 2022, more than six months before the date of the AGM 2023. The Nomination Committee consists of one representative from each of the four largest shareholders wishing to appoint a representative, based on ownership interests known immediately before the announcement. The Nomination Committee is the shareholders' governing body with the sole purpose to prepare the AGM's resolutions on election, and directors as well as auditors' fees.

The Nomination Committee is mandated to serve until a new committee is appointed. In accordance with the nomination process, the Chairman of the Committee is the member representing the largest shareholder, unless the Nomination Committee has agreed otherwise. A shareholder who after the announcement is no longer among the four largest shareholders must make their seat available in favour of the shareholder who became one of the four largest. Marginal changes do not have to be considered. Shareholders that have appointed a representative to the Committee have the right to dismiss this representative and appoint a replacement. All changes to the composition of the Committee shall be publically announced.

The Nomination Committee's proposals for resolution leading up to the AGM include:

- Chairman of the Meeting
- Board of Directors and Chairman of the Board
- Board fees
- auditor and fees for the Company's auditors
- if appropriate, changes in the procedure for appointing the Nomination Committee

Composition of the Nomination Committee

Name	Representing	Holding 31-08-2022	Holding 31-12-2022
Erik Törnberg (Chairman of the Nomination Committee)	Creades AB	15,695,000 (10.1%)	15,725,000 (10.0%)
Sven Hagströmer (Chairman of the Board of Avanza)	Hagströmer family and companies	15,817,230 (10.2%)	15,817,230 (10.1%)
Dick Bergqvist	AMF Pension & Fonder	15,218,901 (9.8%)	15,385,901 (9.8%)
Magnus Dybeck	Sten Dybeck with family and companies	6,489,208 (4.2%)	6,489,208 (4.1%)

The Nomination Committee's proposal to the Board of Directors is presented in its entirety to ensure that the composition of the Board meets competence, diversity and independence requirements. Shareholders with views on the Board's composition or proposals for new members shall submit them to the Nomination Committee well in advance of the AGM. Nomination proposals are reviewed as part of the nomination process. Proposals shall be sent to valberedningen@avanza.se or to:

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

Although Committee members are not remunerated for their work, Avanza refunds reasonable costs deemed necessary for them to undertake their duties. The Committee has agreed that Erik Törnberg, Creades AB, will remain in the position of Chairman of the Committee. Erik Törnberg is also a member of the board of the wholly owned subsidiary Avanza Funds AB. While this does not deviate from point 2.4 of the Code, Avanza is disclosing the situation for the sake of transparency.

The Nomination Committee's proposal, as well as a reasoned opinion on the proposal and a report on the Committee's work, are published in conjunction with the notice of the AGM. When preparing its proposal for Board fees, the Nomination Committee uses comparisons to companies operating in similar spheres and with similar size and complexity. Proposed fees shall be market rate based on the responsibility and work required and on the contribution the Board can make to the Company's development.

As a diversity policy, the Nomination Committee has applied point 4.1 of the Code. The Nomination Committee's aim in applying the diversity policy has been to achieve an appropriate board composition distinguished by diversity and breadth, and to achieve a gender balance among AGM-elected Board members. In 2022, the Board of Directors consisted of five men and four women. For more information, see section F. Board of Directors.

The Nomination Committee held 2 meetings in 2022, at which all members were present. Apart from the meetings, the committee also maintained regular contact. The Nomination Committee also conducted an evaluation of the Board and its work, which included the Board's size, composition, industry experience and competence.

C. Annual General Meeting (AGM)

Shareholders exercise influence over Avanza through participation in the AGM, Avanza's most senior decision-making body. In accordance with the Articles of Association, the AGM elects the Company's Board members and appoints Avanza's auditor. Additionally, decisions are taken on adoption of the income statement and balance sheet, consolidated income statement and consolidated balance sheet, dividends and other profit distributions, discharge from liability of the members of the Board and the CEO, the nomination procedure, remuneration guidelines for senior management, and other important issues.

To exercise their vote at the AGM, shareholders usually have to be present at the meeting in person or by proxy. Additionally, they must be registered in their own name in the share register on the specified date prior to the meeting and have notified Avanza of their participation as set out in the notice.

The AGM's resolutions normally pass with a simple majority, i.e. more than half of the total number of votes cast, unless otherwise specified by the Swedish Companies Act. Shareholders wishing to add a matter to the agenda at the AGM may submit a written request. Such requests must be received by the date indicated on Avanza's website, which for the AGM 2023 was 9 February 2023. Requests are sent to:

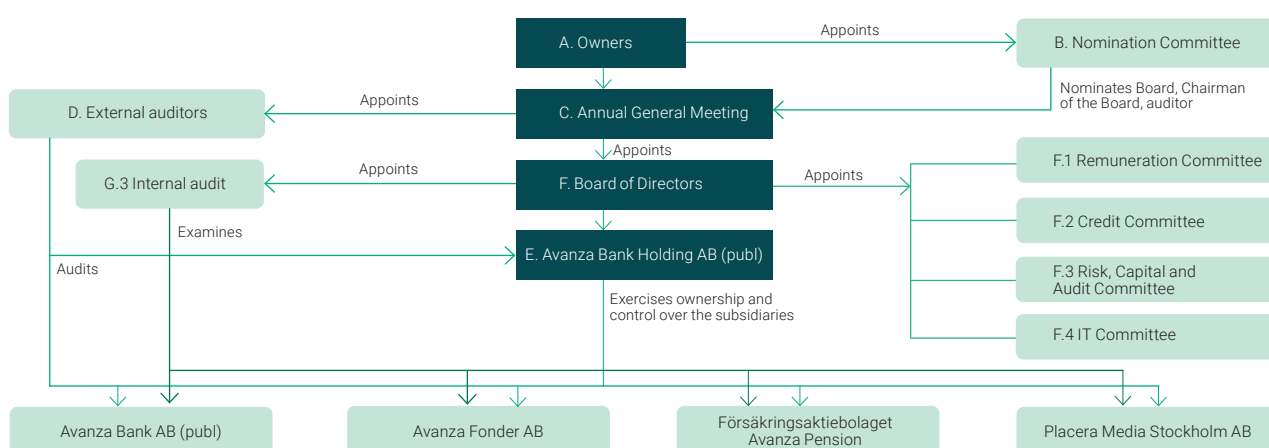
Avanza Bank Holding AB
F.A.O: Bolagsjuridik
Box 1399
111 93 Stockholm

The date and time of the next AGM, and information on how shareholders can exercise their right of initiative, are posted on avanza.se/ir under the Governance section at the latest in conjunction with the publication of the third interim report of the year preceding the AGM. Minutes and supporting documentation from previous AGMs are also available in the same section.

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

At Avanza's AGM on 31 March 2022, 302 shareholders were represented with a holding corresponding to approximately 58 per cent of the total number of shares and votes.

Aside from the annually recurring matters, the following resolutions were adopted by the AGM 2022:



- amendment to the Articles of Association whereby the Board of Directors shall consist of no less than five (5) and no more than ten (10) members elected by the AGM
- authorisation for the Board to acquire own shares

D. External auditor

The external auditor is an independent reviewer of Avanza's financial statements and determines whether they in all material respects are accurate and provide a fair presentation of the Company and its financial position and results.

The AGM 2022 reelected KPMG AB as the auditor, with Mårten Asplund as Auditor-in-Charge, until the conclusion of AGM 2023.

The auditor presents the AGM with an audit report on Avanza's annual report and consolidated financial statements, the appropriation of the Company's profit or treatment of its loss, and the administration of the Board and the CEO, and offers an opinion on the corporate governance report. In addition, the auditor submits reports on day-to-day management and internal control, in writing as well as orally to Avanza's Board and/or Audit Committee at least twice a year and delivers an audit report on the annual accounts and annual report.

The audit is conducted in accordance with the International Standards on Auditing (ISA), issued by the International Federation of Accountants (IFAC). The auditor's fees are paid based on approved invoices. In 2022, fees paid to KPMG for auditing duties totalled SEK 3,142 thousand. Total remuneration paid is shown in Note 10 Auditors' fees and reimbursement of expenses.

E. Avanza Group

Avanza strives to maintain a clear and transparent organisational structure. Reporting from subsidiaries is done on a monthly basis. The members of Avanza's Board of Directors are also members of the board of the subsidiary Avanza Bank AB. The boards of other subsidiaries consist of both internal and external members.

CEO and Group Management

The CEO is responsible for the day-to-day management of the company in accordance with the Swedish Companies Act and Avanza's CEO instruction, which is adopted by the Board. The CEO is responsible for keeping the Board informed of the Company's operations and ensuring that Board members have all the information they need. The CEO also keeps the Chairman updated on the Group's development.

Avanza's Group Management consisted at year end 2022 of:

- Rikard Josefson, CEO of Avanza Bank Holding AB (publ)/ Avanza Bank AB (publ)
- Anna Casselblad, CFO
- Peter Almqvist, Chief Information Officer (CIO)
- Jesper Bonnivier, CEO of Avanza Fonder
- Camilla Hedenfelt, Chief Human Resources Officer (CHRO)

- Åsa Mindus Söderlund, CEO of Försäkringsaktiebolaget Avanza Pension
- Gunnar Olsson, Chief Operations Officer (COO) and Deputy CEO of Avanza Bank Holding AB (publ)/ Avanza Bank AB (publ)
- Teresa Schechter, Chief Legal Officer (CLO)
- Peter Strömberg, Chief Product & Tech Officer (CPTO)
- Sofia Svavar, Chief Communications & IR Officer (CCIO) and Group Head of CSR

More information on Group Management is available on the website, avanza.se/ir, and on pages 60–61.

Group Management holds formal meetings every two weeks and informal meetings as needed. The meetings address Avanza's results and strategy, priorities and the status of major projects and initiatives, with regular reports from the Group functions.

Suitability assessment

Avanza has internal guidelines for suitability assessments of the CEO, other members of Group Management, the heads of control functions and those responsible for the Group's AML work. The assessments are made in conjunction with new appointments and followed up at least once a year as regards the CEO and at least every two years as regards other members of Group Management and the heads of control functions. In the assessment it is determined whether the person in question has adequate knowledge, insight, experience and is suited to the role. Potential conflicts of interest are evaluated as well. Background checks are conducted at least once a year and training plans are set annually.

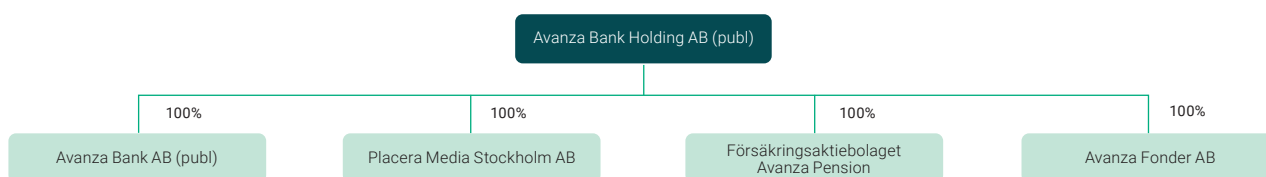
Remuneration to Group Management

Group Management's remuneration shall reflect each person's experience, competence and performance. Remuneration comprises a fixed salary and the opportunity to purchase warrants in the incentive programme for all employees resolved by the AGM.

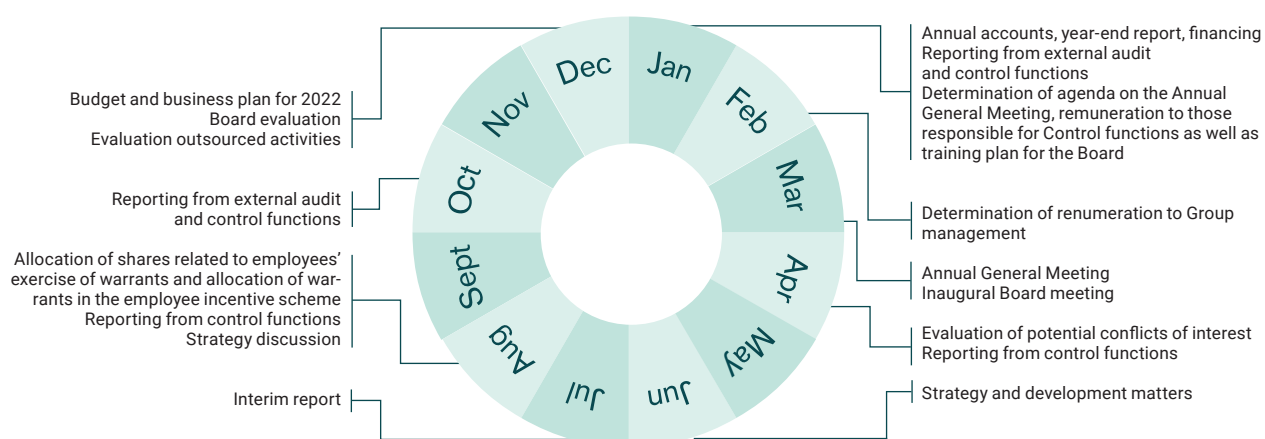
Members of Group Management have acquired warrants on prevailing market terms in accordance with the warrant programme. In contrast to other employees, Avanza's Group Management receives financing to acquire warrants for an annual one-time payment of 10 per cent of their base salary. The financing is contingent on the amount being invested in Avanza's incentive programmes and may be subject to repayment if pre-emptive rights are exercised to purchase warrants in accordance with the pre-emptive rights agreement for the warrants.

Avanza's remuneration policy can be found at avanza.se/ir under Governance, as well as the remuneration report approved at the latest AGM. The remuneration report presented at the AGM 2023 will be published as soon as it has been approved. Questions concerning the CEO's terms of employment, remuneration and benefits are prepared by the Remuneration Committee and approved by the Board. Remuneration to other members

E. The Avanza Group



Board meetings 2022



of Group Management is determined by the Board, based on the Committee's proposal, following consultation with the CEO. Remuneration guidelines for senior management are adopted by the AGM and presented in Note 9 Employees and personnel costs.

Corporate culture and policies

Avanza's corporate culture is based on a vision to create a better future for millions of people. The key is that what we do will create value for our customers. The corporate culture is characterised by collaboration, humility and an aim to constantly challenge ourselves to think differently. Decision-making channels are short and there is room for different opinions.

Avanza has a Group-wide policy on diversity and equality, which can be found at avanza.se/ir. For Avanza, diversity and equality mean utilising everyone's knowledge, experience and views to enrich, create dynamism and influence every part of the Company. The policy also ensures that all employees are treated fairly and that there is no discrimination. The CEO has overarching responsibility for diversity and gender equality. The work is done systematically with updated documentation, analysis, active measures, evaluations and follow-ups. Equality issues are tracked through employee surveys. Parity between women and men is measured in Group Management and among managers with personnel responsibility. Avanza's management at the end of 2022 was comprised of 5 women and 5 men. Among managers, 47 per cent are women.

Occupational health and safety is a priority. Healthy employees make for a better and more effective organisation and create shareholder value. The overarching goal of our health and safety work is to create and maintain an environment where employees have the right opportunities given their position and goals. Avanza has a dedicated committee that deals with the overall structure for systematic occupational health and safety work and equality issues.

Avanza has a high recommendation rate among employees with an eNPS score of 58.

For more information, see pages 36–40.

Regulatory training

Avanza has a code of conduct that includes our ethical guidelines. The code applies to all employees and provides guidance on how

we build long-term relationships by describing the responsibility that comes with being an employee. The code contains Avanza's stance on business ethics and reporting routines as well as how we expect employees to act in ethical dilemmas.

Acting ethically and taking measures to prevent unethical or illegal behaviour is an important part of Avanza's culture. Employees are encouraged to report actions that could be considered unethical or illegal. Incoming reports are handled confidentially. Whistleblowers can contact either their immediate superior or the Head of Compliance, or use an external whistleblowing tool where the employee can remain anonymous. All reporting through the external tool is encrypted and shall ensure the anonymity of the person who filed the report. Reports can also be submitted to HR, the CEO or the Chairman of the Board. Avanza has whistleblowing guidelines adopted by the Board. A whistleblower who reports legitimate concerns about illegal or unethical behaviour have Avanza's full support and are not at risk of losing their job or facing any form of reprisal as a result of their actions.

All new employees are introduced to current laws, which is followed up on a regular basis to ensure that the employees are kept updated on regulations and any changes. Additionally, individual departments arrange separate, in-depth training in specific areas. All employees undergo regular web-based training in GDPR, security, anti-money laundering and counter-terrorist financing, and anti-corruption.

As a company in the financial market, Avanza has an obligation to help maintain trust in the market. Avanza abides by Sweden's anti-corruption laws and practices and under no circumstances accepts active or passive bribery or other illegal payments. Avanza works continuously to fight corruption and has an anti-bribery policy that complies with Swedish law. The policy and Avanza's Code of Conduct are included in the mandatory compliance training for new employees and can be found at Avanza.se/ir. Supplemental training is provided every three years for all employees. Compliance training includes the work being done in anti-money laundering and terrorist financing, central laws and rules for the regulated operations of Group companies, and other key guidelines and policies. Neither Avanza nor any of Avanza's employees have been convicted of bribery or other crimes related to corruption.

Avanza's internal regulations are easily available to all employees on the internal web. All employees of Avanza have a responsibility to understand and stay updated on the laws and internal rules that affect and are relevant to their work. Avanza is also affiliated with Swedsec, which sets proficiency requirements, issues licenses and requires compliance of those who work as specialists with mortgages and in management or control functions. All of these approximately 130 employees were Swedsec certified as of year end. Licenced employees undergo annual knowledge updates on financial services.

F. Board of Directors

The Board of Directors sets forth the business framework, appoints the CEO and exercises control over the Company's management. The Board's duty is to manage the Group's affairs in the best interests of Avanza and its shareholders in order to create the best conditions for a sustainable business. 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.

The Board takes decisions on matters concerning Avanza's strategic direction, major investments, acquisitions and divestments. Furthermore, each Group company's board establishes policies and guidelines, as well as the terms of reference for the CEO. Where applicable, subsidiaries establish work plans for the control functions Risk Management, Compliance, Internal Audit and the Actuarial function.

The AGM 2022 re-elected all previously elected Board members except Viktor Fritzén, who declined re-election. Additionally, Linda Hellström and Sofia Sundström were elected as new members in accordance with the Nomination Committee's proposal. Board member Mattias Miksche decided shortly after the AGM 2022 to resign from the Board for personal reasons. According to the Articles of Association, the Board shall consist of no fewer than five and no more than ten members. Avanza's Board consisted in 2022, as of Mattias Miksche's resignation shortly after the AGM, of nine AGM-elected members and no deputies, who elected until the next AGM. The Chairman of the Board is Sven Hagströmer. The Board held its first meeting following election on 31 March 2022.

Diversity and suitability

The guidelines on suitability assessments set forth how Avanza evaluates appointees for their assignments, how conflicts of interest are addressed and how a suitably diverse board is achieved. The Board's composition of individuals of varying age, with a goal of gender parity, and with varying educational and professional backgrounds will help to ensure that the Board

collectively has the ability to critically review and understand relevant regulations and can identify the risks caused and faced by the Company. New members are also evaluated in terms of the number of executive and/or non-executive positions they hold, to ensure they have the time needed for the Board's work. These assessments are made in conjunction with new appointments and followed up at least annually. Based on the suitability assessments, annual training plans are then formulated. Background checks were made of all Board members in 2022. Information on the Board's composition, age and background is shown on pages 58–59.

The boards of the subsidiaries Avanza Bank AB and Försäkringssaktiebolaget Avanza Pension follow their own guidelines on suitability assessments adapted to the requirements of a suitable composition and collective competence for the board of each company. Subsidiary boards consist of members with varying experience and education, which contributes to a suitable composition of competences for the operation.

Work of the Board in 2022

During the year, the Board held a total of 16 meetings, including 12 regular meetings, 1 inaugural meeting, 1 extra and 2 by telephone/mail. Board meetings by telephone/mail addressed decisions relating to Avanza's incentive scheme.

At scheduled meetings, the following are discussed:

- financial reporting
- operational reporting
- reporting by the Board's committees
- credit reporting for the subsidiary Avanza Bank

The control functions Risk Management, Internal Audit and Compliance report quarterly.

In addition to the recurring items on the agenda, the Board addressed the matters described in the illustration on the previous page. The Board also focused on the Group's implementation of and alignment with new and amended regulations affecting various parts of its operations.

The Board also worked on and participated in strategic business planning in order to continuously adapt and improve Avanza's customer offering.

At the end of each calendar year, an evaluation is undertaken to improve the Board's work procedures and competence. The evaluation is conducted by the Board members evaluating their own and the Board's collective competence as well as the Board's work and work procedures. The results are communicated to the Nomination Committee and compiled in a report, which then forms the basis for any changes or training.

Attendance at recorded Board meetings 2022

Member of the Board	Attendance Board meetings	Attendance committee meetings	In relation to the company and its management	In relation to the company's largest shareholders
Sven Hagströmer, Chairman	16/16	RC 6/7, CC 17/17	Independent member	Not independent member
Magnus Dybeck	15/16	IT 9/9	Independent member	Independent member
Catharina Eklöf	16/16	RC 7/7	Independent member	Independent member
Viktor Fritzén**	4/16	RKAC 3/10	Independent member	Independent member
Jonas Hagströmer	16/16	RKAC 10/10, IT 9/9	Independent member	Not independent member
Linda Hellström*	12/16		Independent member	Independent member
Mattias Miksche***	5/16	RC 2/7, IT 3/9	Independent member	Independent member
Johan Roos	16/16	RKAC 10/10, CC 17/17, RC 4/7****	Independent member	Independent member
Sofia Sundström*	12/16		Independent member	Independent member
Hans Toll	16/16	CC 17/17, RKAC 9/10	Independent member	Not independent member
Leemon Wu	16/16		Independent member	Independent member

*Took office at AGM 2022. **Stepped down at AGM 2022. ***Stepped down shortly after AGM 2022. ****Took office in the committee in place of Mattias Miksche

The Board of Directors' competence training

Each year the Board establishes a training plan to give members a better understanding of various areas, relevant rules and risks that affect the business as well as new products and services Avanza is launching. Board members also visit various parts of Avanza on their own initiative to better familiarise themselves with specific areas. The Board's training needs are reviewed and specific measures are taken as needed to provide information and improve competence in special areas. In 2022, the Board underwent training focused on regulations within GDPR, lending, information and cyber security, capital adequacy, sustainability, service contracts with cloud service providers, anti-money laundering and counter-terrorism financing, and insurance operations. New Board members receive introductory training to gain an overview of the Group and its operations and an understanding of Avanza's values and culture.

Formal work plan of the Board of Directors

The Board follows a formal work plan it adopts on an annual basis, which regulates the division of duties, decision-making, signatories, meeting procedures and the Chairman's duties. It also covers the Board's responsibilities and duties as well as how to identify and manage potential conflicts of interest.

The Board's work follows a plan that meets the Board's information needs and is otherwise governed by established procedures for dividing duties between the Board and the CEO. Additionally, the Company's auditor presents the audit and observations to the Board. The Company's auditor attended and reported to the Board at 1 Board meeting as well as attended 6 of the Risk, Capital and Audit Committee's meetings in 2022. Company employees participate in the Board's meetings as rapporteurs and secretary.

Remuneration for Board members and attendance at Board meetings

The AGM 2022 resolved to pay annual remuneration of SEK 383,000 each to the Chairman of the Board and Board members Jonas Hagströmer and Magnus Dybeck. The fee paid to other Board members was set at SEK 478,000 each, combined with a recommendation to invest one third of the net fee in shares in Avanza. Additionally, a fee of SEK 56,500 was set for members of Avanza Bank's Credit Committee and SEK 46,000 for members of the Company's Remuneration Committee and IT Committee. For the Risk, Capital and Audit Committee, SEK 234,000 was set for the Chairman and SEK 104,000 to each member. Board members who receive a salary through their employment with the Company are not entitled to Board fees. In 2022, no board members were employed by the company. More information in Note 9, Employees and personnel costs.

Board work requires all members to engage and participate in issues concerning the Company's and the Group's organisation and management of its affairs, establishment of qualitative and quantitative operating goals, and approval of the Company's strategy to achieve these goals. This is in addition to Avanza's long-term financial interests, the risks Avanza and its subsidiaries are and may potentially be exposed to, and the capital required to cover these risks. The duties of the Board are delegated to the committees as described below. On issues that require specific expertise and independence, the Board discusses which of its members are the most qualified to oversee or investigate them. The Board continuously evaluates the competence needs of each committee.

Board members have no individual areas of responsibility beyond this and the committee work specified below.

F.1 Remuneration Committee

The Board appoints the Remuneration Committee, which in the financial year 2022 consisted of Catharina Eklöf (Chairman), Sven Hagströmer and Johan Roos. The Committee is responsible for evaluating and recommending remuneration principles.

The Committee prepares proposals on remuneration for Group Management and the managements of the subsidiaries Avanza Bank AB, Avanza Fonder AB and Försäkringsaktiebolaget Avanza Pension, for the heads of the control functions Risk Management, Internal Audit, Compliance and the Actuarial function, as well as for identified risk-takers. Remuneration is approved by the board of each Group company. The Committee also prepares issues relating to the CEO's terms of employment and benefits for approval by the Board.

In 2022, the Committee held 7 meetings and also maintained regular contact.

F.2 Credit Committee

The Board of Directors of Avanza Bank AB appoints the members of the Credit Committee, which in the financial year 2022 consisted of Board members Hans Toll (Chairman), Sven Hagströmer and Johan Roos. The Committee is tasked with taking decisions on credit matters, with the exception of credits to related parties, which the entire Board takes the decision on. Minutes are kept of the Committee's meetings and decisions, which are distributed to the Board at its next meeting.

In 2022, the Credit Committee held 17 meetings and also maintained regular contact.

F.3 Risk, Capital and Audit Committee

The Board appoints the Risk, Capital and Audit Committee, which during the financial year consisted of Johan Roos (Chairman), Jonas Hagströmer and Hans Toll. In its capacity as risk and capital committee, the committee shall support the Board on risk and capital issues and serve as a forum for analysis and in-depth discussion of the company's risk taking and capital requirements. In its capacity as audit committee, the committee also monitors that the financial reporting maintains high quality, receives reports from the auditor, reviews and monitors the auditor's impartiality and independence, evaluates the auditing performance and provides input to the Nomination Committee on the AGM proposal on the auditor's election. The committee's members meet the independence requirements of the Swedish Companies Act and the Code, as well as accounting or auditing competence requirements.

The auditor attended 6 of the Risk, Capital and Audit Committee's 7 regularly scheduled meetings and reported on the audit on 2 occasions in 2022. Internal Audit participated at all of the meetings and has reported its independent observations on a quarterly basis. The quarterly reporting was also provided to the Board.

The Risk, Capital and Audit Committee held 10 meetings in 2022 and also maintained regular contact.

F.4 IT Committee

The Board of Directors appoints the IT Committee, which during the financial year consisted of Magnus Dybeck (Chairman) and Jonas Hagströmer. The former board member, Birgitta Klasén, participates in the committee work as a consultant. The IT Committee is tasked with monitoring and reviewing critical projects with a high IT content, as well as preparing issues in advance of the Board's decisions on such projects. The IT Committee held 9 meetings in 2022 and also maintained regular contact.

G. Internal control and risk management

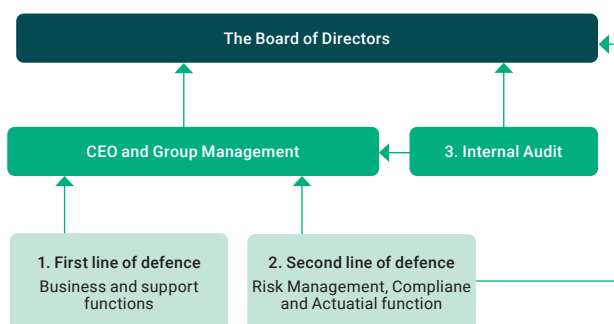
The Avanza Group shall be distinguished by good internal governance, risk management and control, and operate in an ethically responsible and professional manner with clearly defined roles and areas of responsibility. The risk management processes are effective and purposeful and include an independent risk management function with responsibility for governance, monitoring and reporting on the Group's aggregate risks.

As a rule, the subsidiaries apply the same principles for governance, risk management and control at a company-specific level as those at the Group level. Exceptions are made for specific legal or supervisory requirements and, in terms of proportionality, for the subsidiary's operations, scope and/or complexity, and when specific types of risk only exist in a single subsidiary.

Three lines of defence principle

Risk management and risk control in the Group and its subsidiaries are based on the three lines of defence principle. The first line of defence is comprised of the business operations. The second line of defence is comprised of the Risk Management function, Compliance and, for Försäkringsaktiebolaget Avanza Pension, also the Actuarial function, which are independent of each other and independent of other operations. The third line of defence is comprised of Internal Audit, which reports directly to the board of each Group company.

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



1. First line of defence – risk management in the business operations

Risk management primarily takes place in the first line of defence, which consists of business and support functions with specific responsibility for each department. Within the Company's regulatory framework are specific frameworks for risk management with policies, guidelines, instructions, risk appetites and limits for each type of risk.

2. Second line of defence

2.1 Risk Management function

An important part of risk management is to promote a sustainable risk culture and risk-taking that never threatens the Company's survival. The culture is derived from the Board's and management's governance and decision-making. Within the framework of the Group's financial capacity, the Board has formulated a risk appetite, which has been further broken down in the form of CEO limits. To ensure that risk-taking stays within the risk appetite and limit structures, risk management and control processes have been put in place to identify, value, manage,

report and monitor every type of risk that the Company, including its subsidiaries, is exposed to.

Risk control and monitoring are performed in among other ways by limiting and measuring financial risks, self-assessments of non-financial risks, incident reporting and follow-ups, and risk analysis and approval of major changes by the Group functions. The Risk management function provides an overview of the Group's risk exposure and limit utilisation to management on a monthly basis and to the Board on a quarterly basis. In addition the Chief Risk Officer reports directly to the CEO and the Chairman of the Board as needed. The Chief Risk Officer falls directly under the supervision of the CEO.

2.2 Compliance

Compliance verifies that subsidiaries with licensing requirements follow applicable laws, regulations, internal directives and accepted practices. Compliance monitors and regularly assesses whether the measures and routines that Avanza and its subsidiaries have introduced are appropriate and effective. Compliance proposes internal rules, routines and measures that are needed to minimise the risk of non-compliance and to assist the Swedish FSA in its supervisory capacity.

Compliance is also responsible for keeping Avanza's employees informed and educated on the applicable rules for subsidiaries with licensing requirements.

Compliance falls directly under the supervision of the CEO of each subsidiary and reports on a quarterly bases at Board meetings and regularly to Group Management, in addition to reporting directly to the CEO and the Chairman of the Board as needed.

2.3 Actuarial function

The Actuarial function is responsible for formulating and verifying that the actuarial calculations by the subsidiary Försäkringsaktiebolaget Avanza Pension meet established limits, and to assist the Board and the CEO on matters involving methods, calculations and assessments of technical provisions and insurance risks as well as reinsurance protection and other risk reduction techniques.

The Actuarial function is subordinate to the insurance company's CEO. The Actuarial function regularly reports at the board meetings of Försäkringsaktiebolaget Avanza Pension.

3. Third line of defence – Internal Audit

Internal Audit is an independent internal audit function appointed by and directly under the supervision of the respective board of directors within the Group. Internal Audit's work is based on a risk-based audit plan established by each board. The plan is based on a thorough risk analysis and the audit work includes examining and assessing governance and internal control, examining and assessing whether the Company's organisation, governance processes, IT systems, models and routines are appropriate and effective, and examining and regularly evaluating the reliability and quality of the work performed by other control functions. Internal Audit issues recommendations after each review and then regularly follows up to verify that the recommendations have been acted on.

Internal Audit provides internal auditing services to all Group subsidiaries with licensing requirements by having the subsidiaries outsource this function to the Parent Company.

The results of the internal audits are reported quarterly, both in writing and orally, at the Board meetings and the Audit Committee as well as to the CEO. Internal Audit also reports on a continuous basis directly to the CEO, the Chairman of the Risk, Capital and Audit Committee and the Chairman of the Board as needed.

Board of Directors' report on internal control over financial reporting

The Board is responsible, under the provisions of the Swedish Companies Act (2005:551), the Swedish Annual Accounts Act (1995:1554) and the Swedish Code of Conduct for Corporate Governance ("the Code"), for internal control for both Avanza and the entire Avanza Group. This description is limited to internal control over financial reporting.

System of internal control and risk management over financial reporting

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

Control environment

The keys to Avanza's internal control over financial reporting are the control environment described in this corporate governance report, a clear and transparent organisational structure, the distribution of responsibilities, and governing internal documents such as policies, guidelines and instructions.

Another component of the control environment is risk assessment, i.e. identification and management of risks that can affect financial reporting, as well as the control activities to prevent, identify and rectify errors and discrepancies.

Risk management

Management of risks related to the financial reporting is proactive and emphasises continuous assessments, controls and training. Avanza applies available techniques and methods in a cost-effective manner. Risk management is an integral part of the business operations. Refer to previous page for more information.

Control activities

Control activities are integrated into the financial reporting process. They include both general and more detailed controls, which are designed to prevent, identify and rectify errors and discrepancies. Control activities are formulated and documented at a Company-wide and department level, based on a reasonable level of risk of errors and their impacts. Each department manager has primary responsibility for managing the risks associated with the department's operations and financial reporting processes.

A high level of IT security is also crucial to effective internal control over financial reporting. For this reason, rules and guidelines have been established to ensure the availability, accuracy, confidentiality and traceability of the information in the business systems.

Information and communication

The information and communication channels are designed to promote thoroughness and accuracy in the financial reporting. Governing documents applying to the financial reporting have been made available and known to appropriate employees through the Company's intranet and have been supplemented with relevant routines and process descriptions.

Continuous information, dialogue, training and controls ensure that the employees are aware of and understand the internal regulations. This ensures a high standard of financial reporting. The entire Group applies the same system for financial reporting.

Follow-up

Avanza's Controller function compiles and reports financial and operating data and analyses to department managers, Group Management and the Board. Moreover, the accounting and controller departments actively monitors operating expenses in relation to budgets and forecasts. This work is undertaken in close cooperation with Group Management and managers in the organisation.

The control functions Risk Management, Compliance and Internal Audit monitor compliance with policies, guidelines and instructions. Additionally, Avanza has a Reporting Committee to take responsibility for, discuss and decide on questions concerning regulatory reporting, including new reporting requirements, new and revised reporting templates, and interpretations and assumptions regarding regulations and technical instructions from authorities for the various reports.

The Board receives monthly financial reports, and the financial situation is addressed at every Board meeting. The Board receives quarterly reports from the control functions Risk Management, Compliance and Internal Audit. All of these reports are based on an evaluation of the Group's activities and cover the entire organisation.

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

The Group's information and communication channels are monitored on a regular basis to ensure they are appropriate for the financial reporting.

Assessment and position on internal audits

Internal Audit's work is based on an audit plan established annually by the Board of each subsidiary. The plan is based on a risk analysis and the work comprises an examination and assessment of whether systems, internal control mechanisms and routines are appropriate and effective. Internal Audit also issues recommendations, controls that these recommendations are followed and reports in writing at least quarterly to the Board of Directors and the CEO.

The Board decides which areas to assess after reviewing the proposal from Internal Audit.

Board of Directors and Auditors



Sven Hagströmer, Chairman

Born: 1943
Elected: 1997

Committees: Remuneration Committee, Credit Committee

Education: Studies at Stockholm University

Contribution to Board's work: Over 40 years of experience from the financial industry. Highly skilled business executive and entrepreneur who has founded several companies and co-financed others outside the financial industry. Strongly engaged in various social projects and projects involving gender equality and diversity. Thorough knowledge of and keen feel for the financial markets.

Relevant employment history: Founder of Sven Hagströmer Fondkommission AB 1981. Chairman of Avanza's Board of Directors since 1999

Other significant assignments: Chairman of Creades AB, Biovestor AB and Creaspac AB

Holdings on 31 December 2022 (incl. family and companies): 31,542,230
(of which Creades 15,725,000)



Magnus Dybeck

Born: 1977
Elected: 2020

Committees: IT Committee

Education: MSc Engineering, KTH Royal Institute of Technology in Stockholm

Contribution to Board's work: Operational experience from the financial industry in analysis and asset management as well as in the fintech development.

Relevant employment history: 2012–2017 HiQ, Fintech Specialist. 2010–2011 Öhman, Head of Private Wealth Management. 2007–2010 EFG Bank, Analyst

Other significant assignments: Board member of Investment AB Öresund and DBT Capital AB

Holdings on 31 December 2022 (incl. family and companies): 4,507,000



Catarina Eklöf

Born: 1969
Elected: 2020

Committees: Remuneration Committee

Education: MBA and MSc from Uppsala University, MSc programme, Solvay Business School, Belgium

Contribution to Board's work: Extensive global experience and broad knowledge spanning product and business development, strategy, payment technology, data analysis and digital service commercialisation. Extensive experience in M&A with fintechs and global commercial partnerships. Fact-based understanding of innovation, agile data-driven product development in payment technology.

Relevant employment history: 2007–2019 Mastercard, of which 2009–2017 Senior Vice President Global Data Science Solutions Telco (USA), 2013–2017 Senior Vice President Global Enterprise Development (UK) and 2007–2013 Vice President Merchant Development and Vice President Co-brand Business Development Europe (Belgium). 1997–2007 Scandinavian Airlines, of which 2006–2007 Vice President Commercial Strategies (Sweden), 2001–2005 General Manager Belgium and Luxembourg and 1997–2001 Vice President Product Management

Other significant assignments: Chief Commercial Officer at IDEX Biometrics

Holdings on 31 December 2022 (incl. family and companies): 2,800



Jonas Hagströmer

Born: 1982
Elected: 2015

Committees: Risk, Capital and Audit Committee, IT Committee

Education: MBA from Lund University, studies at Hong Kong University of Science and Technology

Contribution to Board's work: Experience from corporate finance, investment companies and board assignments for a number of companies. Broad knowledge of the financial market. Contributes an investor's and shareholder's perspective as well as expertise in the inner workings of the financial services sector.

Relevant employment history: 2012– Creades AB, Investment Manager. 2007–2011 Keystone Advisers (later MCF Corporate Finance), Corporate Finance Associate and analyst

Other significant assignments: Chairman of Inet AB and Inet Group AB, Board member of Apolea Holding AB, StickerApp Holding AB and Biovestor AB

Holdings on 31 December 2022 (incl. family and companies): Indirect holdings via Biovestor and Creades



Linda Hellström

Born: 1974
Elected: 2022

Committees: -

Education: M.Sc. in Business Administration from the Stockholm School of Economics

Contribution to Board's work: Highly experienced in creating growth through customer centricity and data-driven marketing for Nordic and global companies. Focus on personalisation at scale, customer acquisition, engagement and loyalty through leveraging customer data, marketing technology, new media channels and strategy. Has driven a number of digital transformation programs within retail, telecom, media and finance during the last 20 years.

Relevant employment history: 2013–2022 Kaplan (part of Accenture Interactive), Co-CEO/Managing Director. 2009–2012 Lernia, CMO. 2004–2009 Differ, Partner. 2003–2004 Henkel Norden AB, Nordic Brand Manager, Consumer Retail. 2000–2003 Accenture, Management Consultant

Other significant assignments: CEO of Infobaleen AB

Holdings on 31 December 2022 (incl. family and companies): 467



Johan Roos

Born: 1968

Elected: 2020

Committees: Credit Committee, Risk, Capital and Audit Committee, Remuneration Committee

Education: Auditor exam, MBA with specialisation in accounting from Uppsala University

Contribution to Board's work: Extensive experience and knowledge in accounting and auditing. 20 years in senior management positions and subsidiary boards as well as operational experience in banking and insurance. Deep knowledge of developing efficiency and reliability in corporate processes and internal control with a strong customer focus. Extensive experience developing and enforcing good corporate governance and evaluation of corporate strategies.

Relevant employment history: 2019– Independent consultant. 2016–2018 RSA Scandinavia (Codan/ TryggHansa), CFO. 2007–2016 SEB, CFO. 2001–2007 Hewlett-Packard Sweden, Finance Director. 1991–2001 PricewaterhouseCoopers Sweden, Authorised Public Accountant and regional partner

Other significant assignments: Board member of SaveLend Group AB and Stabelo Group AB

Holdings on 31 December 2022 (incl. family and companies): 8,317



Sofia Sundström

Born: 1985

Elected: 2022

Committees: –

Education: M.Sc. in Engineering: Industrial Engineering and Management, KTH Royal Institute of Technology in Stockholm

Contribution to Board's work: Experience from leading organisations in high growth companies within Fintech, with focus on operational excellence (in particular for product & development teams and customer experience teams). Deep domain knowledge in Open Banking and Payments. Broad experience of M&A and international expansion.

Relevant employment history: Tink AB, of which 2019–2022 Vice President Connectivity and Vice President Product Area Aggregation and 2022– Senior Vice President Connectivity & Platforms. 2016–2019 Bambora, of which 2016–2017 Head of Customer Experience & Operations, 2017–2019 Managing Director SMB Nordics and 2019 Managing Director Nordics. 2012–2015 Bain & Company, Management Consultant

Other significant assignments: Senior Vice President Connectivity & Platforms at Tink AB

Holdings on 31 December 2022 (incl. family and companies): 2,000



Hans Toll

Born: 1970

Elected: 2014

Committees: Credit Committee, Risk, Capital and Audit Committee

Education: MSc Business Administration and Economics, Stockholm School of Economics

Contribution to Board's work: 20 years of experience from the financial sector with broad network of contacts. Thorough understanding of Avanza's operations and challenges after his previous role as Deputy Managing Director at Avanza Bank. Background as financial analyst with deep understanding of the financial services sector, its players and financial instruments.

Relevant employment history: 2010–2013 Avanza Bank AB, Deputy Managing Director and Head of Bank and Investments. 2002–2010 RAM One – Rational Asset Management AB, Portfolio Manager. 1999–2002 Investor Trading AB, Analyst. 1995–1999 Investor AB, Financial Analyst

Other significant assignments: Chairman of Bright Sunday AB, Board member of Creades AB, Creaspac AB and WeMind AB

Holdings on 31 December 2022 (incl. family and companies): 147,500



Leemon Wu

Born: 1975

Elected: 2021

Committees: –

Education: MSc Business Administration and Economics, Stockholm School of Economics

Contribution to Board's work: Extensive experience in equity research, portfolio management and investments, as well as board experience from fund companies and digital business models.

Relevant employment history: 2022– C WorldWide Asset Management, Portfolio Manager. 2018–2022 Moor Holding, Chief Investment Officer. 2007–2016 C Worldwide Asset Management, Portfolio manager. 2001–2007 Carnegie Investment Bank, Equity analyst. 1999–2001 AB Custos, Investments analyst

Other significant assignments: Board member of Rovio Entertainment Oyj, Acast AB and Voicemachine AB

Holdings on 31 December 2022 (incl. family and companies): 11,620



Auditors

KPMG AB

Auditor-in-Charge:

Mårten Asplund

Born: 1972

Authorised Public Accountant

Group Management



Rikard Josefson, CEO

Born: 1965

Employed: 2017

Education: B.A Economics Stockholm University

Employment history: 2011–2017 Länsförsäkringar Bank, CEO. 2011 SEB, Head of Global Transaction Services. 2004–2010 SEB, Deputy Head the Swedish retail banking operations. 2000–2004 SEB Finans, CEO. 1999–2000 Latvijas Unibanka (SEB), Deputy CEO. 1998–1999 SEB, Project Manager

Other significant assignments: Board member of SweSec Licensiering AB Föreningen Svensk Värdepappersmarknad and Nasdaq Stockholm Advisory Board. Charman of Börje Salmings ALS-stiftelse

Holdings on 31 December 2022 (incl. family and companies):

Shares: 30,000

Warrants (corresponding number of shares): 89,550



Peter Almqvist, CIO

Born: 1975

Employed: 2011

Education: M.Sc. Information Technology, Linköping Technical University

Employment history: 2011–2022 Avanza Bank AB, Head of IT Operations. 2008–2010 Nasdaq, Project/Program Director. 2001–2007 OMX, Project Manager and Solutions Architect

Other significant assignments: –

Holdings on 31 December 2022 (incl. family and companies):

Shares: 500

Warrants (corresponding number of shares): 16,170



Jesper Bonnavier, CEO Avanza Fonder AB

Born: 1974

Employed: 2019

Education: Business administration Linköping's and Mälardalen's Universities

Employment history: 2011–2018 Länsförsäkringar Fondförvaltning AB, Deputy CEO and Head of Asset Management. 2009–2010 Länsförsäkringar AB, Head of Securities Administration. 2007–2008 Länsförsäkringar Fondförvaltning AB, Deputy CEO and Head of Fund Analysis and Valuation

Other significant assignments: Board member Swedish Investment Fund Association

Holdings on 31 December 2022 (incl. family and companies):

Shares: 500

Warrants (corresponding number of shares): 22,270



Anna Casselblad, CFO

Born: 1981

Employed: 2012

Education: MSc Business Administration and Economics, Stockholm School of Economics

Employment history: 2012–2020 Avanza Bank AB, of which 2012–2017 Operational responsibility Compliance, 2016–2017 Group leader Compliance and 2017–2020 Head of Compliance for the Avanza Group. 2005–2012 PwC AB, Auditor in Financial Services.

Other significant assignments: –

Holdings on 31 December 2022 (incl. family and companies):

Shares: 2,750

Warrants (corresponding number of shares): 22,140



Camilla Hedenfelt, Head of Human Resources/CHRO

Born: 1968

Employed: 2019

Education: BA Personnel and working life programme, Stockholm's University

Employment history: 2016–2019 Orkla Care AB (Orkla AS acquired Cederroth AB 2016), HR Director. 2014–2016 Cederroth AB, HR Director. 2012–2014 Swedish Match, HR Manager. 2007–2012 Orkla Brands Nordic (within Orkla ASA), HR Manager

Other significant assignments: –

Holdings on 31 December 2022 (incl. family and companies):

Shares: 0

Warrants (corresponding number of shares): 17,700



Åsa Mindus Söderlund, CEO Försäkringsaktiebolaget Avanza Pension

Born: 1965

Employed: 2017

Education: Bachelor Financial Economics, Stockholm School of Economics and Business Administration

Employment history: 2017-2018 Avanza Fonder, CEO. 2012–2017 SPP, CEO SPP Consultant and member of Group Management SPP Pension & Insurance. 2010–2012 mindUS Consulting, Project leader with focus on international outsourcing within the fund and asset management industry. 2005–2010 Atos Consulting, Director and CEO. 1998–2005 Capgemini Ernst & Young, Senior Manager Ernst & Young Management Consulting. 1991–1997 Ministry of Finance, Head of Section

Other significant assignments: –

Holdings on 31 December 2022 (incl. family and companies):

Shares: 334

Warrants (corresponding number of shares): 22,890



Gunnar Olsson, COO, Deputy CEO

Born: 1972

Employed: 2018

Education: MBA, Mittuniversitetet

Employment history: 2012–2018 Länsförsäkringar Bank AB, Head of business development and products. 2000–2012 SEB, Head of third party sales and Business developer. 1998–2000 PAR AB (Now Bisnode), Account Manager

Other significant assignments: Board member of Stabelo Group AB

Holdings on 31 December 2022 (incl. family and companies):

Shares: 10,750

Warrants (corresponding number of shares): 45,500



Teresa Schechter, CLO

Born: 1970

Employed: 2006

Education: LL.M. University of Gothenburg

Employment history: 2006–2017 Avanza Bank AB, Head of Compliance, Legal and Surveillance. 2004–2006 Aktieinvest FK AB, Compliance Officer and Corporate counsel. 2002–2004 Swedish Shareholders' Association, Legal Counsel. 1999–2001 Aktiesparinvest / HQ.se AB, Corporate Counsel

Other significant assignments: –

Holdings on 31 December 2022 (incl. family and companies):

Shares: 500

Warrants (corresponding number of shares): 29,040



Peter Strömberg, CIO

Born: 1972

Employed: 2014

Education: MSc Business Administration & Information Technology, Gotland University College/Stockholm University

Employment history: 2010–2014 RSA Scandinavia IT-Service Management, IT Director. 1998–2010 Nasdaq OMX, Vice President OMX Technology

Other significant assignments: Board Member of CAG Group and Redlocker AB

Holdings on 31 December 2022 (incl. family and companies):

Shares: 3,138

Warrants (corresponding number of shares): 58,540



Sofia Svavar, Chief Communications & IR Officer, Group responsible for CSR

Born: 1972

Employed: 2015

Education: DIHM Business Communication, IHM Business School, and Business administration, FEI

Employment history: 2015–2022 Avanza Bank AB, Head of Investor Relations. 2009–2015 Swedbank AB, Investor Relations Manager. 2000–2009 Carnegie Investment Bank, Corporate Communications and Investor Relations with responsibility for the Group's internal communication, branding as well as external and internal websites.

Other significant assignments: –

Holdings on 31 December 2022 (incl. family and companies):

Shares: 17,279

Warrants (corresponding number of shares): 16,690

Stockholm, 23 February 2023

Sven Hagströmer
Chairman of the Board

Magnus Dybeck
Board member

Catharina Eklöf
Board member

Jonas Hagströmer
Board member

Linda Hellström
Board member

Johan Roos
Board member

Sofia Sundström
Board member

Hans Toll
Board member

Leemon Wu
Board member

Rikard Josefson
CEO

The auditor's examination of the corporate governance statement

To the general meeting of the shareholders in Avanza Bank Holding AB, corporate identity number 556274-8458

Engagement and responsibility

The Board of Directors is responsible for that the corporate governance statement on pages 50–62 has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act and the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, 23 February 2023

KPMG AB

Mårten Asplund
Authorised Public Accountant
Auditor-in-Charge

Dan Beitner
Authorised Public Accountant

Administration report

The Board of Directors and the CEO of Avanza Bank Holding AB (publ), Corporate Identity Number 556274-8458, hereby present the Annual report for 2022. A Corporate governance report is provided separately from the Administration report on pages 50–62. Avanza's Annual report is available on [avanza.se/ir](https://www.avanza.se/ir).

Group structure

Avanza Bank Holding AB (publ) is the Parent Company of the Avanza Group. The operational activities are conducted by the wholly-owned subsidiaries Avanza Bank AB (publ), Försäkringssaktiebolaget Avanza Pension ("Avanza Pension") and Avanza Fonder AB, the operations of which are supervised by the Swedish FSA. Placera Media Stockholm AB is also included in the Group, a media company that publishes topical news and independent advice on the financial website Placera and the financial magazine Börsveckan. The subsidiary Avanza Förvaltning AB is responsible for holding of all warrants, which are acquired to be sold to the personnel under the terms of the established warrant programmes.

Description of the operations

Avanza is Sweden's leading platform for savings and investments. Avanza offers a broad range of savings products, a strong occupational pension offering and mortgages. Avanza challenges established structures of large banks and pension providers and drives the long-term development of financial products and services. Customers are offered to save in Swedish and foreign securities and in savings accounts, with no fixed account charges and at a very low brokerage fee. Avanza primarily targets individual investors, but also offers services for professional investors and corporate customers, such as entrepreneurs, asset managers and those who want occupational pension.

Market and sales

The Swedish savings market amounted to nearly SEK 10,200 billion as of 30 September 2022, a decrease of just over 12 per cent since year-end 2021. The occupational pension market decreased by 9 per cent to just over SEK 3,610 billion.¹⁾ During the same period, Avanza's savings capital decreased by 21 per cent and the occupational pension capital with 10 per cent.

Avanza's share of the Swedish savings market in terms of savings capital and net inflow for the twelve-month period decreased, mainly as a result of decreases in equities, bonds

and derivatives. As a result of the market downturn, all asset classes decreased with the exception of deposits, which rose.

Pension and insurance savings, i.e. the life insurance market, is the single largest savings segment, accounting for just under half of the Swedish market. The occupational pension market, where Avanza had a market share of 1.2 per cent (1.2)¹⁾, can be divided into traditional life and unit-linked insurance. Nearly 40 per cent consists of unit-linked insurance, where Avanza is active in the portion outside collectively agreed occupational pensions. Statistics from Insurance Sweden show that Avanza's market share for non-collectively agreed unit-linked insurance per the end of 2021 was 5.8 per cent (5.1)³⁾. The previous year's reported market share has been adjusted since significant holdings are no longer included in data from Insurance Sweden. Avanza's market share for premium payments to non-collectively agreed occupational pensions increased. With respect to premium inflows to the competitive pension and life insurance market, including endowment insurance, the market share decreased to 10.4 per cent.¹⁾ The decrease was mainly due to lower inflows to endowment insurance.

Sweden's residential mortgage market amounted to nearly SEK 4,030 billion as of 30 September 2022. Avanza offers internally financed mortgages to Private Banking customers and since 2018 is also a distributor of external mortgages, which are offered to a broader customer group. Avanza's share of the Swedish mortgage market, including external mortgages, was just under 0.9 per cent (0.7), while the share of the net change was just under 3.2 per cent (2.9) on an annual basis.²⁾

According to data from the Swedish Investment Fund Association, the fund market reported a net outflow for the full-year of SEK 4 billion, while Avanza's net inflow to funds amounted to nearly SEK 2 billion.⁴⁾

The year was distinguished by war, geopolitical uncertainty, inflation and turbulence on the stock market. Volatility increased compared to 2021 and the OMX Stockholm Gross Index fell by 22 per cent. This contributed to lower trading activity. The number of transactions on the Stockholm Stock Exchange and First North decreased by 13 per cent and turnover fell by 12 per cent compared to the previous year. Among Avanza's customers, the number of transactions decreased by 24 per cent and turnover by 20 per cent on these marketplaces. While this resulted in lower market shares, Avanza remained the largest Swedish player in terms of both transactions and turnover.

Market shares	Oct 2021– Sep 2022	Oct 2020– Sep 2021	Jan 2021– Dec 2021
The Swedish savings market			
Market share at the end of the period, %	6.3	6.6	7.0
Net inflow, %	10.7	17.8	17.2
The Swedish life insurance market			
Premium inflow, %	10.4	12.2	12.0
Premium inflow for non collectively agreed occupational pension insurance, %	8.4	7.7	7.8

¹⁾ Statistics from the Savings barometer and Swedish Insurance are published with a lag, the latest refer to 30-09-2022.

²⁾ Statistics from SCB, refer to 30-09-2022.

³⁾ Based on statistics from Swedish Insurance as of 31-12-2021.

⁴⁾ Swedish Investment Fund Association as of 31-12-2022.

Market shares	2022 Jan–Dec	2021 Jan–Dec
Nasdaq Stockholm and First North		
No. transactions %	17.3	19.7
Turnover, %	8.1	8.9
The Swedish fund market (excl. PPM)		
Net savings, %	N/A	19.5

The year began with a 0 per cent policy rate, which was raised for the first time in May by 25 basis points. In July, the policy rate was raised by another 75 basis points before being raised twice more in September and November by 100 and 75 basis points respectively to 2.5 per cent. The Riksbank's forecast is that the policy rate will be further raised in 2023.

Information on market conditions can be found on pages 15–22.

The change in market conditions in 2022 reduced interest in equity investments and customer growth was lower than in 2021. The total number of customers increased by 116,600 to 1,776,700 as of 31 December. In occupational pensions the number of customers increased by 21,100, which was slightly more than 2021 and corresponded to a growth of 17 per cent to 148,300.

Customers' savings capital decreased in 2022 mainly driven by lower valuations due to the downturn in share prices. As of 31 December, the savings capital amounted to nearly SEK 664 billion, a decrease of 18 per cent from the beginning of the year. The net inflow to Avanza was SEK 23.6 billion, which was 74 per cent lower than in 2021, affected by both macroeconomic developments and the willingness to invest in equities. Fund capital decreased as well. Risk tolerance also affected deposits as a share of the savings capital, which increased by 3 percentage points to 14 per cent as of 31 December. The savings capital in occupational pensions decreased by 4 per cent.

Lending increased by 8 per cent during the year, mainly as a result of higher external mortgage volume and increased internally financed mortgage volume. Margin lending was affected by market conditions and customers' lower risk tolerance, and fell by 20 per cent to SEK 8 billion.

Net inflow, SEK m	2022	2021	Change %
Standard	35,350	81,520	-57
Private Banking	-11,500	8,170	-
Pro	-250	110	-
Net inflow	23,600	89,800	-74
Equity-, fund-, and savings accounts	18,560	68,100	-73
Pension- & insurance-based accounts	5,040	21,700	-77
of which, endowment insurance	1,760	15,600	-89
of which, occupational pensions	5,740	5,470	5
Net inflow	23,600	89,800	-74
No. customers, savings capital and lending, SEK m (unless otherwise stated)	31-12-2022	31-12-2021	Change %
Standard, no.	1,741,530	1,627,050	7
Private Banking, no.	31,700	29,500	7
Pro, no.	3,470	3,550	-2
No. customers	1,776,700	1,660,100	7
of which occupational pension customers, no	148,300	127,200	17
Standard	377,200	461,400	-18
Private Banking	257,900	315,200	-18
Pro	28,800	33,000	-13
Savings capital	663,900	809,600	-18
Equity-, fund-, and savings accounts	476,200	581,700	-18
Pension- & insurance-based accounts	187,700	227,900	-18
of which, endowment insurance	127,800	160,600	-20
of which, occupational pensions	45,800	47,600	-4
Savings capital	663,900	809,600	-18
Equities, bonds, derivatives, etc.	377,700	495,100	-24
Mutual funds	191,700	225,100	-15
Deposits	94,500	89,400	6
of which, external deposits (Savings account+)	36,000	29,700	21
Savings capital	663,900	809,600	-18
Internally financed lending	19,300	20,300	-5
of which, margin lending	8,040	10,100	-20
of which, mortgages (for Private Banking)	11,200	10,200	10
External mortgages (Bolån+)	24,100	19,800	22
Lending	43,400	40,100	8
Deposits/Savings capital, %	14	11	3
Return, average account since 1 Jan, %	-21	24	-
OMX Stockholm GI since 1 Jan, %	-22	39	-

For definitions see page 134–135.

Information in response to Russia's invasion of Ukraine

Russia's invasion of Ukraine and the imposed sanctions have affected the financial markets. At the same time, the increased geopolitical tensions due to Russia's invasion are expected to lead to an elevated threat to systemically critical infrastructure, including the financial system, which is taken into account in Avanza's cyber security work. The financial impact on Avanza is very limited and there are no credit losses. Avanza holds no Russian or Ukrainian collateralised securities, nor any other exposure to these countries. Avanza's own fund company has no exposure to Russia or Ukraine. Some customers have holdings in Russia funds on the platform, which are managed in accordance with industry practice.

No provisions were allocated and no actual credit losses were recognised as a result of Russia's invasion of Ukraine in 2022.

Seasonal effects

Avanza has no major seasonal variations, except that the third quarter is typically characterised by lower personnel costs due to the summer vacation as well as seasonally lower Corporate Finance activity. Avanza's financial results are impacted more by the stock market, volatility and the policy rate. Customer growth and net inflow are normally higher at the beginning of the year.

Business development and investments

A large part of the development work during the year was devoted to the replacement of Avanza's backoffice system. The new system will enable us to use smarter technology and solutions to increase efficiency at the same time that scalability and opportunities for product development are improved. Avanza's offer is continuously updated and developed with new functions and improvements. During the year, fees and trading information were made more transparent and equity and fund orders were simplified. Furthermore, decision-support, navigation and selection were improved to inspire, facilitate and provide more insight and a more detailed savings overview.

Among the major launches is the actively managed fund Avanza Fastighet by Norhammar in collaboration with fund manager and real estate expert Peter Norhammar.

Many people are experiencing a worsened financial situation, which is why we have made it easier to adjust monthly savings with the option to suspend them until a specific date or skip a single monthly transfer.

To guide customers to better savings, we launched "Pension Chase", which makes it easier for them to find and consolidate their occupational pensions and pension insurance with Avanza. The customer can, via Avanza, find any pensions they may have with other companies, see which ones are transferable and how much they can save, and then request a transfer digitally through the platform.

The external mortgage offering was expanded to include the option when buying a tenant-owner unit to apply for a mortgage directly from Avanza via Stabelo. Help is also offered with down payment loans and bridge loans. This makes it possible for more people to secure fully digital, preapproved mortgages on better terms.

Avanza's independent media company, Placera, relaunched its popular Forum for those who want to discuss stocks and investments. The forum was redesigned and new functions were added. Authentication requirements were introduced as well in the form of Bank-ID, although it is still possible to participate using a pseudonym.

For more information, see pages 33–34.

Results

Operating profit decreased by 20 per cent compared to 2021. Operating income decreased while operating expenses increased.

The operating margin decreased to 65 per cent and the return on shareholders' equity to 36 per cent.

Operating income decreased by 10 per cent, which mainly was a result of a lower net brokerage income and net currency-related income. Fund commissions also decreased. Net interest income and other income increased.

Net brokerage income decreased by 34 per cent, which was due to lower activity and fewer brokerage-generating customers. The number of brokerage-generating notes decreased by 31 per cent and brokerage-generating turnover was 28 per cent lower. At the same time, gross brokerage income per SEK of turnover decreased from 11.4 to 10.4 basis points due to a higher share of brokerage income generated by Private Banking and Pro customers. The share of brokerage income generated within Private Banking and Pro was 24 per cent, compared to 18 per cent in 2021.

Net currency-related income decreased by 42 per cent as a result of lower turnover in brokerage-generating foreign securities, which decreased by 41 per cent and accounted for 14 per cent (18) of brokerage-generating turnover.

Net fund commissions decreased by 13 per cent due to lower income per SEK of fund capital, which decreased from 35 to 30 basis points. This was a result of a higher share of fund capital allocated in index funds. Additionally, fund capital decreased by 15 per cent compared to 31 December 2021. A reduction in Avanza Auto's management fee of 15 basis points in the fourth quarter 2021 also contributed to the decrease.

Net interest income increased by 146 per cent, mainly because of higher market interest rates. The main contributor was income from surplus liquidity, where the return on the bond portfolio increased as a result of a higher STIBOR but also due to higher volumes. Income from internally financed mortgages increased as a result of the higher policy rate as well as larger volumes. The lending volume was 10 per cent higher than a year ago. Income from margin lending also increased, a result of a higher interest margin. As of 31 December 2022, volumes were 20 per cent lower than 31 December 2021. The annualised average interest rate on internally financed lending amounted to 2.4 per cent for 2022, compared to 1.8 per cent for 2021. The resolution fee and deposit guarantee fee increased to SEK 44 million (42).

Other income increased by 20 per cent, mainly due to higher income from stock lending and Avanza Markets, while income from Corporate Finance decreased. Lower commission expenses also contributed to the increase. Income from Avanza Markets was SEK 182 million (159) due to higher compensation from Morgan Stanley and higher customer activity. Income from stock lending amounted to SEK 46 million (21). The lending limit was raised from SEK 5 billion to SEK 10 billion in the third quarter, and the number of stocks included in the programme was increased. Income from Corporate Finance fell to SEK 11 million (89) due to fewer transactions as a result of the market turbulence. Expenses for payment service commissions decreased as a result of lower customer activity. Expenses for keyword optimisation also decreased.

Operating expenses increased by 19 per cent to SEK 1,031 million, which was lower than the previously communicated full-year cost span of SEK 1,050 million to SEK 1,070 million. The cost outcome can mainly be attributed to lower than estimated costs for personnel and IT in the fourth quarter.

Five-year overview, summary of the Group's performance

Income Statements, SEK m	2022	2021	2020	2019	2018
Net commission ¹⁾	2,181	2,980	1,998	1,028	956
Net interest income ¹⁾	789	321	283	165	91
Other income	3	0	67	1	2
Total income	2,973	3,301	2,349	1,193	1,049
Operating expenses before credit losses	-1,031	-864	-763	-666	-629
Operating profit before credit losses	1,941	2,437	1,586	528	420
Credit losses, net	-1	0	-4	0	-1
Profit/loss from participations in associated companies	-	-	-6	-8	-1
Operating profit	1,940	2,437	1,576	520	418
Taxes	-274	-390	-242	-73	-69
Profit for the year	1,666	2,047	1,335	447	349
Balance Sheets, SEK m	31-12-2022	31-12-2021	31-12-2020	31-12-2019	31-12-2018
Cash and balances with central banks	4,915	2,939	1,428	1,340	2,907
Treasury bills eligible for refinancing	802	2,523	245	-	-
Loans to credit institutions	2,052	2,508	2,272	1,766	914
Loans to the public	19,259	20,300	16,287	13,106	10,339
Bonds	31,789	25,854	25,572	19,782	16,958
Shares and participations	237	237	244	0	1
Shares and participations in associated companies	-	-	-	108	116
Assets in insurance operations	180,337	218,990	155,931	116,369	86,457
Other assets	1,699	5,731	2,796	3,471	4,449
Total assets	241,091	279,082	204,775	155,942	122,138
Deposits and borrowing from the public	54,308	53,659	43,987	36,400	33,317
Liabilities in insurance operations	180,339	218,992	155,933	116,370	86,458
Other liabilities	1,493	1,732	1,683	1,127	650
Subordinated liabilities	-	-	-	100	100
Shareholders' equity	4,951	4,700	3,172	1,945	1,614
Total liabilities and shareholders' equity	241,091	279,082	204,775	155,942	122,138
Key ratios	2022	2021	2020	2019	2018
Operating margin, %	65	74	67	44	40
Profit margin, %	56	62	57	37	33
Earnings per share before dilution, SEK ²⁾	10.69	13.19	8.66	2.94	2.32
Earnings per share after dilution, SEK ²⁾	10.67	13.00	8.58	2.94	2.31
Return on shareholders' equity, %	36	50	57	27	24
Return on assets, %	0.7	0.8	0.8	0.3	0.3
Credit loss level, %	0.00	0.00	-0.03	0.00	0.01
Income to savings capital ratio, %	0.42	0.47	0.51	0.34	0.35
Costs to savings capital ratio, % ³⁾	0.15	0.12	0.17	0.19	0.20
Net brokerage income per trading day, SEK m	3.8	5.8	4.4	1.9	1.8
No. brokerage-generating notes/trading day	161,100	234,300	163,100	70,600	60,800
Turnover in brokerage-generating securities/trading day, SEK m	4,260	5,930	4,600	2,250	2,150
Turnover in brokerage-generating foreign securities/trading day, SEK m	610	1,040	570	180	190
Gross brokerage income/turnover in brokerage-generating securities, %	0.104	0.114	0.111	0.100	0.098
No. trading days	251.0	250.5	250.0	248.0	247.5
Average no. employees	622	560	478	429	406
Platform operational availability, %	99.9	99.9	99.9	99.9	100.0
Key ratios	31-12-2022	31-12-2021	31-12-2020	31-12-2019	31-12-2018
Shareholders' equity per share before dilution, SEK ²⁾	31.61	30.21	20.47	12.65	10.66
Cash dividend per share, SEK (2022; proposal) ²⁾⁴⁾	7.50	9.20	3.80	2.30	2.10
No. shares, thousand ²⁾	156,619	155,572	154,954	153,786	151,365
Average no. shares before dilution, thousand ²⁾	155,916	155,150	154,150	152,115	150,432
Average no. shares after dilution, thousand ²⁾	156,209	157,456	155,581	152,115	150,827
Market capitalisation, SEK m	35,000	51,700	36,100	15,000	12,800
Share price, SEK ²⁾	223.60	332.20	233.00	97.80	84.72
No. employees	635	603	510	445	422

¹⁾ Income related to external deposits has been transferred from Net interest income to Net commission. Historical figures have been adjusted.

²⁾ Adjusted in accordance with the share split in April 2019.

³⁾ Excluding the Swedish FSA decision imposing a fine of SEK 35 million on Försäkringsaktiebolaget Avanza Pension, reported in the fourth quarter of 2018.

⁴⁾ Dividend for 2020 includes an extra dividend.

For definitions see pages 134–135.

Compared to the full-year 2021, mainly other expenses increased, a result of higher costs for external services and IT. A reversal of rental costs in the first quarter 2021 lowered other expenses by SEK 10 million, which also contributed to the increase in 2022. Personnel costs increased mainly due to more employees, primarily in development and customer support functions.

The costs to savings capital ratio increased to 15 basis points (12). In 2022, the ratio was affected by market fluctuations in savings capital, which can occur in individual quarters and years. The long-term target to spotlight efficiency and the focus on costs remains at a maximum costs to savings capital ratio of 12 basis points over time. High cost-efficiency makes Avanza resilient in various market conditions, at the same time that it provides an important competitive advantage.

Costs for 2023 are not expected to exceed SEK 1,160 million. The estimate includes salary increases of 4 per cent from 1 January 2023. Personnel costs will also increase, due to the full-year effect of employees who began in 2022 as well as ongoing recruitments according to the people plan for 2022, and who have not yet begun their employment. IT expenses are also expected to increase, partly due to higher licensing costs. The full-year effect of the depreciation of the new backoffice system is contributing to higher costs as well.

Reported credit losses are attributable to calculations of expected credit losses according to IFRS 9. For more information, see Note 19 Loans to the public.

The effective tax rate decreased to 14.1 per cent (16.0) as a result of a higher share of revenues generated in the insurance company, where most revenues are taxed according to the laws applicable to life insurance companies, which reduces the effective tax rate.

On 1 January 2022, a new "risk tax" for credit institutions, the so-called bank tax, was introduced. The tax does not affect Avanza, since total liabilities in the bank fall below the threshold of SEK 150 billion.

Net interest income sensitivity

The policy rate was raised by 75 basis points to 2.5 per cent in late November. The year began with a policy rate of 0 per cent, which was raised for the first time in May. The Riksbank's forecast is that the policy rate will be further raised in 2023.

Changes in the policy rate affect the return on surplus liquidity, which mainly is invested in covered bonds and as deposits with systemically important Nordic banks. The bond portfolio is tied to the 3M STIBOR. The portion invested in Riksbank Certificates and as deposits with the Riksbank is linked to the policy rate. Avanza's internally financed lending is comprised of mortgage

loans to Private Banking customers and margin lending. Mortgage rates are directly tied to the policy rate, even if the effect of the latest policy rate hike in November first took effect on 1 February. The interest rate on margin lending is based on demand and the competitive landscape.

The cost side of net interest income mainly consists of interest payments on customer deposits. During 2022, interest on deposits was only offered on Avanza's own savings accounts from late September. The savings account primarily targets corporate customers and the interest rate was 1.5 per cent on 31 December 2022. On 1 January 2023, Avanza started paying interest on deposits in equity and fund accounts, investment savings accounts (ISK), as well as endowment insurance.

In a rising rate environment, it becomes harder to determine the impact of rate increases. Pricing of both deposits and lending becomes increasingly dependent on customer behaviour and the competitive landscape.

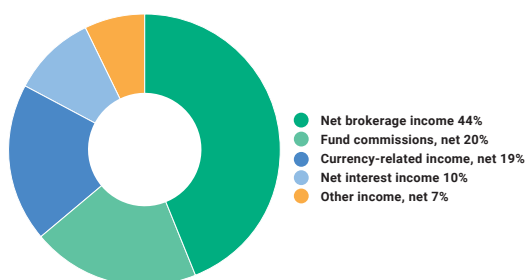
All else being equal, without accounting for changes in customer behaviour, the competitive landscape or the bond portfolio's interest rate duration, a 1 percentage point decrease or raise of the policy rate would affect full-year net interest income by between SEK -270 million and SEK 580 million, based on volumes and rates by the end of the year and depending on how much will be shared with customers. The downside is lesser than the upside because of the current rate levels on deposits.

Future outlook

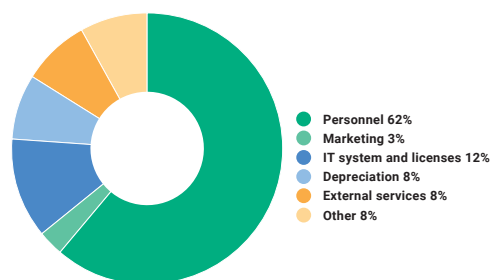
Conditions in the savings market changed dramatically in 2022. Interest in saving was higher than ever in 2021, but in 2022 customer activity and the net inflow both decreased as a result of macroeconomic conditions and market turbulence. The new macroeconomic situation requires adaptability and underscores the importance of a sustainable business model. Avanza's customer-centric corporate culture and modern organisation are well-suited to capitalise on the opportunities that the changing market conditions have created and could mean in the future:

- Sweden has a well-functioning stock market and a strong savings tradition with a high share of the population owning stocks and funds. While Avanza already has a high market share of the equity-owning population, there is still good growth potential. Everyone in Sweden with a bank account who understands the importance of saving is a potential customer. Avanza's growth ambition includes attracting broader target groups – experienced and established investors as well as new ones – and to attract a larger share of existing customers' savings with new products and services. Growth among new customers is expected to increase Avanza's

Breakdown of operating income 2022



Breakdown of operating expenses 2022



share of fund savings, which along with the growth targets in pensions and mortgages reduces the sensitivity to market fluctuations.

- A long-term shift in society has left individuals with more responsibility for their personal finances. Everyone needs a cash buffer when unforeseen events occur. Savings are necessary at every stage of life. There is also a large gender savings gap. Women save relatively less and to a greater extent in savings accounts. At the same time, the number of female shareholders is increasing in Sweden and for Avanza. The savings capital held by women on Avanza's platform, however, only amounts to 25 per cent. Avanza expanded its efforts during the year to motivate and inspire more women to save.
- Digitisation is creating new opportunities and here Avanza's strong brand, user experience and customer satisfaction are major strengths when new competition enters the savings market. Avanza's cost leadership and proven business model are also a strength.
- Avanza is well-positioned in terms of regulations on increased transparency, higher consumer protection and higher digital development in the financial markets. Avanza puts its customers first while also prioritising clarity and transparent pricing. Avanza has always advocated low fees and a long-term approach, steering clear of commission-driven advice and instead developing tools on the platform to help customers make their own investment decisions and customise savings based on their individual needs.
- Avanza's no-fee pension offer, together with a broad offering and digital tools, are strong competitive advantages as transfer rights for unit-linked insurance policies are expanded and strengthened. New technology and Open Finance regulations at the same time pave the way for more tools and services to be developed.
- A transfer of assets from older to younger generations is underway. Older generations have accumulated tremendous wealth, which will impact many younger people in a positive way, not to mention the future of the capital markets and demand for Avanza's services. Over the last ten-year period, Avanza has attracted a large share of young customers. While they generally have less financial resources than older customers, which affects the relationship between customer inflow and growth in savings capital and income here and now, there is great potential if Avanza continues to create attractive offers and gives them good reasons to stay on the platform. Avanza has a low churn of 1.5 per cent, excluding one-off effects.
- Since the start, Avanza has stressed lower prices and public education in the areas of saving and investing. The user experience and investments in information and education are important factors as interest and demand for sustainable investments grow. Furthermore, it attracts interest from a wider group of savers.
- Avanza's large customer base and strong brand provides an attractive platform for interesting collaborations that can strengthen the customer offering and user experience.

Read more about Avanza's future outlook on pages 15–19. Also see Significant risks and uncertainty factors on pages 44–47.

Financial position

Avanza's capital and liquidity situation is strong. Shareholders' equity amounted to SEK 4,951 million (4,700). Besides the net profit for the year, the change is due to the dividend of SEK 1,431

million paid to shareholders, as well as new share issues due to the exercise of warrants and issuance of warrants within the framework of employee incentive programmes.

Avanza is self-financed through equity and customer deposits. All of Avanza's assets are highly liquid. A significant part of the assets can therefore be transferred within a couple of days.

Surplus liquidity is mainly invested in covered bonds, Riksbank Certificates and as deposits with the Riksbank and systemically important Nordic banks, and to a lesser extent bonds issued by the Swedish government and municipalities. Of the liquid assets of just over SEK 7 billion at the end of the year, SEK 25 million was pledged as collateral, mainly with Swedish credit institutions and the stock exchange.

Avanza does not engage, and has not previously engaged, in proprietary trading in securities.

All lending is secured by listed securities or pledges on houses or tenant-owned apartments. Between 2001 and 2022, actual and expected credit losses amounted to SEK 16 million, or an average of 0.02 per cent per year.

The Parent Company

Avanza Bank Holding AB (publ) is the parent company of the Avanza Group. Operating profit for 2022 was SEK –34 million (SEK –30m). The Parent Company does not report any revenues. Anticipated dividends from subsidiaries of SEK 1,205 million (SEK 1,380m) were recognised.

The dividend for 2021 of SEK 1,431 million (SEK 591m) was paid to shareholders in April 2022 following a resolution by the Annual General Meeting in March.

Sustainability reporting

Avanza's sustainability reporting is an important part of an open and balanced presentation of Avanza's position, activities and achievements in key areas. In accordance with the Annual Reports Act, chap. 6, section 11, Avanza has chosen to prepare a Sustainability report separately from the Administration report and largely from the formal financial statements. The Sustainability report has been reviewed by the auditors' which have submitted a separate statement. Avanza's report has been prepared in accordance with the GRI Standards: Core option. The report also follows GRI's specific guidelines for the industry (Financial Services Sector Supplement). The statutory Sustainability report comprises Avanza and its subsidiaries and its scope is indicated on page 128. On 1 January 2022, the Taxonomy disclosure requirements also took effect. For Avanza, this means reporting how large a share of the assets on the balance sheet is taxonomy eligible at a consolidated level. The presentation is based on the Swedish Bankers' Association's template.

Avanza's operations are not deemed to pose any significant negative environmental impact or risk of violation on human rights, whether directly or indirectly, other than in the fund company which has sustainability aspects implemented in the asset management. Avanza's sustainability work is decentralised and integrated at an operating level. The work is coordinated by the company's Head of Sustainability, who is also chairman of Avanza's sustainability committee. The Board, together with management, is ultimately responsible for adopting Avanza's sustainability targets. The Board of Directors annually adopts the sustainability policy and the code of conduct. Avanza's Code of conduct provides guidance for employees on business ethics and how Avanza maintains fair and lawful business relationships and follows international and national codes of conduct in the industry. The sustainability disclosures focus on issues

such as social benefit, social conditions, equality, personnel and anti-corruption.

The previous Sustainability report for the calendar year 2021 was published on 25 February 2022.

Additional information about Avanza's sustainability activities is provided on pages 28–31 and 126–128. Avanza's sustainability policy is published on [avanza.se/ir](https://www.avanza.se/ir).

Employees

In 2022, the Avanza Group had, on average, a total of 622 (560) employees of whom 37 per cent (36) were women. The average age was 36 (36) years. The Parent Company had, on average, 5 (5) employees during the year. All employees have individual targets, based on Avanza's overall targets, which are followed up through regular development discussions. One of Avanza's long-term goals is engaged employees, measured by an international measure of employee loyalty called the employer Net Promoter Score (eNPS). The score for 2022 was 58 (67), which was lower than the pandemic years but clearly higher than the target and shows continued strong ambassadorship. Additional information about Avanza's employees is provided on pages 36–40 and in Note 9 Employees and personnel costs.

Significant risks and uncertainty factors

Avanza has a conservative approach to risk and strives to keep risks low. Avanza's operations are largely digital with high demands placed on stability and availability. Protecting our information assets is critical to maintain the trust of customers. Avanza's financial risks, such as credit risks, market risks and liquidity risks, are limited. Avanza also strives to minimise operational risks by creating the most efficient and automated processes possible. In 2021, the subsidiary Avanza Bank AB reported itself to the Swedish Authority for Privacy Protection (IMY) and the Swedish FSA due to a potential breach of the General Data Protection Regulation (GDPR). Our assessment is that no customers have been put at harm. In 2022, the Swedish FSA announced that it is not opening a case. The IMY's case is ongoing and it is still too early to determine whether it could have any financial consequences, which cannot be ruled out.

Risks are measured, controlled and, where necessary, acted upon, in order to protect the company's capital and reputation. The manner in which Avanza identifies, follows up and manages these risks has a bearing on the soundness of the business and on Avanza's long-term profitability. Additional information about the Group's risk exposure and risk management is provided on pages 44–47, 56–57 and in Note 35 Financial risks.

Remuneration guidelines for senior management

The Annual General Meeting of Avanza Bank Holding AB (publ) resolved on 17 March 2020 to establish the following guidelines for determining salaries and other remuneration paid to the CEO, Deputy CEO and other members of the company's management (Group Management) until further notice.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

The company's business strategy is, in short, to create long-term growth in operating income through strong customer growth through satisfied customers in combination with a scalable business model with the market's lowest costs to savings ratio.

This enables continued development and creates shareholder value. Further information on the company's business strategy is provided on pages 8–9.

Successful implementation of Avanza's business strategy and the safeguarding of its long-term interests, including its sustainability, require Avanza to be able to recruit and retain qualified employees. In order to do this, the company needs to be able to offer market-based remuneration. These guidelines allow senior executives to be offered such remuneration.

Avanza has long-term incentive programmes based on warrants. They were resolved by the Annual General Meeting and therefore are not subject to these guidelines. The programmes include all permanent employees in the company. The outcome of the incentive programmes has a clear connection to the business strategy and also to Avanza's long-term value creation for the shareholders. To be able to exercise the warrants and subscribe for new ordinary shares, Avanza's share price needs to have reached a specific higher level three years after the warrants were issued. The incentive programmes based on warrants further impose requirements on own investment and a vesting period of three years before they can be used for subscription for new ordinary shares.

For more information about these programmes, including the criteria on which the outcome depends, please see [avanza.se/ir](https://www.avanza.se/ir).

Forms of remuneration

Remuneration must be market-based and may consist of a fixed cash salary, pension benefits and other benefits. In addition, the Annual General Meeting may, and regardless of these guidelines, decide on, for example, shares and share price related remuneration or incentive programmes based on warrants.

For the CEO, pension benefits as well as health insurance must be determined based on a premium. Pension premiums for premium based pension shall amount to a maximum of thirty-five (35) percent of the fixed cash salary. For other senior executives, pension benefits, including health insurance, must be determined based on a premium. Pension premiums for premium based pension shall amount to a maximum of thirty (30) percent of the fixed cash salary.

Other benefits may, among other things, include life insurance and health insurance. Premiums and other costs in connection with such benefits may amount to a maximum of five (5) percent of the fixed cash salary.

Termination of employment

Upon termination of employment, the notice period may not exceed twelve (12) months. Fixed cash salary during the notice period and severance pay may all in all not exceed an amount corresponding to the fixed cash salary of two (2) years for the CEO. In the event of termination by the CEO or by other senior executives, the period of notice may not exceed six (6) months, without the right to severance pay.

Salary and terms of employment for employees

In the processing of the Board's proposal of these compensation guidelines, salaries and terms of employment for Avanza's employees have been taken into account. This has been done by using the information on employees' total remuneration, components of the remuneration and rates of increase over time as part of the Remuneration Committee's and the Board's underlying documentation to evaluate the reasonableness of the guidelines and the limitations that follow from them.

The decision-making process to establish, review and implement the guidelines

The Board has established a Remuneration committee. The committee's tasks include preparing the Board's decision on proposals for guidelines for remuneration to senior executives. The Board shall draw up proposals for new guidelines at least every four years and submit the proposal to be resolved at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration committee shall also follow and evaluate the application of guidelines for remuneration to senior executives as well as current remuneration structures and remuneration levels in the company. The members of the Remuneration committee are independent in relation to Avanza and its management. In the Board's processing of and decisions on remuneration related matters, the CEO or other members of the executive management are not present, insofar as they are affected by the issues.

Deviations from the guidelines

The Board may decide to temporarily deviate from the guidelines in whole or in part, if in an individual case there are special reasons for it and a deviation is necessary to satisfy Avanza's long-term interests, including its sustainability, or to ensure Avanza's financial viability. As stated above, it is part of the Remuneration committee's tasks to prepare the Board's decision on remuneration issues, which includes decisions on deviations from the guidelines.

The Board of Directors and Group Management

The Annual General Meeting on 31 March 2022 resolved that the Board of Directors shall comprise ten members without deputies.

The Annual General Meeting in 2022 re-elected all previously elected members except Viktor Fritzen, who declined re-election. In addition, Linda Hellström and Sofia Sundström were elected as new Board members in accordance with the Nomination Committee's proposal. In accordance with the Articles of Association, the Board shall consist of not less than five and not more than ten members. Mattias Miksche, who had been a member of Avanza Bank Holding AB's Board of Directors since 2008, announced his immediate resignation for personal reasons on 11 April. After his departure, Avanza's Board of Directors consisted in 2022 of nine members elected by the Annual General Meeting with no deputies, who are elected until the next Annual General Meeting.

Peter Westling, formerly Chief Innovation & Marketing Officer, stepped down from Group Management in February 2022, in connection with which the organisational structure was reviewed. On 1 April, Sofia Svavar, Head of IR since 2015, took on a new role as Chief Communications & IR Officer and a member of Group Management. Peter Strömberg, the then CIO, was designated as head of the new organisation Product & Tech (CPTO) and was at the same time Acting CIO until Peter Almqvist took over as the new CIO and became a member of Group Management on 1 October 2022. Peter Almqvist has worked at Avanza in the role of Head of IT Operations since 2011 with responsibility mainly for IT operations, IT security, physical security and software testing.

Additional information about the Board of Directors and Group Management is provided in the Corporate governance report on pages 50–62.

The Avanza share

The Avanza share is listed on Nasdaq Stockholm Large Cap, included in the Financial Services sector under the ticker symbol AZA.

At year-end 2022, there were a total of 156,619,027 shares in Avanza. There is only one class of shares, each share entitles to one vote and there are no limitations as to the number of votes a shareholder may exercise at an Annual General Meeting. There is no rule in Avanza's Articles of Association limiting the right to disposal of shares.

Avanza had two owners who each directly or indirectly represented at least one tenth of the voting rights for all shares on 31 December 2022: Sven Hagströmer including family and companies representing 10.1 per cent and Creades AB representing 10.0 per cent.

Outstanding warrant programmes include 4,650,000 warrants corresponding to a maximum dilution effect of 3 per cent if fully exercised. Of these warrants, 2,443,520 were transferred to employees at the end of the year.

For further information on the Avanza share, see pages 42–43 and 50 and Note 29 Equity.

Repurchase of the company's own shares

The Annual General Meeting in 2022 resolved to authorize the Board of Directors to implement the acquisition of own shares, up to a maximum of 10 per cent of the shares in Avanza Bank Holding AB (publ). The authorisation is valid until the following Annual General Meeting. No shares were repurchased in 2022 and the company holds no repurchased shares as of 31 December 2022.

Capital planning

Avanza's capitalisation is governed by the regulatory requirement of a leverage ratio of 3 per cent, which was introduced on 30 June 2021. Additionally, the Swedish FSA informed Avanza on 30 September 2022 of Pillar 2 guidance for an additional 0.9 per cent – fully in line with previous announced expectations. The leverage ratio is mainly driven by changes in customers deposits. As of 31 December 2022, Avanza's leverage ratio for the consolidated situation was 5.5 per cent. This means that deposits can increase by SEK 25 billion without the risk of falling short of the requirement of 3.9 per cent. Due to the fact that the margin to the leverage ratio requirement is adequate, a decision was made to delay the issuance of additional Tier 1 capital.

See also Note 34 Own funds and capital requirements.

Significant events after the end of the reporting period

Peter Strömberg, Chief Product & Tech Officer and a member of Group Management, has announced that he will be leaving Avanza and resigned from his position in Group Management on 16 January 2023, but will remain on the job through 30 April. The recruitment of a new CPTO has begun.

Proposed allocation of profits

The Board of Directors of Avanza Bank Holding AB (publ) proposes that the Annual General Meeting on 30 March 2023 resolve that the accumulated profit, including net profit for the year, share premium reserve and fair value reserve of SEK 1,902,592,284, in accordance with the established balance sheet, be allocated in such a way that a dividend of SEK 7.50 per share is distributed to the shareholders and the remainder

is carried forward. This corresponds to a dividend of SEK 1,175 million (SEK 1,431m) and a payout ratio of 70 per cent (70). This is in line with Avanza's dividend policy, where the goal is to distribute 70 per cent of profit for the year to the shareholders,

taking into account the leverage ratio requirement, including Pillar 2 guidance and the internal buffer requirement. For the Board of Directors' statement on the proposed allocation of profits, see Note 39 Proposed allocation of profits.

Capital surplus financial conglomerate, SEK m¹⁾	31-12-2022	31-12-2021
Own funds per sector		
Own funds for regulated units in the insurance sector ³⁾	3,006	3,055
Own funds for regulated units within the banking and investment services sector	2,990	2,712
Total own funds after dividends	5,996	5,767
Total own funds before dividends	7,171	7,198
Capital requirement per sector		
Capital requirement for regulated units in the insurance sector ³⁾	1,795	2,229
Capital requirement for regulated units within the banking and investment services sector	1,863	1,435
Total capital requirement	3,658	3,664
Deduction for non-distributable solvency capital ²⁾	-542	-385
Capital surplus after dividends	1,796	1,717
Capital surplus before dividends	2,971	3,148
Capital surplus per share after dividend per share, SEK	11.47	11.04
Capital surplus per share before dividend per share, SEK	18.97	20.24

¹⁾ Capital surplus for the financial conglomerate. See also Note 34 Own funds and capital requirements.

²⁾ Non-distributable solvency capital (future profits) = solvency capital – solvency capital requirement.

³⁾ Avanza Pension's solvency capital requirement and own funds are calculated using the Solvency 2 directive's standard model. The standard model requires assumptions that are determined partly by the authorities and partly by Avanza Pension's Board of Directors.

Capital surplus leverage ratio, consolidated situation, SEK m	31-12-2022	31-12-2021
Leverage ratio total exposure measure	62,464	62,317
Tier 1 capital after dividends	3,402	2,966
Leverage ratio after dividends, %	5.5	4.8
Leverage ratio incl. Pillar 2-guidance ¹⁾ , %	3.9	3.0
Capital surplus after dividends and leverage ratio requirements incl. Pillar 2 guidance	966	1,096
Capital surplus risk-based, consolidated situation, SEK m	31-12-2022	31-12-2021
Total own funds	3,402	2,966
Minimum own funds requirement (Pillar 1)	1,040	987
Combined buffer requirement	455	308
Additional own funds requirement (Pillar 2) ¹⁾	467	260
Pillar 2 guidance	-	-
Total risk-based capital requirement (desired level of own funds)	1,961	1,555
Capital surplus after risk-based capital requirement	1,441	1,411

¹⁾ The additional own fund requirement are equivalent to the Swedish FSA's decided Pillar 2 requirements.

Consolidated income statement

SEK m	Note	2022	2021
Operating income			
Commission income	3, 4	2,512	3,419
Commission expenses	5	-331	-439
Interest income calculated using the effective interest method	6	935	428
Other interest income	6	1	-
Interest expenses	6, 11	-147	-106
Net result of financial transactions	7	-1	0
Other operating income		4	-
Total operating income		2973	3,301
Operating expenses			
General administrative expenses	8-10	-900	-753
Depreciation and amortisation	11, 23-24	-81	-70
Other operating expenses	12	-50	-41
Total operating expenses before credit losses		-1,031	-864
Operating profit before credit losses		2,437	2,437
Credit losses, net	13	-1	0
Profit/loss from participations in associated companies		-	-
Operating profit		1,940	2,437
Profit before tax		1,940	2,437
Tax on profit for the year	15	-274	-390
Profit for the year¹⁾		1,666	2,047
Earnings per share before dilution, SEK	16	10.69	13.19
Earnings per share after dilution, SEK	16	10.67	13.00

¹⁾ The entire profit accrues to the Parent Company's shareholders.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SEK m	Note	2022	2021
Profit for the year		1,666	2,047
Items that will be reversed to the income statement			
Changes in value of financial instruments recognised at fair value via other comprehensive income	7	-116	-3
Tax on changes in value of financial instruments recognised at fair value via other comprehensive income		24	1
Total other comprehensive income after tax		-92	-3
Total profit or loss and other comprehensive income after tax¹⁾		1,574	2,044

¹⁾ The entire profit accrues to the Parent Company's shareholders.

Consolidated balance sheet

SEK m	Note	31-12-2022	31-12-2021
Assets	31, 32		
Cash and balances with central banks	17	4,915	2,939
Treasury bills eligible for refinancing	18	802	2,523
Loans to credit institutions	17	2,052	2,508
Loans to the public	19	19,259	20,300
Bonds	20	31,789	25,854
Shares and participations	21	237	237
Assets in insurance operations	22	180,337	218,990
Intangible fixed assets	23	107	107
Right-of-use assets	11	87	120
Tangible fixed assets	24	60	61
Other assets	15, 25	837	4,952
Prepaid expenses and accrued income	26	608	491
Total assets		241,091	279,082
Liabilities and shareholders' equity			
Liabilities	31-33		
Deposits and borrowing from the public	17	54,308	53,659
Liabilities in insurance operations	22	180,339	218,992
Lease liabilities	11	83	122
Other liabilities	15, 27	1,260	1,442
Accrued expenses and deferred income	27	150	167
Total liabilities		236,140	274,382
Shareholders' equity	29		
Share capital		78	78
Other capital contributed		579	477
Fair value reserve		65	157
Retained earnings including profit for the year		4,229	3,989
Total shareholders' equity		4,951	4,700
Total liabilities and shareholders' equity		241,091	279,082

Changes in the Group's shareholders' equity

SEK m	Share capital	Other capital contributed	Fair value reserve	Retained earnings	Total
Shareholders' equity, 31-12-2020	77	564	159	2,372	3,172
Profit after tax reported in the income statement	-	-	-	2,047	2,047
Other comprehensive income	-	-	-3	-	-3
Total comprehensive income	-	-	-3	2,047	2,044
<i>Transactions with owners</i>					
Dividend paid	-	-161	-	-430	-591
Exercise of share warrants	0	62	-	-	63
Warrants issue	-	11	-	-	11
Shareholders' equity, 31-12-2021	78	477	157	3,989	4,700
Profit after tax reported in the income statement	-	-	-	1,666	1,666
Other comprehensive income	-	-	-92	-	-92
Total comprehensive income	-	-	-92	1,666	1,574
<i>Transactions with owners</i>					
Dividend paid	-	-	-	-1,431	-1,431
Exercise of share warrants	1	90	-	5	96
Warrants issue	-	12	-	-	12
Shareholders' equity, 31-12-2022	78	579	65	4,229	4,951

There are no interests in holdings without controlling influence in shareholders' equity.

Consolidated cash flow statement

SEK m	Note	2022	2021
Operating activities			
Profit before tax		1,940	2,437
whereof interest payments received		935	428
whereof interest expenses paid		-147	-106
<i>Adjustment for items not included in cash flow</i>			
Depreciations	11, 23-24	81	70
Interest expenses on lease liabilities	11	2	3
Income tax paid		-3,751	-2,653
Cash flow from operating activities before changes in operating activities' assets and liabilities		5,774	-143
Changes in operating activities' assets and liabilities			
Increase (-)/decrease (+) in loans to credit institutions	33	393	-392
Increase (-)/decrease (+) in loans to the public		1,041	-4,013
Increase (-)/decrease (+) in securities		0	7
Increase (-)/decrease (+) in other assets		-10	-180
Increase (+)/decrease (-) in deposits from the public		649	9,672
Increase (+)/decrease (-) in other liabilities		-196	-423
Cash flow from operating activities' assets and liabilities		1,875	4,671
Cash flow from operating activities		7,649	4,528
Investment activities			
Investment in treasury bills eligible for refinancing		1,721	-2,278
Acquisition and disposals of intangible fixed asset	23	-17	-34
Acquisition and disposals of tangible fixed assets	24	-27	-22
Investment in bonds		-6,052	-285
Cash flow from investment activities		-4,374	-2,619
Financing activities			
Amortisation lease liabilities		-40	-37
Cash dividend		-1,431	-591
Exercise of share warrant		96	63
Warrants issue		12	11
Cash flow from financing activities		-1,363	-554
Cash flow for the year		1,912	1,355
Liquid assets at beginning of year		5,030	3,675
Liquid assets at end of year		6,942	5,030
Change		1,912	1,355
Composition of liquid assets, SEK m			
		2022-12-31	2021-12-31
Cash and balances with central banks		4,915	2,939
Loans to credit institutions		2,052	2,508
Pledged assets		-25	-417
Total		6,942	5,030

Reconciliation of liabilities arising from financial activities

SEK m	31-12-2022	Cash flow	Non-cash changes	31-12-2021
Lease liabilities	83	-40	2	122
Total	83	-40	2	122

See Note 2 Accounting principles for the basis for preparing cash flow statement.

Parent Company income statement

SEK m	Note	2022	2021
Operating expenses			
Administration expenses	9	-21	-19
Other operating expenses	10	-13	-10
Operating profit/loss		-34	-30
Profit/loss from financial investments			
Profit/loss from participations in Group companies	14	1,205	1,750
Interest income and similar items		0	-
Interest expenses and similar items		0	0
Profit/loss before appropriations and tax		1,171	1,720
Appropriations			
Group contribution received		80	67
Group contribution paid		-5	-1
Profit/loss before tax		1,245	1,786
Tax on profit for the period	15	-8	-8
Net profit/loss for the period		1,237	1,778

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – SEK m	2022	2021
Net profit for the year	1,237	1,778
Other comprehensive income after tax	-	-
Total comprehensive income after tax	1,237	1,778

Parent Company balance sheet

SEK m	Note	31-12-2022	31-12-2021
ASSETS			
Fixed assets			
<i>Financial fixed assets</i>			
Shares and participations in Group companies	30	426	426
Shares and participations in other companies		237	237
Total fixed assets		663	663
Current assets			
<i>Current receivables</i>			
Receivables from Group companies		1,321	1,428
Current tax receivable		7	2
Prepaid expenses and accrued income		3	3
Total current receivables		1,331	1,432
Cash and bank balances		6	5
Total current assets		1,337	1,437
Total assets		2,000	2,100
Shareholders' equity and liabilities			
Shareholders' equity	29		
<i>Restricted shareholders' equity</i>			
Share capital		78	78
<i>Unrestricted shareholders' equity</i>			
Share premium reserve		546	450
Fair value reserve		144	144
Retained earnings		1,213	1,408
Total shareholders' equity		1,981	2,080
Current liabilities			
Accounts payable		0	0
Liabilities to Group companies		-	-
Tax liability		11	13
Other liabilities		0	0
Accrued expenses and deferred income		7	7
Total current liabilities		19	20
Total shareholders' equity and liabilities		2,000	2,100

Changes in the Parent Company's shareholders' equity

SEK m	Share capital	Share premium reserve	Fair value reserve	Retained earnings	Total
Shareholders' equity, 31-12-2020	77	549	144	59	830
Net profit for the year	-	-	-	1,778	1,778
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,778	1,778
<i>Transactions with owners</i>					
Dividend paid	-	-161	-	-430	-591
Exercise of share warrants	0	62	-	-	63
Shareholders' equity, 31-12-2021	78	450	144	1,408	2,080
Net profit for the year	-	-	-	1,237	1,237
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,237	1,237
<i>Transactions with owners</i>					
Dividend paid	-	-	-	-1,431	-1,431
Exercise of share warrants	1	95	-	-	96
Shareholders' equity, 31-12-2022	78	546	144	1,213	1,981

Parent Company cash flow statement

SEK m	2022	2021
Operating activities		
Profit before tax	1,245	1,786
whereof interest payments received	0	-
whereof interest expenses paid	0	0
<i>Adjustment for items not included in cash flow</i>		
Anticipated dividend	-1,205	-1,380
Income tax paid	-17	0
Cash flow from operating activities before changes in operating activities' assets and liabilities	24	406
Changes in operating activities' assets and liabilities		
Increase (-) / decrease (+) in other assets	1,311	72
Increase (+) / decrease (-) in other liabilities	1	0
Cash flow from operating activities' assets and liabilities	1,312	72
Cash flow from operating activities	1,336	478
Investment activities		
Disposals of shares and participations in associated companies	-	-
Cash flow from investment activities	-	-
Financing activities		
Cash dividend	-1,431	-591
Exercise of share warrants	96	63
Shareholder contribution paid	-	-6
Cash flow from financing activities	-1,336	-534
Cash flow for the year	0	-56
Liquid assets at beginning of year	5	62
Liquid assets at end of year	6	5
Change	0	-56

Notes

Note 1 Corporate information

The Parent Company, Avanza Bank Holding AB, (publ) Corporate Identity Number 556274-8458, is a Swedish registered limited company whose registered office is in Stockholm. The Parent Company's share is listed on Nasdaq Stockholm Large Cap, comprising companies with a market capitalisation of over EUR 1 billion. The address of the head office is Regeringsgatan 103, Box 1399, SE-111 93 Stockholm, Sweden.

The consolidated accounts for 1 January 2022 – 31 December 2022 comprise the Parent Company and its subsidiaries, referred to collectively as "the Group". The Group offers a wide selection of savings products, a strong pension offering and mortgages in Sweden. The Group's operations are described in more detail in the Administration report. The consolidated accounts and the Annual report for Avanza Bank Holding AB (publ) for the 2022 financial year were approved on 22 February 2023 by the Board of Directors and the CEO. The consolidated accounts and the Annual report are adopted by the Annual General Meeting on 30 March 2023.

Note 2 Accounting principles

(a) Compliance with standards and legislative requirements

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards adopted by the EU. The complementary rules in the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulations and general guidelines of the Swedish Financial Supervisory Authority (FFFS 2008:25) regarding Annual Reports in Credit Institutions and Securities Companies are applied as well. The consolidated financial statements also apply recommendation RFR 1 Supplementary accounting rules for groups and statements from the Swedish Financial Reporting Board.

The Parent Company applies the same accounting principles as the Group other than in the cases specified below under section (v), The Parent Company's accounting principles.

(b) Preconditions with regard to the preparation of financial reports of the Parent Company and Group

The Parent Company's functional currency is Swedish kronor, which also constitutes the reporting currency for both the Parent Company and the Group. All amounts, unless otherwise indicated, are rounded to the nearest million. Financial assets and liabilities are reported at amortised cost, except for certain financial assets and liabilities that are valued at fair value via income statement or via other comprehensive income, see Note 32 Financial instruments.

Certain parts of the Annual report have also been prepared according to the European Single Electronic Format (ESEF). The financial statements included in ESEF for 2022 are the consolidated income statement, balance sheet, cash flow statement, changes in the Group's shareholders' equity and the following notes.

The accounting principles described below for the Group have been applied consistently to all periods presented in the Group's financial reports, unless otherwise indicated below.

(c) New IFRS and interpretations

Only those IFRS and interpretations that are currently considered relevant to Avanza's consolidated financial statements are reported below.

New IFRS and interpretations introduced in 2022

No new or amended IFRS, IFRIC interpretations or changes as a result of IASB's annual improvement project, which entered into force on 1 January 2022, are assessed to have had any significant impact on the Group.

IFRS and interpretations applicable in 2023 or after

The new standards, amendments to standards and statements of interpretation entering into force during the financial year 2023, or later, have not been early adopted in the preparation of the financial statements. Only those changes which are assessed as having a possible future impact on the Group are described below.

IFRS 17 Insurance contracts

IFRS 17, which will enter into force on 1 January 2023, replace IFRS 4 and will entail significant changes for the companies that will apply IFRS 17. In contrast to IFRS 4, IFRS 17 also contains rules on how insurance contracts are measured and presented. The purpose of the standard is to create a uniform method for recognising all types of insurance contracts, a higher degree of transparency in insurance companies' earnings and increased comparability between companies and countries. The definition of an insurance contract is left essentially unchanged compared to IFRS 4, while the rules for separating investment and service components are slightly adjusted. The composition of the income statement and balance sheet will be changed and the disclosure requirements are significantly increased. Avanza has analysed the new standard and will not be subject to IFRS 17. All contracts in Avanza's insurance operations are classified as investment contracts and recognised according to IFRS 9.

No other IFRS or IFRIC interpretations which have not yet entered into force are expected to have a material impact on the Group.

(d) Segment reporting

A segment is a part of the Group that can be identified in accounting terms and which engages in commercial operations, which receives income and incurs costs for which independent financial information exists, and whose operating profit is monitored by the management.

Avanza's internal monitoring is conducted on the basis of the result for the Group as a whole and expenditure per cost unit. This business is connected with the customers' accounts and Avanza is guided by total customer volume rather than financial information for different product categories. The operating profit is only followed up at a group level. Avanza as a whole, therefore, constitutes a total segment in accordance with the criteria in IFRS 8.

(e) Classification

Fixed assets and long-term liabilities in the Parent Company and the Group comprise, in every significant respect, amounts that are expected to be recovered or paid more than twelve months after the closing day. Current assets and current liabilities in the Parent Company and the Group comprise, in every significant respect, amounts that are expected to be recovered or paid within twelve months of the closing day.

(f) Consolidation principles

Subsidiaries are all companies over which the Group has a controlling interest. The Group controls a company when it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. Subsidiaries are included in the consolidated accounts from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated accounts from the date on which the controlling influence ends.

The acquisition method of accounting is used for reporting the Group's business combinations. The purchase sum for the acquisition of a subsidiary consists of the fair value of transferred assets, liabilities that the Group assumes to the previous owners of the acquired company and shares issued by the Group. The purchase sum also includes the fair value of all assets and liabilities resulting from any agreement on a conditional purchase sum. Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value on the acquisition date. For each acquisition the Group determines whether holdings without controlling influence in the acquired company should be recognised at fair value or as the proportional share of the holding in the carrying amount of the identifiable net assets of the acquired company. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the amount with which the total purchase sum and fair value of the holding without controlling influence exceed fair value of identifiable acquired assets and assumed liabilities. If the purchase sum is less than the fair value of the net assets of the acquired company, the difference is recognised directly in the income statement.

Associated companies are companies over which the Group exercises control. Control is assumed when the Group directly or indirectly holds between 20 and 50 per cent of the votes in the company. The equity method is applied once the holding has been classified as shares in associated companies in the Group. Profit shares are recognised as profit/loss from participations in associated companies.

Restrictions on the transfer of funds to the Parent Company

The subsidiaries Avanza Bank AB (publ), Försäkringsaktiebolaget Avanza Pension and Avanza Fonder AB are, in accordance with external regulations and legislative requirements, obliged to maintain a certain amount of shareholders' equity in each legal entity, which means that restrictions exist on the transfer of funds to the Parent Company, Avanza Bank Holding AB (publ).

Transactions eliminated on consolidation

Intra-group receivables, liabilities and transactions, including income or expenses and unrealised gains or losses arising from intra-group transactions, are eliminated in their entirety. The accounting principles for subsidiaries have been amended as

appropriate in order to guarantee the consistent application of the Group's principles.

(g) Foreign currencies

Transactions in foreign currencies are converted to Swedish kronor at the exchange rate applicable on the transaction date. Monetary assets and liabilities in foreign currencies are converted to Swedish kronor at the closing day exchange rate. Exchange rate differences arising in conjunction with the conversions are recognised in the income statement.

(h) Income**Net commission**

Commission income primarily comprises brokerage, fund commissions, currency-related income and other commissions and is, according to IFRS 15, recognised as revenue when the customer obtains control over the sold goods or services and has the potential to use or obtain benefit from the goods or services. A customer is a party that enters into a contract with Avanza to obtain services that are the result of Avanza's ordinary activities. Brokerage is recognised as income on the transaction date. Fund commissions are received from external fund managers and essentially comprise compensation based on fund volume, which are recognised on a monthly basis. Currency-related income refer to currency exchanges related to customers' securities and fund trades listed in other currency than Swedish kronor. Other commissions mainly refer to compensation for brokering securities in conjunction with new share issues, the sale of structured products and compensation for distribution. Other commissions are recognised upon completion of transactions.

Commission expenses mainly consist of transaction costs directly related to brokerage income and payment commissions.

Net interest income

Income from financial instruments is reported in accordance with IFRS 9. Interest income related to assets measured at amortised value and fair value via other comprehensive income is recognised as interest income in the income statement according to the effective interest method, while other interest income is recognised in other interest income. Interest income from lending to credit institutions and lending to the public is recognised as income as it is earned, which implies that interest income is allocated to the period to which it refers in accordance with the effective interest method. The effective interest method is a method for calculating the amortised cost for a financial asset and for allocating interest income to appropriate periods. Bonds generate net interest income in periods with positive rates as an effect of the sum of amortisation of premiums and the coupon rate, where the coupon rate exceeds the interest expense for amortisation of premiums.

Interest expenses regarding lending to credit institutions refer to interest fees for periods with negative interest, which are expensed as incurred, meaning that interest expenses are allocated to the period to which they refer. Bonds generate net interest expenses in periods with negative rates as an effect of the sum of amortisation of premiums and the coupon rate, where the coupon rate is below the interest expense for amortisation of premiums. Interest expenses are also incurred on deposits from the public, lease liabilities and the deposit guarantee fee and the resolution fee, which are recognised according to the same principle.

Net result of financial transactions

Income from financial instruments is reported in accordance with IFRS 9. Profit/loss from financial transactions comprises realised and unrealised profit/loss from the sales and holdings of securities, participations and currencies. Profit/loss on assets and liabilities in the insurance operations is also reported here.

(i) Financial instruments

Financial instruments are defined in accordance with IAS 32 as agreements that give rise to a financial asset in a company and a financial liability or equity instrument in another company. A financial asset is an equity instrument in another company or assets that entail a contractual entitlement to immediate receipt of cash or other financial asset. A financial liability is a contractual obligation to pay cash or other financial asset to another company.

A financial asset or financial liability is recognised in the balance sheet on the transaction date, i.e. when the company becomes party to the instrument's contractual terms. Financial assets are derecognised from the balance sheet when the contractual rights to the cash flows expire or have essentially been transferred to a third party. Financial liabilities are derecognised when the obligation has been discharged, cancelled or expired. The same applies to any part of a financial asset or financial liability. As a rule, financial assets and liabilities are recognised gross in the balance sheet. A financial asset and a financial liability are set off and reported with a net amount in the balance sheet only when there is a legal right to set off the amounts and there is an intention to settle the items with a net amount or to simultaneously realize the asset and settle the liability. Securities trading receivables and securities trading liabilities are offset in the balance sheet, this is because they are settled by payment for delivery in a clearing business.

Financial instruments are initially recognised at the instrument's fair value, which normally corresponds to the acquisition cost plus direct transaction costs. Those instruments that fall within the category of fair value via income statement are, however, measured excluding transaction costs. Subsequent recognition is determined by the categories within which the instruments have been classified.

According to the classification and measurement requirements in IFRS 9, financial assets and liabilities are classified as and measured at fair value via income statement, amortised cost or fair value via other comprehensive income. The classification is determined by a business model assessment for different groups of instruments and in a so-called SPPI test (Solely Payment of Principal and Interest), which determines whether the asset's cash flow consists solely of repayments of principal and interest. The SPPI test must be passed in order for financial instruments to be classified at amortised cost or at fair value via other comprehensive income. If the SPPI test is not passed, the financial instrument is classified at fair value via income statement.

Financial assets at fair value via income statement

Equity instruments and derivatives measured at fair value via income statement mainly consist of shares and participations, as well as interest-bearing securities held as part of the insurance operations. Interest-bearing securities held as part of the insurance operations are assets used as liability coverage for

the Group's investment contracts in the insurance operations. All contracts within the Avanza Group have conditional dividends in which the policyholder bears the risk of changes in value and these contracts are consequently defined as investment contracts and recognised in accordance with IFRS 9, see also section (o) Insurance operations.

Instruments are measured at fair value ("fair value option") and have initially been identified as financial instruments at fair value via income statement less transaction costs. The policyholders are authorised to manage the assets themselves, while at the same time being responsible for all risks related to changes in value as a consequence of this management, which is why insurance-related assets and debts (conditional dividends) are of equal size at all times. There is also a minor item for outstanding claims included among insurance-related liabilities (guaranteed return), due to which total insurance-related liabilities slightly exceed insurance-related assets. The policyholders carries risk of change in value of the assets in the insurance operations corresponding to the part of liabilities in the insurance operations which regards conditional dividends, the net effect of change in value is therefore zero. Change in the remaining insurance debt, which relates to outstanding claims, is guaranteed by the insurance company.

Financial assets at amortised cost

This category includes a portfolio of treasury bills eligible for refinancing, covered bonds and, to a lesser extent, government, municipal and county bonds that are held as an element in the management of the Group's surplus liquidity. This category also includes balances at central banks, lending to credit institutions, lending to the public, securities trading receivables, tax receivables of which the majority refers to the balance of the tax account, accounts receivable and the part of the insurance assets that pertains to cash. The business model consists of generating value by obtaining contractual payments. The terms of the instruments mean cash flows passing the SPPI test.

Lending to the public and accounts receivable are measured at amortised cost less confirmed credit losses and expected credit losses. Avanza has neither corporate financing nor consumer loans, which are normally associated with banking operations. Concerning lending to the public, account credits have collateral in the form of securities or cash, while mortgages have collateral in the form of real estate.

Financial assets at fair value via other comprehensive income

Assets measured at fair value via other comprehensive income are initially recognised in the balance sheet at fair value with addition to acquisition value costs. Following first reporting, instruments in this category are measured at fair value via other comprehensive income. Unrealised changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve in shareholder's equity. In connection with a sale, a reclassification is made from the fair value reserve through other comprehensive income to profit or loss, where the realised result is recognised on the line for net result of financial transactions in the income statement.

Financial instruments in this category mainly consists of a portfolio of covered bonds, and to a lesser extent, securities issued by the Swedish government, municipalities and county councils which are held as a part of administration of the Group's excess

liquidity. The business model consists of both generating value by obtaining contractual payments and through certain sales of the financial assets. The terms of the instruments mean cash flows passing the SPPI test. This category also reports the parts of shares and participations that are not held for trading, identified to the category fair value via other comprehensive income at the first reporting date.

Financial liabilities at fair value via income statement

In this category liabilities in the insurance operations are reported, see section (o) Insurance operations, excluding provisions for unregulated claims, since corresponding assets are measured at fair value through profit or loss. All agreements with Avanza have conditional dividends in which the policyholder bears the risk of changes in value, with which the commitment is reported as a liability in the balance sheet. The size of the debt is directly proportional to the value of the securities, as well as deposits and withdrawals.

The liabilities have initially been identified as financial liabilities at fair value via income statement less transaction costs. The valuation is based on the fair value of the underlying assets.

Financial liabilities at amortised cost

Financial liabilities in this category mainly refer to deposits from the public, securities trading liabilities, tax liabilities, accounts payable and other liabilities.

Impairment according to IFRS 9

IFRS 9 states that all assets measured at amortised cost and fair value via other comprehensive income, as well as off-balance sheet commitments including guarantees and credit obligations, must be tested for impairment. The impairment test is based on a model for expected credit losses. Assets that are impairment tested are divided into three categories depending on the degree of credit impairment according to IFRS 9. Category 1 comprises assets where there has not been a significant increase in the credit risk, category 2 comprises assets where there has been a significant increase in the credit risk, and category 3 comprises defaulted assets. Significant assets in category 3 are tested on an individual basis, while a collective assessment is made for insignificant assets. Linked to this are forward-looking scenarios where macro factors are taken into account in the categorisation, see below under the section Macro analysis. Avanza's definition of default is an exposure that wound up in category 3.

Impairment lending to the public

Margin lending and mortgage lending are classified in categories 1–3 according to the above-mentioned changes in credit deterioration.

- Category 1: Margin lending where the borrowers abide by the current credit and account terms with fewer deviations than specified in category 2. Mortgages where the borrowers have made their interest payments during the latest rolling 12-month period with fewer deviations than specified in category 2.
- Category 2: Margin lending and mortgage lending with a significant increase in the risk of default are moved from category 1 to category 2 when the following conditions are met. Margin lending where the borrowers are overleveraged, but where the value of the collateral (which reflects repayment capacity) exceeds the active liability for more than 10 days

or loans that have been categorised in category 3 in the last 90 days. Mortgages where the borrowers during the latest 12-month period have had at least one violation of interest payment deadlines lasting longer than 10 days. A return to category 1 requires: Margin lending – the customer is no longer in violation for more than 10 days and in the latest 90 days has not been categorised in category 3. Additionally, the market value of the financial securities pledged as collateral (which reflects repayment capacity) for the active liability exceeds the active liability. Mortgages – where the customer during the latest rolling 12-month period has remained current on their interest payments without being in violation for more than 10 days.

- Category 3: Margin lending and mortgages with a significant increase in credit risk compared to category 2 are moved to category 3 when the following conditions are met: Margin lending where the borrowers are overleveraged at the same time that the value of the collateral (which reflects repayment capacity) is less than the active liability or a violation of the credit and account terms has continued for longer than 90 days. Mortgages where the borrowers during the latest 3-month period have had a violation of interest payment deadlines lasting 90 days or more. A return to category 2 requires: Margin lending – the market value of the financial securities pledged as collateral (which reflects repayment capacity) for the active liability is no longer less than the active liability and the customer is no longer in violation of the credit and account terms for more than 90 days. Mortgages – the customer is not returned until they have not been in violation for 90 days or more during the latest rolling 3-month period. Returns are initially always to category 2, never directly to category 1, which applies to both products.

The provisions will be calculated as exposure upon default times the probability of default times the loss in the event of default. In category 1, the provisions correspond to the part of the entire term's expected credit losses that is attributable to an event of loss in the coming 12 months. In categories 2 and 3, the provisions correspond to lifetime expected credit losses.

If the impairment is considered definitive, it is recognised as a confirmed credit loss and the value of the lending and the associated provisions for credit losses are derecognised from the balance sheet. The principle for derecognition from the balance sheet is bankruptcy, completed debt restructuring or mortality.

Impairment liquidity portfolio

Avanza's portfolios of bonds, which are recognised at fair value through other comprehensive income or at amortised cost, are considered to be of the highest possible credit quality with low credit risk. The portfolios mainly consists of covered bonds and municipal bonds. All bonds are market listed. The bonds are placed in category 1 and Avanza currently does not allocate any provisions to the reserve for expected credit losses for bonds, since the portfolios as a whole have a high rating and are assessed according to the exception for holdings with low credit risk as per IFRS 9. The need for a loss reserve is assessed on a regular basis and may change if the portfolio's structures changes.

Macro analysis

The macroeconomic scenario work is based on three scenarios (a baseline scenario, a positive scenario and a negative scenario)

to determine any impact on probability of default (PD), loss given default (LGD) and exposure at default (EAD). The weights for these scenarios are 70 per cent for the baseline scenario, 15 per cent for the positive scenario, and 15 per cent for the negative scenario.

The IFRS 9 model also uses forward-looking macroeconomic factors that are revised over time and a reasonability and sensitivity assessment of their impact on expected credit losses (ECL). The macro variables that affect the ECL calculation for margin lending are probability of a significant drop in stock prices, probability of a significant price drop in individual securities and unemployment. The macro variables that affect the ECL calculation for mortgages are the repo rate, unemployment and the house price index.

(j) Intangible fixed assets

Intangible assets are recognised in the balance sheet if it is probable that future financial benefits will accrue to the company and the acquisition value of the asset can be calculated in a reliable way.

An intangible asset is initially measured at acquisition value when recognised in the balance sheet. After first reporting, an intangible asset is recognised in the balance sheet at acquisition value, following deduction of any accumulated amortisation and accumulated write-downs. The accounting principles for depreciation are shown below under (l) Depreciation.

The residual value and useful life of intangible assets are reassessed, regardless of whether a reduction in value is indicated, at a minimum at the end of each financial year, at which time an adjustment of the amortisation schedule and/or write-down is made as required. The accounting principles for write-downs are shown below under (m) Write-downs. Intangible assets that have not yet been taken into use are also tested annually even if there is no indication of impairment.

Goodwill

Goodwill represents the difference between the acquisition value of a business combination and the acquired fair value of assets, assumed liabilities and any contingent liabilities. Goodwill is measured at the acquisition value less any accumulated write-downs.

Capitalised development expenditure

Capitalised development expenditure comprises externally purchased services and capitalised personnel costs. Capitalised expenditure relates to the implementation of a backoffice system and the development of a trading system and other applications, which will generate long-term economic advantages for the Group through either increased income or cost savings, and are recognised among assets when they arise. Capitalised development is added to the balance sheet at acquisition value less amortisation and write-downs. Amortisation of capitalised development occurs once the asset is ready and over its estimated useful life. Development expenditure is recognised as an asset in the balance sheet when a number of criteria are met:

- the product or process is technically and commercially viable
- the company has sufficient resources to complete development
- the company can use or sell the intangible asset
- the acquisition cost can be calculated in a reliable manner

Avanza has marketing expenditures that are expensed immediately rather than capitalised. Costs to configure and adapt SaaS services are expensed as they arise or accrued over the system's contract term. Development costs are otherwise expensed when they arise.

Customer relations

Customer relations are recognised at estimated fair value when the Group assumed risks and benefits regarding affected subsidiaries. Customer relations have a limited useful life and are recognised at acquisition value less accumulated depreciation and any write-downs.

(k) Tangible fixed assets

Tangible fixed assets are recognised in the balance sheet if it is likely that future economic benefits will accrue to the company and the acquisition value of the asset can be reliably calculated.

Tangible fixed assets are recognised in the Group at acquisition value after deducting accumulated depreciation and any write-downs. Acquisition value includes the purchase price and costs directly attributable to the asset. The accounting principles for depreciation and amortisation are shown below under (l) Depreciation and amortisation and the principles for write-downs under (m) Write-downs.

Tangible fixed assets are eliminated from the balance sheet in conjunction with retirement or disposal. Profits and losses are recognised as other operating income/expenses.

(l) Depreciation and amortisation

Depreciation and amortisation is recognised on a straight-line basis in the income statement over the assets' estimated useful lives. The estimate useful lives are:

computers and other technical installations	3 or 5 years
equipment	5 years
patents and trademarks	5 years
development expenditure	5 years
development expenditure trading system	10 years
customer relations	5 years
rights to use	1–4 years

An assessment of an asset's residual value and useful life is made annually. Intangible assets subject to amortisation are amortised from the date they become available for use.

(m) Write-downs

The carrying amounts for the Group's assets not classified as financial instruments are tested each closing day to determine whether there is any indication of a write-down requirement. If any such indication exists, the asset's recoverable amount is calculated. A write-down is reported when the carrying amount of an asset exceeds the recoverable amount. A write-down is charged to the income statement. The recoverable amount of goodwill and other intangible assets with indeterminable useful lives, and intangible assets not yet ready for use, is calculated annually.

Calculation of the recoverable amount

The recoverable amount is the greater of the asset's fair value, less selling expenses, and its value in use. When calculating value in use, future cash flows are discounted using a discount factor that takes into account risk-free interest rates and the risk

associated with the specific asset. The recoverable amount for the cash-generating unit to which the asset belongs is calculated for any asset that does not generate cash flows and is significantly independent of other assets.

Reversal of write-downs

Write-downs are reversed if a subsequent increase in the recoverable amount can objectively be attributed to an event that occurred after the write-down occurred. Goodwill write-downs are not reversed.

(n) Leasing

For Avanza as a lessee IFRS 16 Leases is applied according to which material leases with a term exceeding 12 months are recognised as assets and liabilities in the balance sheet represented by the right to use the leased asset and the obligation to pay future leasing charges. Depreciation of the lease asset and interest expenses attributable to the lease liability are recognised in the income statement. The leases in question comprise offices.

Leases are not recognised as right-of-use assets and lease liabilities in cases where the underlying asset has a low value or a term shorter than 12 months.

(o) Insurance operations

Insurance contracts and investment contracts

IFRS distinguishes between insurance contracts, which are recognised according to IFRS 4, and investment contracts, which are recognised according to IFRS 9. Insurance contracts are contracts where significant insurance risk is transferred from the policyholder to the issuer. Investment contracts are financial instruments which are not defined as insurance contracts, since they do not transfer a significant insurance risk to the issuer. All contracts in Avanza's insurance operations are classified as investment contracts and are recognised according to IFRS 9, see also section (i) Financial instruments. Risk insurance such as premium waiver, life, health, disability, child and health-care insurance is offered in partnership with Euro Accident.

Avanza's policies consist of unit-linked insurance or traditional insurance. For unit-linked policies, the value of the insurance is entirely dependent on the investments that the policyholder makes. It is the policyholders themselves who bear the investment risk for the investments. In traditional insurance, the value of the insurance consists in its entirety of conditional dividends, which means that policy does not have a guaranteed insured amount. It is the policyholders who bear the investment risk for the investments. The occupational pension and private pension insurance products will, upon pay-out, be converted to unit linked insurance. The endowment pension, can, upon pay-out, be converted to unit-linked insurance. If the policy remains as traditional insurance, a fixed annual amount of 1 per cent of the insurance value will be calculated on the first pay-out date in the first five years and will be paid out over five years. The payment amount is guaranteed in the first five years.

Prepaid acquisition cost insurance operations

Avanza does not capitalise acquisition costs and thus has no prepaid acquisition costs, also known as Deferred Acquisition Costs (DAC), in the balance sheet. Acquisition costs are recognized as they arise.

Assets in insurance operations

Assets in the insurance operations consist of policyholders' investments in securities in endowment insurance, endowment pensions, private pension insurance and occupational pensions. It is the policyholders who bear the investment risk, with the exception of any guaranteed amount in paying traditional insurance. Assets in the insurance operations, excluding cash, are measured at fair value through profit or loss. Amounts received from and paid to the holders are recognised in the balance sheet as deposits or withdrawals.

Technical provisions

The technical provisions are divided into the life insurance provision, unit-linked insurance commitments, provisions for outstanding claims and conditional dividends.

The life insurance provision is comprised of the capital value of the future insurance compensation guaranteed to policyholders. The provision is calculated individually by policy and refers to the guaranteed entitlements to be paid out in five years.

Unit-linked insurance commitments are calculated individually by policy. The provision corresponds to the total market value of the holding in the policyholders' custodial accounts.

The provision for outstanding claims refers to claims for incidents that have occurred but have not been reported. The provision is calculated collectively for the insured portfolio and is a specific percentage of the gross risk premium income for the claim year.

Conditional dividends are calculated individually by policy. It corresponds to the total market value of the holding in the policyholder's custodial account less any provision for guaranteed entitlements.

Commitments for investment contracts

All contracts with Avanza have conditional dividends where the policyholder bears the risk for changes in value, whereby they are classified as investment contracts and the commitment is recognised as a liability. The size of the liability is directly related to the change in value of the underlying securities as well as deposits and withdrawals. The liability is mainly recognised as liabilities measured at fair value through profit or loss. Changes in the value of assets in the insurance operations and the corresponding change in the commitment for investment contracts are offset in the income statement. The substance of the transaction is that the changes in value belong in their entirety to the policyholders. Netting makes it easier for policyholders and other stakeholders to understand the transactions and assess the company's results and future cash flows.

The liability related to the reserve for unknown claims is calculated on an actuarial basis and recognised as a liability to policyholders.

Commitments for insurance contracts

No contracts are classified as insurance contracts, since there are no significant insurance risks within the insurance operations. Risk insurance such as premium waiver, life, health, disability, child and health-care insurance is offered in partnership with Euro Accident (issuer), which means that Avanza is not exposed to any insurance risk related to these products.

(p) Dividend paid

Dividends are recognised as liabilities once the Annual General Meeting has approved the Board's dividend proposal.

(q) Employee benefits

Pension costs refer to occupational pension premiums and special employer's contribution. Occupational pensions are obtained through defined contribution pension plans equivalent to the ITP 1 plan. Payment obligations for defined contribution plans are expensed in the income statement as they arise. In contrast to defined benefit pensions, where the employee is guaranteed a specific predetermined pension, the value of the pension for the employee depends on the premiums that have been paid in and the returns that the investments have generated.

(r) Provisions

A provision is recognised in the balance sheet when the Group has an existing legal or informal obligation as a result of an event that has occurred, and it is probable that an outflow of economic resources will be required to regulate the obligation and a reliable estimate of the amount can be made.

(s) Taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognised in the income statement except when the underlying transaction is recognised in other comprehensive income or directly to shareholders' equity, at which point the associated fiscal effect is recognised in the corresponding manner.

Current tax is the tax payable or which is received in respect of the current year, applying the rates of taxation approved, or approved in practice, as of the closing day. This also includes adjustments of current tax attributable to previous periods.

Deferred tax is calculated using the balance sheet method on the basis of temporary differences between the recognised and fiscal values of assets and liabilities. The following temporary differences are not taken into account: temporary differences that arose in conjunction with the first reporting of goodwill, the first reporting of assets and liabilities that do not constitute business combinations and which, at the time of the transaction, did not affect either the reported or the fiscal profit/loss. The valuation of deferred tax is based on the way in which the carrying amounts of assets or liabilities are expected to be realised or settled. Deferred tax is calculated by applying the rates of taxation and taxation rules approved, or approved in practice, as of the closing day. Deferred tax receivables in respect of deductible temporary differences and deficit deductions are only recognised to the extent that it is likely it will be possible to utilise them.

Försäkringsaktiebolaget Avanza Pension also pays a yield tax based on an approximation of the return on assets managed on behalf of policyholders. The yield tax is deducted from policyholders' assets.

(t) Pledged assets and contingent liabilities

Pledged assets can consist both of pledged assets for own liabilities as well as provisions and pledged assets for items other than liabilities reported in the balance sheet. Pledged assets refer to collateral held by Swedish credit institutions, clearing institutions and the Riksbank.

A contingent liability is recognised when there is a possible obligation that arises from events that have occurred and whose existence is only confirmed by one or more uncertain future events, or when there is an obligation that is not recognised as a liability or provision because it is not likely that an outflow of resources will be required or the size of the obligation cannot be calculated with sufficient reliability.

(u) Cash flow statement

The cash flow statements for the Group and the Parent Company are prepared using the indirect method and show the payments received and made by the operating activities, investing activities and financing activities during the financial year.

Cash flows attributable to operating activities derive primarily from the Group's revenue-generating operations. The net of the operating activities' payments received and made are calculated by adjusting the operating profit/loss for the year for items that do not affect the cash flow, for changes in operating assets and operating liabilities during the period and for other items for which the effect on cash flow can be attributed to investing or financing activities. The most important types of incoming and outgoing payments attributable to the investing and financing activities are recognised separately in the cash flow statement. Amounts are reported gross.

Liquid assets

Liquid assets mainly comprise balances held with banks and equivalent institutions that can be reinvested with one day's or a maximum of one month's notice. Balances held with banks and equivalent institutions relating to assets pledged as collateral are excluded from liquid assets.

(v) The Parent Company's accounting principles

The Parent Company has prepared its Annual report in accordance with the provisions of the Swedish Annual Accounts Act (1995:1554) and RFR 2 Accounting for legal entities of the Swedish Financial Reporting Board. Under RFR 2 the Parent Company, in its annual accounts for the legal entity, shall apply all IFRS regulations and statements approved by the EU, as far as possible, within the framework of the Swedish Annual Accounts Act and with regard to the connection between accounting and taxation. The differences between the accounting principles of the Group and the Parent Company are shown below.

The accounting principles for the Parent Company described below have been applied consistently to all periods presented in the Parent Company's financial reports.

Shares and participations in Group companies

Participations in Group companies are recognised by the Parent Company in accordance with the acquisition value method of accounting. Dividends received are recognised as income when the right to receive payment is adjudged to be certain.

Shares and participations in associated companies

Shares and participations in associated companies are recognised at cost of acquisition in the Parent Company's balance sheet, in contrast to the Group, where the value is adjusted for Avanza's share of the associated company's result (net after tax) in accordance with the equity method.

Group contributions

Group contributions are recognised as appropriations, regardless of whether the Group contribution is paid or received.

Anticipated dividend

Anticipated dividends from subsidiaries are booked as financial income in the Parent Company already during the vesting year in connection with the annual accounts. The subsidiaries do not book the dividend until the following year in conjunction with the Annual General Meeting deciding on the allocation of profits.

(w) Notes that have no direct reference to income statements or balance sheets

- Note 1 Corporate information
- Note 2 Accounting principles
- Note 34 Own funds and capital requirements
- Note 35 Financial risks
- Note 36 Related parties
- Note 37 Important estimates and assessments
- Note 38 Events after the closing day
- Note 39 Proposed allocation of profits

Note 3 Revenue from contracts with customers

SEK m – The Group	2022	2021
Trading in commission-generating securities	1,438	2,260
Fund savings	635	735
Corporate services	11	89
Other commission income	429	335
Total	2,512	3,419
<i>Timing of revenue recognition</i>		
Service or goods transferred to customer at a specific point in time	2,512	3,419
Service or goods transferred to customer over time	–	–
Total	2,512	3,419

Avanza's customers mainly consist of private investors in Sweden, corporate customers and partners in third-party relationships. Revenue from contracts with customers largely comes from securities trading and includes profit from currency-related income of SEK 365 million (SEK 626m) in the lines Trading in commission-generating securities and Fund savings.

No assessments are needed that would materially affect the size or timing of the above-mentioned revenue. Nor has Avanza incurred any expenditures to secure or fulfil the contracts with customers.

No single external customer generates more than 10 per cent of the Group's revenue. Avanza offers a diversified portfolio of

savings and loans in strongly competitive markets. As a result, the Group's dependence on individual customers is limited. The largest single customer in 2022 generated brokerage income of SEK 2.1 million (SEK 4.2m) and interest income of SEK 2.7 million (SEK 1.7m). The largest customer in the corporate services category generated revenue of SEK 1.5 million (SEK 13.6m). In external fund trades, Avanza receives a commission from the partner and does not charge a fee to the customer. From the fund company that brokered the largest single commission in 2022 Avanza received revenue of SEK 54 million (SEK 79m).

All operations are conducted in Sweden and both income from external customers and fixed assets are attributable to Sweden.

Note 4 Commission income

SEK m – The Group	2022	2021
Brokerage, gross	1,111	1,690
Fund commissions	596	679
Currency-related income	365	626
Other commissions ¹⁾	439	424
Total	2,512	3,419

¹⁾ Includes mainly income from Avanza Markets, but also income from Corporate Finance, stock lending, compensation for distribution and advertising sales, subscriptions and customer's ad-on services.

Note 5 Commission expenses

SEK m – The Group	2022	2021
Transaction costs ¹⁾	–156	–234
Payment services commissions	–91	–118
Other commission expenses ²⁾	–84	–88
Total	–331	–439

¹⁾ Costs directly related to brokerage income.

²⁾ Include application costs related to mortgages, SEO costs, costs for traders systems, refund of fund commissions and a number of smaller costs.

Note 6 Net interest income

SEK m – The Group	2022	2021
Interest income		
<i>Interest income using the effective interest method</i>		
Interest income from loans to credit institutions	86	0
Interest income from loans to the public	558	391
Interest income from interest-bearing securities	290	37
Total interest income using the effective interest method	935	428
<i>Other interest income</i>		
Other interest income	1	–
Total other interest income	1	–
Total interest income	936	428
Interest expenses		
Interest expenses for loans to credit institutions	–6	–9
Interest expenses for deposits from the public	–94	–53
Interest expenses for lease liabilities	–2	–3
Other interest expenses	–45	–42
Total interest expenses	–147	–106
Net interest income	789	321

The average lending rate to account customers during the year was 2.3 per cent (1.8) and the average deposits rate from accounts with surplus liquidity during the year was 0.0 (0.0) per cent.

Part of lending to the public is covered in its entirety over the course of the year by cash pledged on endowment insurance. This portion of lending does not affect net interest income, since the interest rate on deposits is the same as the loan rate.

Note 7 Net result of financial transactions

SEK m – The Group	2022	2021
Realised profit/loss regarding shares, etc	1	1
Exchange rate fluctuation	–2	–1
Change in value of insurance operations assets	–46,700	40,360
Change in value of insurance operations liabilities	46,700	–40,360
Total	–1	0
Net profit/net loss per valuation category		
Financial assets valued at fair value via income statement	–46,699	40,361
Financial liabilities valued at fair value via income statement	46,700	–40,360
Financial assets valued at amortised cost	–2	–1
Financial assets valued at fair value via other comprehensive income	–116	–3
Total	–117	–3

Note 8 General administration expenses

SEK m – The Group	2022	2021
Personnel costs	–636	–566
Consultancy services purchased	–83	–58
Market information costs	–63	–61
Other general administration expenses	–118	–68
Total	–900	–753

Note 9 Employees and personnel costs

SEK m – The Group	2022	2021
Salaries and other remuneration	–421	–378
Pension costs	–58	–51
Social insurance charges	–130	–116
Other personnel costs	–27	–20
Total personnel costs	–636	–566

The Group has no employees outside Sweden. At the end of the year there was a total of 635 (603) Group employees. Normal employment terms comprise salary and benefits.

Pension costs refer to occupational pension premiums and special employer's contribution. Occupational pensions, through defined contribution pension plans, are obtained corresponding to the ITP 1-plan for all employees over 25 years.

Salaries, other remuneration and social insurance charges

SEK m	2022		2021	
	Salaries and other remuneration	Social insurance charges (of which pension costs)	Salaries and other remuneration	Social insurance charges (of which pension costs)
The Group	421	188	378	168
		(58)		(51)
of which the Board of Directors and senior executives	32	18	31	17
		(8)		(8)
Parent Company	15	6	15	6
		(3)		(3)
of which the Board and CEO	9	4	8	4
		(2)		(1)

Average no. employees	2022		2021	
	No. employees	Of whom, men	No. employees	Of whom, men
Parent Company	5	2	5	2
Subsidiaries	618	390	556	355
Total	622	392	560	357

2022 SEK thousand – The Group	Basic salary/ Directors' fees	Variable remuneration	Pension cost	Total
Chairman of the Board	481	–	–	481
Members of the Board	4,367	–	–	4,367
CEO	8,215	–	3,161	11,376
Deputy CEO	2,953	–	815	3,768
Other senior executives	15,578	–	4,125	19,703
Total	31,593	0	8,102	39,695

2021 SEK thousand – The Group	Basic salary/ Directors' fees	Variable remuneration	Pension cost	Total
Chairman of the Board	466	–	–	466
Members of the Board	4,151	–	–	4,151
CEO	7,700	–	2,981	10,681
Deputy CEO	3,014	–	841	3,855
Other senior executives	15,331	–	4,038	19,369
Total	30,662	0	7,860	38,522

SEK thousand – Parent Company	2022		2021	
Board members	Directors' fees	Other remuneration	Directors' fees	Other remuneration
Sven Hagströmer	481	–	466	–
Magnus Dybeck	425	–	401	–
Jonas Hagströmer	528	–	476	–
Mattias Miksche	137	–	514	–
Hans Toll	633	–	587	–
Leemon Wu	474	–	345	–
Catharina Eklöf	519	–	481	–
Johan Roos	796	–	668	–
Linda Hellström	359	–	–	–
Sofia Sundström	359	–	–	–
Viktor Fritzén	140	–	533	–
Birgitta Klasén	–	–	147	–
Total	4,848	–	4,617	–

The Board of Avanza Bank Holding AB (publ) has 9 (9) members, 5 (7) of whom are men. Fees have been paid to the Chairman of the Board and Board Members in accordance with the resolutions of the 2022 Annual General Meeting. The Chairman of the Board has not received any remuneration in addition to Director's fees.

Information regarding senior executives

The term, senior executive, refers to the CEO and 9 (8) other persons at the end of the year who hold senior positions. Together, they make up the Group Management. There were 10 (9) senior executives in the Group during the year, 5 (5) of whom were men.

Remuneration to senior executives during the financial year

Remuneration to the CEO and other senior executives has, in accordance with Avanza's guidelines, comprised a base salary. No variable remuneration has been paid during the current or previous year to the CEO or other senior executives. There is thus no cost-bearing movable compensation related to the year, nor is there any previously deferred variable remuneration that has not fallen due for payment. The remuneration to the CEO for the 2022 financial year has been prepared by the boards Remuneration Committee and decided by the Board of Directors.

Other senior executives refer to nine individuals who comprised the Group Management during the year together with the CEO. For more information on Group Management's composition at the end of the financial year, see pages 60–61. The CEO has a 6-month period of notice if he terminates his employment contract himself, and a severance pay corresponding to 12 monthly salaries if the contract is terminated by the company. The period of notice for other senior executives if they themselves terminate their contracts of employment is 6 months, and 6 months if the contracts of employment are terminated by the company. There are no severance pay agreements for other senior executives. The retirement age for the CEO and other senior executives is 65. Avanza has no pension commitments for senior executives.

Members of the Group Management have during the year acquired warrants, on market terms in accordance with the warrant programme approved by the the Annual General Meeting on 30 March 2021. The total remuneration paid to members of the Group Management is on market terms.

Details of the company's remuneration policy are provided on the corporate web investors.avanza.se/en.

Financial instruments, warrants

Subsidiary programme 2020-2023		Warrants		Market value	
SEK thousand	Number	Value ¹⁾	Acquisition	Benefit	31-12-2022
CEO	35,490	350	350	–	1,395
Other senior executives	77,860	768	768	–	3,060
Total	113,350	1,118	1,118	–	4,455
Subsidiary programme 2021-2024		Warrants		Market value	
SEK thousand	Number	Value ¹⁾	Acquisition	Benefit	31-12-2022
CEO	19,950	350	350	–	48
Other senior executives	62,970	1,104	1,104	–	152
Total	82,920	1,454	1,454	–	201
Subsidiary programme 2022-2025		Warrants		Market value	
SEK thousand	Number	Value ¹⁾	Acquisition	Benefit	31-12-2022
CEO	34,110	332	332	–	1,387
Other senior executives	110,110	1,070	1,070	–	4,477
Total	144,220	1,402	1,402	–	5,863

¹⁾ Market value on acquisition date.

Subsidiary programmes were acquired at market price in August 2020, August 2021 and August 2022 respectively. The market value has been calculated in accordance with the Black & Scho-

les valuation model, see Note 29 Equity where terms and exercise prices also appear.

Note 10 Auditors' fees and reimbursement of expenses

SEK thousand – The Group	2022	2021
KPMG		
Audit engagements	-3,142	-2,663
Audit business over and above audit engagements	-662	-408
Tax consultancy	-	-
Other services	-	-123
Total	-3,805	-3,194
SEK thousand – Parent Company	2022	2021
KPMG		
Audit engagements	-769	-484
Audit business over and above audit engagements	-48	-
Tax consultancy	-	-
Other services	-	-69
Total	-816	-554

The term, audit engagement, refers to the auditing of the Annual report and the bookkeeping and of the administration by the Board of Directors and the CEO, to other duties incumbent upon the company's auditors, and to the provision of advice or other assistance occasioned by observations in conjunction with such audits or the performance of other such duties.

Auditing activities beyond the audit engagement include reviewing interim reports and services provided in conjunction with certifications and opinions. Tax consultancy refers to taxation issues and Other services mainly comprise advice and accounting issues.

Note 11 Leasing agreements**The Group**

The Group's leased assets classified as right-of-use assets refer to premises. Leases do not contain any limitations other than the security in the leased assets.

No other right-of-use assets were added and no reassessments of lease terms or changes in interest rate levels were made in 2022. Indexation of leases related to leased premises is taken into account in right-of-use assets and lease liabilities as of 31 December 2022.

Right-of-use-assets

SEK m – The Group	31-12-2022	31-12-2021
Right-of-use assets at the beginning of the year	120	153
New lease contract	-	-
Year's depreciation	-37	-36
Year's write-downs	-	-
Indexation	4	3
Right of use assets at the end of the year	87	120

Lease liabilities

SEK m – The Group	31-12-2022	31-12-2021
Current liabilities	0	0
Long-term liabilities	83	122
Total	83	122

For an analysis of the remaining term of the lease liabilities, see Note 35 Financial risks, section Liquidity risk.

Amounts in the income statement

SEK m – The Group	2022	2021
Depreciation of right-of-use-assets	-37	-36
Write-down of right-of-use-assets	-	-
Interest expenses on lease liabilities	-2	-3
Total	-39	-39

Others leases

The Group also leases machinery and IT equipment with terms of one to three years. These are short-term leases and/or leases

of low value. The Group has chosen not to recognise right-of-use assets and lease liabilities for these leases.

Note 12 Other operating expenses

SEK m – The Group	2022	2021
Marketing costs	-28	-24
Other operating expenses	-22	-17
Total	-50	-41

Note 13 Credit losses, net

SEK m – The Group	2022	2021
Year's write down of confirmed credit losses	-1	-5
Year's write-down of expected credit losses	0	5
Total	-1	0

For more information on Avanza's management of impairment, see Note 2 Accounting principles, section (i) Financial instruments, Impairment according to IFRS 9, Note 19 Loans to the public and Note 35 Financial risks.

Note 14 Profit/loss on group participations

SEK m – Parent Company	2022	2021
Dividend received from Group companies	-	370
Anticipated dividend received from Group companies	1,205	1,380
Total	1,205	1,750

Note 15 Tax on profit/loss for the year

SEK m	The Group		Parent Company	
	2022	2021	2022	2021
<i>Current tax expense (-)/tax income (+)</i>				
Tax expense (-)/tax income (+) for the period	-274	-391	-8	-8
Total current tax	-274	-391	-8	-8
<i>Deferred tax expense (-)/tax income (+)</i>				
Deferred tax in respect of temporary differences	0	1	-	-
Total deferred tax	0	1	-	-
Total reported tax expense	-274	-390	-8	-8
<i>Reconciliation of effective tax</i>				
Profit/loss before tax	1,940	2,437	1,245	1,786
Tax at current rate of taxation	20.6%	20.6%	20.6%	20.6%
Non-deductible costs	0.2%	3.2%	0.0%	0.0%
Non-taxable income	0.0%	-3.1%	-19.9%	-20.2%
Other tax base in insurance operations	-6.6%	-4.7%	-	-
Other	0.0%	0.0%	-	-
Effective tax	14.1%	16.0%	0.7%	0.4%

Deferred tax in temporary differences

SEK m – The Group	31-12-2022	31-12-2021
Deferred tax receivable	1	1
Deferred tax liability	-	-
Net	1	1

The temporary differences refer to depreciation of computers, which are depreciated for accounting purposes over three years and for tax purposes over five years as well as the tax reduction

for investments in equipment in 2021. There are no loss carry forwards in the Group.

Note 16 Earnings per share

The Group	2022	2021
Earnings per share before dilution, SEK	10.69	13.19
Earnings per share after dilution, SEK	10.67	13.00
Average no. shares before dilution	155,916,066	155,150,335
Average no. shares after dilution	156,208,550	157,456,453
Outstanding no. shares before dilution	156,619,027	155,571,758
Outstanding no. shares after dilution	156,994,168	158,115,098
No. shares on full dilution	161,269,027	161,271,758

Avanza's outstanding warrant programmes comprise a total of 4,650,000 shares, which if fully exercised represent a maximum dilution of 2.9 per cent. Of these warrants, 2,443,520 were transferred to employees, however, which represents a dilution of 1.5 per cent.

The warrant programme is divided into three sub-programmes.

Each programme runs for three years: 2020–2023 the exercise price of which is SEK 194.09 per share, 2021–2024 the exercise price of which is SEK 380.47 per share and 2022–2025 the exercise price of which is SEK 209.03 per share. The market price, as of 31 December 2022 was SEK 223.60. For more information, see Note 29 Equity.

Note 17 Client funds

The Group
Client fund receivables, attributable to banking business, amounted as of 31 December 2022 to SEK 1,667 million (SEK 1,540m), of which client funds at the Riksbank SEK – million (SEK –m), which are reported net against client fund payables of SEK 1,667 million (SEK 1,540m).

Note 18 Treasury bills eligible for refinancing

SEK m – The Group	31-12-2022	31-12-2021
Eligible government securities	802	2,523
Total	802	2,523

Note 19 Loans to the public

SEK m – The Group	31-12-2022	31-12-2021
Margin lending	8,037	10,076
Mortgage lending	11,222	10,224
of which with collateral in the form of houses	7,660	6,944
of which with collateral in the form of tenant-owned apartments	3,562	3,280
Total	19,259	20,300

Loans to the public is secured through securities and real estate. SEK 13,081 million (SEK 11,476m) in mortgage lending had been granted as of 31-12-2022, of which SEK 1,853 million (SEK 1,247m) was commitment for granted, undisbursed mortgage loans.

During the course of the year, there is lending that is fully covered by collateralised liquid assets on endowment insurance accounts and investment savings accounts. These lendings and deposits are excluded from the balance sheet and does not affect the net interest income since the interest rate on lending and deposits are equal.

Loans to the public are recognised after deducting confirmed and expected credit losses. As of 31 December 2022, the pro-

vision for expected credit losses amounted to SEK 9 million (SEK 9m), or only 0.05 (0.05) per cent of lending. Expected credit losses are calculated according to the methodology in IFRS 9. The parameters in the models for expected credit losses (IFRS 9) were re-evaluated during the year due to the change in macroeconomic conditions. During 2022, a previously expected credit loss from 2011 of SEK 1 million was realised and which consequently decreased the accumulated provision for expected credit losses. This, along with the re-evaluation of the parameters in the models for expected credit losses, explains why the accumulated provision for expected credit losses was affected by SEK 0 million in 2022. See also Note 35 Financial Risks section IFRS 9 and expected credit losses, and Note 2 Accounting Principles section (i) Financial Instruments section Impairment lending to the public.

Provisions for expected credit losses

SEK m – The Group	31-12-2022	31-12-2021
Reserve at beginning of year	-9	-14
Provision for expected losses	0	5
Provisions at end of year	-9	-9
Provision ratio at year-end	0.05%	0.05%

SEK m – The Group	Mortgages 31-12-2022		Margin lending 31-12-2022		Mortgages 31-12-2021		Margin lending 31-12-2021	
	Lending ¹⁾	Reserve	Lending ¹⁾	Reserve	Lending ¹⁾	Reserve	Lending ¹⁾	Reserve
Category 1	10,273	-2	8,013	-3	9,770	-2	10,076	-2
Category 2	942	-4	1	0	457	-3	0	0
Category 3	13	0	26	-1	2	0	5	-2
Total	11,228	-6	8,041	-4	10,229	-5	10,081	-5
Provision ratio		0.05%		0.05%		0.05%		0.05%

¹⁾ Excluding expected credit losses.

Note 20 Bonds

SEK m – The Group	31-12-2022	31-12-2021
Issued by public authorities	1,714	1,167
Issued by other borrowers	30,076	24,687
Total	31,789	25,854

SEK m – The Group	31-12-2022	31-12-2021
Bonds, quoted	31,789	25,854
Bonds, unquoted	-	-
Total	31,789	25,854

As of 31 December 2022, 73.4 (75.0) per cent of the total nominal value was measured at amortised cost and 26.6 (25.0) per cent at fair value through other comprehensive income.

As of 31 December 2022, SEK 3,401 million (SEK 1,820m) in bonds was pledged as collateral. All bonds can be pledged to the Riksbank and are OTC traded, where indicative prices are published on Bloomberg. All covered bonds issued by Swedish banks have the highest bond rating with Standard & Poor's

(AAA) or Moody's (Aaa). Avanza does not allocate any provisions for expected credit losses, since the portfolio qualifies for the exemption for low credit risk holdings in accordance with IFRS 9. See also Note 2 Accounting principles section (i) Financial instruments, section Impairment lending liquidity portfolio.

Note 21 Shares and participations

SEK m – The Group	31-12-2022	31-12-2021
Shares and participations, quoted	0	0
Shares and participations, unquoted	237	237
Total	237	237

Unquoted holdings as of 31 December 2022 and 31 December 2021 refers to Stabelo Group AB.

Note 22 Assets and liabilities in insurance operations

SEK m – The Group	31-12-2022	31-12-2021
<i>Financial assets in insurance operations</i>		
Shares and participations	163,298	201,410
Interest-bearing securities	2,787	4,715
Liquid assets	14,253	12,865
Total	180,337	218,990
<i>Financial liabilities in insurance operations</i>		
Life insurance provisions	5	7
Provision for outstanding claims	2	2
Unit-linked insurance commitments	444	3,805
Conditional bonus	179,888	215,179
Total	180,339	218,992

All assets in insurance operations refer to assets for which the policyholders carry direct investment risk. Corresponding liabilities in insurance operations refer to conditional bonuses for which the policyholders bear the direct risk. This means that the policyholders receive yields but also cover the risk entailed by the insurance operations assets and liabilities.

The Group has no entitlement to the cash flow attributable to invested funds. Both assets and liabilities (conditional dividends) are valued at fair value via the Income Statement. The net effect on profit/loss of unrealised changes in value, realised changes in value, interest and dividends received and premiums paid and changes in value of the liability is zero.

Note 23 Intangible fixed assets

SEK m – The Group	31-12-2022	31-12-2021
Goodwill		
<i>Acquisition values</i>		
At beginning of year	26	26
At end of year	26	26
<i>Write-downs</i>		
At beginning of year	-3	-3
At end of year	-3	-3
Carrying amount at end of year	23	23
Other intangible assets		
<i>Acquisition values</i>		
At beginning of year	148	114
Year's investments	17	77
Year's disposals	-	-43
At end of year	165	148
<i>Depreciation</i>		
At beginning of year	-63	-55
Year's depreciation	-17	-8
Year's disposals	-	-
At end of year	-80	-63
Carrying amount at end of year	85	85
Total intangible fixed assets	107	107

Goodwill in the Group derives from the acquisitions in 2001 of parts of the operations now conducted within the Group and totalling SEK 23 million. No write-down requirement has been identified in the annual impairment testing. The banking operations' profit/loss exceeds the goodwill value on an annual basis.

Other intangible assets consist of software licenses and customer relationships from the acquisition of Placera Media Stockholm AB, which are fully amortised, as well as capitalised deve-

lopment of SEK 72 million for a new trading system, which was utilised in 2014–2018. Depreciation of the trading system began at the end of 2017 and the depreciation schedule is 10 years. In 2020, work began on the implementation of a new backoffice system, where the related costs were capitalised in other intangible assets. The new system was put into operation in mid-April 2022. The carrying amount as of 31 December 2022 of costs that meet the capitalisation criteria amounts to SEK 65 million (SEK 48m).

Note 24 Tangible fixed assets

SEK m – The Group	31-12-2022	31-12-2021
<i>Acquisition value</i>		
At beginning of year	186	164
Year's investments	27	22
At end of year	212	186
<i>Write-downs</i>		
At beginning of year	-125	-100
Year's depreciation	-27	-25
At end of year	-152	-125
Carrying amount at end of year	60	61

Note 25 Other assets

SEK m – The Group	31-12-2022	31-12-2021
Securities trading receivables	434	314
Current tax assets	331	4,355
Deferred tax assets	21	1
Other	51	282
Total	837	4,952

Securities trading receivables and securities trading liabilities are presented net in Other assets and Other liabilities respectively. For securities trading receivables and securities trading liabilities, there is a legal right to set off the recognised amounts against the same counterparty. Other financial assets and liabi-

ties are recognised gross in the balance sheet. The following table describes the balance sheet items that are used as a basis for netting.

31-12-2022 SEK m – The Group	Gross amount	Amount set off	Net amount
Securities trading receivables	2,744	-2,310	434
Securities trading liabilities	2,813	-2,310	503

31-12-2021 SEK m – The Group	Gross amount	Amount set off	Net amount
Securities trading receivables	1,671	-1,357	314
Securities trading liabilities	1,853	-1,357	496

Note 26 Prepaid expenses and accrued income

SEK m – The Group	31-12-2022	31-12-2021
Prepaid expenses	124	38
Accrued income	484	453
Total	608	491

Note 27 Other liabilities

SEK m – The Group	31-12-2022	31-12-2021
Tax deduction	6	6
Securities trading liabilities	503	496
Accounts payable	20	32
Current tax liabilities	640	640
Deferred tax liability	–	3
Other	91	264
Total	1,260	1,442

Securities trading liabilities amounts to gross SEK 2,813 million (SEK 1,853m) see note 25 Other assets.

Note 28 Accrued expenses and deferred income

SEK m – The Group	31-12-2022	31-12-2021
Personnel-related liabilities	85	82
Other	65	85
Total	150	167

Note 29 Equity

As of 31 December 2022, the registered share capital comprised 156,619,027 (155,571,758) ordinary shares with a quotient value of SEK 0.50 (SEK 0.50) per share. In 2022, Avanza did not acquire any of its own shares and did not hold any of its own shares as of 31 December 2022. Other capital contributed consists of funds in excess of the quota value that arise in connection with new share issues due to the exercise of warrants and liquidity received in connection with warrant issuance. The fair value reserve comprises the unrealised change in value of the part of the bond portfolio recognised at fair value via other comprehensive income as well as the Parent Company's revaluation of the shareholding in Stabelo Group AB. Retained profit, including net profit/loss for the year, includes profits earned in the Parent Company and its subsidiaries. Retained profit, including net profit/loss for the year and the fair value reserve comprises unrestricted shareholders' equity, i.e. the amount available for dividends to shareholders.

Incentive programmes

Avanza's outstanding warrant programmes for all Group employees comprise warrants granting entitlement to subscribe for 4,650,000 shares, representing a maximum dilution of 2.9 per cent if fully exercised. Of these warrants, 2,443,520 were transferred to employees, which would represent a dilution of 1.5 per cent. The warrant programme is divided into three sub-programmes during the period August 2020 to November 2025.

- Outstanding warrants 2020–2023 grant entitlement to subscribe for a total of 2,250,000 shares at an exercise price of SEK 194.09 per share. The warrants may be exercised on 31 August 2023, 26 October 2023 or 23 November 2023.

- Outstanding warrants 2021–2024 grant entitlement to subscribe for a total of 1,200,000 shares at an exercise price of SEK 380.47 per share. The warrants may be exercised on 29 August 2024, 31 October 2024 or 28 November 2024.
- Outstanding warrants 2022–2025 grant entitlement to subscribe for a total of 1,200,000 shares at an exercise price of SEK 209.03 per share. The warrants may be exercised on 28 August 2025, 30 October 2025 or 27 November 2025.

The Annual General Meeting 2021 also decided on incentive programme for the period 2023–2026 expire in three years and comprise not more than 1,200,000 warrants each granting entitlement to subscribe an equal number of shares. Transfer of warrants to employees will take place in August 2023 in connection with the expiration of the 2020–2023 warrant programme.

The previous warrant programme 2019–2022 had an exercise period from 26 August 2022 to 1 September 2022. After recalculation of the warrant programme according to the terms taking into account actual dividends, the exercise price was SEK 91.40 per share and a total of 1,047,269 shares were available for subscription. All shares were subscribed and have been issued.

The warrants are issued on market terms and the valuation is done by an independent agency. The Black & Scholes model is used to determine the value. For the complete warrant terms, see avanza.se/ir.

Parent Company	No. outstanding shares
31-12-2021	155,571,758
Warrants issue due to exercise of share warrants	1,047,269
31-12-2022	156,619,027

Note 30 Shares and participations in Group companies

SEK m – Parent Company	31-12-2022	31-12-2021
<i>Acquisition value</i>		
At beginning of year	432	426
Shareholder contribution paid (Avanza Fonder AB)	-	6
At end of year	432	432
<i>Accumulated write-downs</i>		
At beginning of year	-7	-7
At end of year	-7	-7
Carrying amount at end of year	426	426

31-12-2022 Subsidiary ¹⁾	Corporate ID no	Registered office	No. shares	% of shares	Book value, SEK m
Avanza Bank AB (publ) ²⁾	556573-5668	Stockholm	550,000	100	366
Avanza Fonder AB	556664-3531	Stockholm	31,000	100	21
Försäkringsaktiebolaget Avanza Pension	516401-6775	Stockholm	350,000	100	39
Placera Media Stockholm AB	556642-9592	Stockholm	1,000	100	0
Avanza Förvaltning AB	556840-0286	Stockholm	50,000	100	0
Total					426

¹⁾ Unquoted securities.

²⁾ Holdings in credit institutions.

Note 31 Terms for assets and liabilities

Remaining term (undiscounted cash flows)

31-12-2022 SEK m – The Group	Upon request	<3 months	3–12 months	1–5 years	>5 years	Perpetual	Total
Assets							
Cash and balances with central banks	4,915	–	–	–	–	–	4,915
Treasury bills eligible for refinancing	–	802	–	–	–	–	802
Loans to credit institutions	2,052	–	–	–	–	–	2,052
Loans to the public	–	8,041	–	–	11,228	–	19,269
Bonds	–	1,200	3,450	26,693	–	–	31,343
Shares and participations	–	–	–	–	–	237	237
Assets in insurance operations ¹⁾	–	75,676	2,567	12,223	89,872	–	180,337
Intangible assets	–	–	–	–	–	107	107
Right-of-use assets	–	–	–	–	–	87	87
Tangible fixed assets	–	–	–	–	–	60	60
Other assets	–	837	–	–	–	–	837
Prepaid expenses and accrued income	–	608	–	–	–	–	608
Total assets	6,967	87,164	6,017	38,916	101,099	491	240,654
Liabilities							
Deposits and borrowing from the public	54,308	–	–	–	–	–	54,308
Liabilities in insurance operations ¹⁾²⁾	–	75,676	2,567	12,223	89,872	2	180,339
Lease liabilities	–	–	–	83	–	–	83
Other liabilities	–	1,260	–	–	–	–	1,260
Accrued expenses and deferred income	–	150	–	–	–	–	150
Total liabilities	54,308	77,086	2,567	12,306	89,872	2	236,140

¹⁾ 100 per cent of the distribution of endowment insurance terms are within <3 months. 0.9 per cent of the terms for endowment pensions is within <3 months, 2.6 per cent between 3–12 months, 76.8 per cent 1–5 years and 19.7 per cent >5 years. 0.7 per cent of private pension insurance terms is within <3 months, 2.0 per cent 3–12 months, 16.4 per cent 1–5 years and 80.9 per cent >5 years. 0.8 per cent of the terms for occupational pensions is within <3 months, 2.4 per cent 3–12 months, 9.2 per cent 1–5 years and 87.6 per cent is >5 years.

²⁾ See also the section on Liquidity risks in Note 37 Financial risks.

31-12-2021 SEK m – The Group	Upon request	<3 months	3–12 months	1–5 years	>5 years	Perpetual	Total
Assets							
Cash and balances with central banks	2,939	–	–	–	–	–	2,939
Treasury bills eligible for refinancing	–	2,523	–	–	–	–	2,523
Loans to credit institutions	2,508	–	–	–	–	–	2,508
Loans to the public	–	10,081	–	–	10,229	–	20,310
Bonds	–	1,200	3,502	20,648	–	–	25,350
Shares and participations	–	–	–	–	–	237	237
Assets in insurance operations ¹⁾	–	96,086	736	13,449	108,719	–	218,990
Intangible assets	–	–	–	–	–	107	107
Right-of-use assets	–	–	–	–	–	120	120
Tangible fixed assets	–	–	–	–	–	61	61
Other assets	–	4,952	–	–	–	–	4,952
Prepaid expenses and accrued income	–	491	–	–	–	–	491
Total assets	5,447	115,333	4,238	34,097	118,948	525	278,587
Liabilities							
Deposits and borrowing from the public	53,659	–	–	–	–	–	53,659
Liabilities in insurance operations ¹⁾²⁾	–	96,086	736	13,449	108,719	2	218,992
Lease liabilities	–	0	–	122	–	–	122
Other liabilities	–	1,442	–	–	–	–	1,442
Accrued expenses and deferred income	–	167	–	–	–	–	167
Total liabilities	53,659	97,695	736	13,571	108,719	2	274,382

¹⁾ 100 per cent of the distribution of endowment insurance terms is within <3 months. 0.8 per cent of the terms for endowment pensions is within <3 months, 2.5 per cent between 3–12 months, 76.4 per cent 1–5 years and 20.3 per cent >5 years. 0.5 per cent of private pension insurance terms is within <3 months, 1.4 per cent 3–12 months, 15.8 per cent 1–5 years and 82.4 per cent >5 years. 0.2 per cent of the terms for occupational pensions is within <3 months, 0.5 per cent 3–12 months, 8.5 per cent 1–5 years and 90.8 per cent are >5 years.

²⁾ See also the section on Liquidity risks in Note 37 Financial risks.

Note 32 Financial instruments

Classification of financial information

31-12-2022 SEK m – The Group	Fair value via Income Statement	Amortised cost	Fair value via Other com- prehensive income	Non financial instruments	Total
<i>Assets</i>					
Cash and balances with central banks	–	4,915	–	–	4,915
Treasury bills eligible for refinancing	–	802	–	–	802
Loans to credit institutions	–	2,052	–	–	2,052
Loans to the public	–	19,259	–	–	19,259
Bonds	–	23,343	8,446	–	31,789
Shares and participations	0	–	237	–	237
Assets in insurance operations	166,085	14,253	–	–	180,337
Intangible assets	–	–	–	107	107
Right-of-use assets	–	–	–	87	87
Tangible fixed assets	–	–	–	60	60
Other assets	–	837	–	–	837
Prepaid expenses and accrued income	–	484	–	124	608
Total assets	166,085	65,944	8,683	379	241,091
<i>Liabilities</i>					
Deposits and borrowing from the public	–	54,308	–	–	54,308
Liabilities in insurance operations	180,337	–	–	2	180,339
Lease liabilities	–	–	–	83	83
Other liabilities	–	614	–	645	1,260
Accrued expenses and deferred income	–	71	–	79	150
Total liabilities	180,337	54,993	–	809	236,140

Financial instruments valued at fair value in balance sheet

31-12-2022 SEK m – The Group	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Equities	95,368	0	237	95,605
Fund units	67,930	0	–	67,930
Bonds and other interest-bearing securities	10,226	3	–	10,229
Other securities	1,000	4	–	1,003
Total assets	174,524	7	237	174,768
<i>Liabilities</i>				
Liabilities in insurance operations (investment agreements)	–	180,337	–	180,337
Total liabilities	–	180,337	–	180,337

SEK m – The Group

	Level 3
31-12-2021	237
Change in value	–
Reclassification	–
Sale	–
31-12-2022	237

Financial instruments valued at amortised cost in balance sheet where fair value is given for information purposes

31-12-2022 SEK m – The Group	Carrying amount	Level 1	Level 2	Level 3	Total
<i>Assets</i>					
Cash and balances with central banks	4,915	4,915	–	–	4,915
Treasury bills eligible for refinancing	802	802	–	–	802
Loans to credit institutions	2,052	–	2,052	–	2,052
Loans to the public	19,259	–	19,259	–	19,259
Bonds	23,343	23,224	–	–	23,224
Assets in insurance operations	14,253	–	14,253	–	14,253
Other assets	837	837	–	–	837
Prepaid expenses and accrued income	484	484	–	–	484
Total assets	65,944	30,261	35,564	–	65,825
<i>Liabilities</i>					
Deposits and borrowing from the public	54,308	–	54,308	–	54,308
Other liabilities	614	614	–	–	614
Accrued expenses and deferred income	71	71	–	–	71
Total liabilities	54,993	685	54,308	–	54,993

Classification of financial information

31-12-2021 SEK m – The Group	Fair value via Income Statement	Amortised cost	Fair value via Other com- prehensive income	Non financial instruments	Total
<i>Assets</i>					
Cash and balances with central banks	–	2,939	–	–	2,939
Treasury bills eligible for refinancing	–	2,523	–	–	2,523
Loans to credit institutions	–	2,508	–	–	2,508
Loans to the public	–	20,300	–	–	20,300
Bonds	–	19,320	6,534	–	25,854
Shares and participations	0	–	237	–	237
Assets in insurance operations	206,125	12,865	–	–	218,990
Intangible assets	–	–	–	107	107
Right-of-use assets	–	–	–	120	120
Tangible fixed assets	–	–	–	61	61
Other assets	–	4,952	–	–	4,952
Prepaid expenses and accrued income	–	453	–	38	491
Total assets	206,125	65,861	6,771	326	279,082
<i>Liabilities</i>					
Deposits and borrowing from the public	–	53,659	–	–	53,659
Liabilities in insurance operations	218,990	–	–	2	218,992
Lease liabilities	–	–	–	122	122
Other liabilities	–	792	–	650	1,442
Accrued expenses and deferred income	–	91	–	76	167
Subordinated liabilities	–	0	–	–	0
Total liabilities	218,990	54,543	–	850	274,382

Financial instruments valued at fair value in balance sheet

31-12-2021 SEK m – The Group	Level 1	Level 2	Level 3	Total
Assets				
Equities	123,463	0	237	123,700
Fund units	77,946	0	–	77,946
Bonds and other interest-bearing securities	7,812	550	–	8,362
Other securities	2,225	663	–	2,887
Total assets	211,446	1,213	237	212,896
Liabilities				
Liabilities in insurance operations (investment agreements)	–	218,990	–	218,990
Total liabilities	–	218,990	–	218,990

SEK m – The Group

31-12-2020	Level 3
Change in value	–
Reclassification	–
Sale	–
31-12-2021	237

Financial instruments valued at amortised cost in balance sheet where fair value is given for information purposes

31-12-2021 SEK m – The Group	Carrying amount	Level 1	Level 2	Level 3	Total
Assets					
Cash and balances with central banks	2,939	2,939	–	–	2,939
Treasury bills eligible for refinancing	2,523	2,523	–	–	2,523
Loans to credit institutions	2,508	–	2,508	–	2,508
Loans to the public	20,300	–	20,300	–	20,300
Bonds	19,320	19,374	–	–	19,374
Assets in insurance operations	12,865	–	12,865	–	12,865
Other assets	4,952	4,952	–	–	4,952
Prepaid expenses and accrued income	453	453	–	–	453
Total assets	65,861	30,242	35,673	–	65,916
Liabilities					
Deposits and borrowing from the public	53,659	–	53,659	–	53,659
Other liabilities	792	792	–	–	792
Accrued expenses and deferred income	91	91	–	–	91
Total liabilities	54,543	883	53,659	–	54,543

Fair value

In the case of financial instruments reported at accrued acquisition cost, incurring variable interest, or with short maturities, the carrying amount and fair value are equal. Fair value of lending to the public with financial instruments or housing as collateral is estimated to be the same as book value.

Hierarchy for fair value via income statement

Financial assets measured at fair value via income statement are classified through the use of a hierarchy for fair value that reflects the significance of the input data used in the valuations. The hierarchy contains the following three levels:

- Level 1 – Quoted prices (unadjusted) on active markets for identical assets or liabilities. Fair value is determined by using the official bid rate on the closing date. The majority of equities and funds pertaining to the insurance operations as well as bonds and other interest-bearing securities in Avanza's liquidity portfolio are included in this category. Pension and insurance customers (assets in the insurance operations) are, in principle, only permitted to hold securities traded on a regulated market or a multilateral trading facility (MTF),

investment funds or securities on unlisted securities markets managed electronically by Avanza.

- Level 2 – The fair value of securities without an active market is determined, initially, by obtaining pricing information from operators who quote daily prices, mainly the asset values quoted by the fund companies, where the issuer values every individual security, and secondarily, by assessing the most recently completed market transaction between two mutually independent parties. Bonds that are less liquid can be found at this level and are measured on the yield curve. Liabilities in the insurance operations are included in this category as the value of the entire balance sheet item is indirectly related to the value of the assets in the insurance operations.
- Level 3 – Input data from the asset or liability in question that is not based on observable market data (non-observable input data). This category's stockholdings refer to an unlisted ownership in Stabelo Group AB. When there is a lack of active market, the choice of valuation model in level 3 is governed by what is deemed appropriate for the individual instrument. In these cases, assumptions that cannot be directly derived

from a market can be applied. These assumptions are then based on experience and knowledge of valuation in financial markets. In cases where it is considered necessary, relevant adjustments are made to reflect fair value, in order to accurately reflect the parameters that exist in the financial instruments and that should be reflected in its valuation.

The level of the hierarchy for fair value to which a financial instrument is classified is determined on the basis of the lowest level of input data of significance to the valuation at fair value in its entirety. During the year, no transfers between the levels have taken place.

Note 33 Pledged assets and contingent liabilities

SEK m – The Group	31-12-2022	31-12-2021
<i>Pledges and comparable collateral for own liabilities and for provisions for recognised contingent liabilities</i>	–	–
<i>Other pledged collateral and comparable collateral</i>		
Liquid assets and interest-bearing securities	3,426	2,238
of which with credit institutions	1,472	1,349
of which with the Riksbank	1,512	503
of which with clearing institutions	441	386
Total pledged assets	3,426	2,238
Contingent liabilities		
<i>Commitment</i>		
Granted, undisbursed mortgage loans	1,853	1,247

Pledged assets

Pledged assets total SEK 3,426 million (SEK 2,238m) and refer mainly to credit institutions, the Riksbank and marketplaces. The pledged assets are comprised of cash and cash equivalents of SEK 25 million (SEK 417m) and bonds of SEK 3,401 million (SEK 1,820m).

Avanza has no pledged assets for own liabilities as of 31 December 2022.

Pledged assets for other liabilities primarily refer to liquid assets and bonds pledged as collateral for securities settlement with parties on various markets. These funds are held on account in Swedish banks and arise due to the collateral requirement calculated for participants in the settlement of trades via a central clearing counterpart. Avanza also pledges collateral with Swedish banks to cover the requirement for CCP terminated transactions (EMCF). Riksbank clearing refers to pledged assets for settlement of Avanza's deposits and withdrawals via Dataclearing. If Avanza does not meet its obligations or abide by its commitments in its capacity as a borrower, counterparties are entitled to claim the collateral according to collateral agreements.

For customers' stock lending, Avanza pledges collateral with the Swedish banks that offer Avanza's customers stock lending (GMSLA). Ownership of the collateral is transferred and can be realised if Avanza does not pledge enough collateral. To cover the stock exchange's security requirements for customers' derivative positions, Avanza pledges collateral with Nasdaq Stockholm. Avanza in turn places corresponding collateral requirements on its customers.

In the insurance business, registered assets pledged as collateral to cover technical provisions amounted to SEK 180 337 million (SEK 218,990m) as of 31 December 2022. The assets are pledged on behalf of the policyholders in the event of liquidation.

Contingent liabilities

Contingent liabilities total SEK 1,853 million (SEK 1,247m) as of 31 December 2022 and refer to granted, undisbursed mortgage loans.

SEK m – Parent Company	31-12-2022	31-12-2021
Pledged assets	None	None
Contingent liabilities	None	None

Note 34 Own funds and capital requirements

Information on capital adequacy regarding the conglomerate, the consolidated situation and Avanza Bank AB (publ)

Information in this note is provided in accordance with Regulation (EU) No 575/2013 (CRR) of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR, Capital Requirements Regulation) as well as amending regulations, the Swedish FSA regulations and general guidelines (FFFS 2008:25) regarding annual reports in credit institutions and securities companies, regulations on prudential requirements and capital buffers (FFFS 2014:12) and the regulation (FFFS 2010:7) on managing liquidity risks for credit institutions and securities companies. The information relates to both the risk-based capital requirement, the leverage ratio requirement and liquidity. Other mandatory information is provided in Avanza's "Pillar 3 Report on capital adequacy and risk management 2022", which is available on Avanza's website <https://investors.avanza.se/en/ir/reports/capital-adequacy/> (only in Swedish).

The conglomerate's own funds and capital requirements

The financial conglomerate is comprised of Avanza Bank Holding AB (publ) and all its subsidiary companies.

The conglomerate's own funds shall cover the prescribed minimum capital requirements as regulated in CRR and the solvency requirements regulated in the Swedish Insurance Business Act (2010:2043). The regulations help boost the Group's resilience

to unforeseen financial losses and thereby protect customers. The Special Supervision of Financial Conglomerates Act (2006:531) and the regulations and general guidelines of the Swedish FSA (FFFS 2011:26) concerning special supervision of financial conglomerates apply when determining the statutory capital requirement of the financial conglomerate. The financial conglomerate's own funds and capital requirement have been calculated using the consolidation method (fully consolidated). The conglomerate's own funds comply with financial conglomerate's capital requirements. At present, there are no material obstacles to a rapid transfer of funds from own funds or repayment of liabilities between the Parent Company and its subsidiaries.

The conglomerate's largest sector is in the insurance sector. Avanza Pension's solvency capital requirement and own funds are calculated using the Solvency 2 directive's standard model. The standard model requires assumptions that are determined partly by the authorities and partly by Avanza Pension's Board of Directors. Solvency capital included as a separate item in own funds largely consists of share capital, retained profit and revaluations of technical provisions. The capital requirement for the insurance sector refers to the estimated Solvency Capital Requirement, mainly based on the policyholders' assets. The bank's capital requirement is calculated according to CRR's standardised approaches, while the fund company uses the Investment Fund Act (2004:46) and the Act on Alternative Investment Fund Managers (2013:561) as a basis for the calculation.

Financial conglomerate SEK m	31-12-2022	31-12-2021
Own funds per sector		
Own funds for regulated units in the insurance sector	3,006	3,055
Own funds for regulated units within the banking and investment services sector	2,990	2,712
Total own funds	5,996	5,767
Capital requirement per sector		
Capital requirement for regulated units in the insurance sector	1,795	2,229
Capital requirement for regulated units within the banking and investment services sector	1,863	1,435
Total capital requirement	3,658	3,664
Capital surplus	2,338	2,103
Own funds/Capital requirement	1,64	1,57

Own funds and capital requirements for the consolidated situation and Avanza Bank AB (publ)

The consolidated situation is comprised of Avanza Bank Holding AB (publ) and the subsidiary companies Avanza Bank AB (publ) and Avanza Fonder AB. The difference between the financial conglomerate and the consolidated situation is that the insurance business is also consolidated in the financial conglomerate.

The following applies to determine the statutory capital requirements for the consolidated situation and the institution Avanza Bank: CRR, the Credit Institutions and Securities Companies (Special Supervision) Act (2014:968), the Capital Buffers Act (2014:966), and the regulations and general advice of the Swedish FSA on prudential requirements and capital buffers (FFFS 2014:12).

These rules seek to ensure that companies manage their risks and protect customers' deposits. Own funds shall cover the minimum capital requirement (capital requirements for credit risk, market risk, settlement risk, credit valuation adjustment risk and operational risk), buffer requirements (capital conservation buffer and countercyclical buffer), additional own funds requirement in Pillar 2 and Pillar 2 guidance. As of 28 June 2021, Avanza has to comply with a leverage requirement of 3 per cent. The Swedish FSA completed its latest review and evaluation (SREP) of Avanza during the third quarter 2022. In conjunction, the Swedish FSA decided on a risk-based Pillar 2 requirement of total 3.59 per cent for the consolidated situation distributed between credit related concentration risk (0.96 per cent) and interest rate risk in the banking book (2.63 per cent). Three quarters of the capital requirement shall be covered by Tier 1 capital,

of which at least three quarters must be Common Equity Tier 1 capital. Furthermore, the Swedish FSA has informed Avanza regarding the Pillar 2-guidance concerning leverage ratio, 0.9 per cent on group level, beyond the minimum requirement for the leverage ratio of 3.0 per cent. The guidance must be covered by CET1 capital.

In November 2022, the Swedish FSA announced that it will carry out a supervisory review and evaluation process for Avanza in 2023. The fact that a new process will be implemented is not due to any elevated risks the Swedish FSA sees in Avanza's operations, but rather that Avanza is out of step with comparable institutions as a consequence of the pandemic.

Common Equity Tier 1 (CET1) capital consists of shareholders' equity less items that may not be included in own funds such as unverified profits, foreseeable dividends and charges, additional value adjustments, intangible assets, and significant holdings in the financial sector. Profits are included if external auditors have audited the results and approval has been received from the Swedish FSA. Deductions for foreseeable charges and any dividends are made according to Commission Delegated Regulation (EU) 241/2014. Additional value adjustments are calculated according to Commission Delegated Regulation (EU) 2016/101 and relate to prudent measurement of financial instruments at fair value. Intangible assets largely consist of goodwill and IT development. Deductions for significant holdings in the financial sector relate to the subsidiary Försäkringsaktiebolaget Avanza Pension and the holding in Stabelo Group AB.

Avanza calculates capital requirements according to the supervisory regulation's standardised approaches. Avanza's capital requirement derive essentially from credit risk and operational risk. In the category of credit risk, it is mainly Avanza's mortgage lending and the portfolio of covered bonds that require capital.

Capital adequacy analyses for the consolidated situation and Avanza Bank AB (publ) can be found on the following pages. The total capital ratio for the consolidated situation was 26.2 per cent as of 31 December 2022 and 25.1 per cent for Avanza Bank, which compares to a total risk-based capital requirement of 15.1 per cent for the consolidated situation and 15.6 per cent for Avanza Bank. The leverage ratio was 5.5 per cent for the consolidated situation and 4.8 per cent for Avanza Bank as of 31 December 2022, which compares to the leverage ratio requirement of 3 per cent and the Pillar-2 guidance of 0.9 per cent. Capital ratios and leverage ratios have historically always been above the regulatory requirements.

At present, there are no current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities between the Parent Company and its subsidiaries.

Upcoming changes in the capital adequacy rules

In October 2021, the EU Commission published a proposal on how parts of Basel 3 will be implemented in EU law with amendments to CRR and Directive 2013/36/EU. The parts that could affect Avanza's capital requirements mainly concern revisions to the standardised approach for credit risk related to mortgages and the standardised approach for operational risk. Other changes are expected to have less impact. Avanza is sufficiently capitalised to handle future requirements.

Internal capital adequacy assessment process (ICAAP)

According to article 73 of the EU's capital adequacy directive 2013/36/EU and FFFS 2014:12, chap. 10, companies must describe in a separate document their assessment of the total capital need. This document is called the company's internal capital adequacy assessment (ICAAP). The ICAAP is conducted annually, and in the document the company makes an internal assessment of the capital requirement for each type of risk. The internal capital requirement is compared to the company's regulatory capital requirement. The purpose of the ICAAP is for companies to make an independent analysis of their capital needs, not mechanically use prescribed practices.

In conjunction with the annual ICAAP, a detailed stress test is performed of Avanza's exposures to evaluate all risks and ensure that Avanza's business model is sustainable. A capital requirement is estimated for each risk, which is then compared to the prescribed minimum requirement and buffer requirement. Included in the forward-looking analysis are several highly stressed scenarios, as well as the effect on own funds, to ensure that Avanza does not subject depositors' funds to risk.

The result of the ICAAP is approved by Avanza's Board of Directors and submitted to the Swedish FSA upon request. The ICAAP is used as the basis for decisions regarding the capital structure, e.g. in conjunction with decisions to exercise the authorisation granted by the Annual General Meeting to repurchase the company's own shares and decisions on dividend payments.

Work is currently underway to prepare an ICAAP as of 31 December 2022. It is expected to be completed by the end of the first quarter 2023. Avanza's latest completed ICAAP was prepared as of 31 December 2021. An assessment was made at the time that the total capital requirement to cover unexpected losses including an internal capital planning buffer amounted to SEK 178 million for the consolidated situation and SEK 137 million for Avanza Bank. At the same time, the total capital requirement for the consolidated situation was SEK 1,555 million and for Avanza Bank SEK 1,397 million, while Avanza's actual own funds amounted to SEK 2,966 million and SEK 2,691 million, respectively. The ICAAP stated that Avanza was sufficiently capitalised and did not subject depositors' funds to risk.

Consolidated situation Own funds, SEK m	31-12-2022	31-12-2021
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Shareholders' equity according to the balance sheet	4,694	4,514
Forseeable dividend	-1,175	-1,431
Common Equity Tier 1 (CET1) capital before regulatory adjustments	3,519	3,083
Additional value adjustments	-9	-9
Intangible assets (net of related tax liability)	-107	-107
Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-	-
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-117	-117
Common Equity Tier 1 (CET1) capital	3,402	2,966
Additional Tier 1 (AT1) capital	-	-
Tier 1 capital (T1 = CET1 + AT1)	3,402	2,966
Tier 2 (T2) capital: instruments and provisions		
Capital instruments and the related share premium accounts	-	-
Tier 2 (T2) capital	-	-
Total capital (TC = T1 + T2)	3,402	2,966

Consolidated situation Internal capital requirement in Pillar 2, SEK m	31-12-2022	31-12-2021
Credit-related concentration risk		
Industry concentration	50	49
Geographical concentration	59	61
Name concentration	8	7
Total credit-related concentration risk	117	118
Interest rate risks and other market risks in ancillary activities – credit spread	275	77
Interest rate risks and other market risks in ancillary activities – interest rate risk in the banking book (IRRBB)	236	140
Pension risk	-	-
Total internal capital requirement in Pillar 2	628	335

Consolidated situation				
Risk exposure amount, SEK m	31-12-2022		31-12-2021	
Risk exposure amount				
Credit risk according to the standardised approach	9,182		9,492	
of which exposures to institutions	396		493	
of which exposures to corporates	83		123	
of which retail exposures	320		623	
of which exposures secured by mortgages on immovable property	3,959		3,606	
of which exposures in default	44		5	
of which exposures to covered bonds	3,016		2,480	
of which exposures to equity	689		689	
of which exposures to other items	676		1,474	
Market risk (position risk)	0		0	
Settlement risk	3		0	
Credit valuation adjustment risk according to the standardised method	–		–	
Operational risk according to the standardised approach	3,812		2,844	
Total risk exposure amount	12,998		12,336	
Capital requirement				
Credit risk according to the standardised approach	735	5.7%	759	6.2%
of which exposures to institutions	32	0.2%	39	0.3%
of which exposures to corporates	7	0.1%	10	0.1%
of which retail exposures	26	0.2%	50	0.4%
of which exposures secured by mortgages on immovable property	317	2.4%	288	2.3%
of which exposures in default	4	0.0%	0	0.0%
of which exposures to covered bonds	241	1.9%	198	1.6%
of which exposures to equity	55	0.4%	55	0.4%
of which exposures to other items	54	0.4%	118	1.0%
Market risk (position risk)	0	0.0%	0	0.0%
Settlement risk	0	0.0%	0	0.0%
Credit valuation adjustment risk according to the standardised method	–	0.0%	–	0.0%
Operational risk according to the standardised approach	305	2.3%	227	1.8%
Capital requirement	1,040	8.0%	987	8.0%
Total own funds	3,402	26.2%	2,966	24.0%
Minimum own funds requirement (Pillar 1)	1,040	8.0%	987	8.0%
Combined buffer requirement	455	3.5%	308	2.5%
Additional own funds requirement (Pillar 2) ¹⁾	467	3.6%	260	2.1%
Pillar 2 guidance	–	–	–	–
Total risk-based capital requirement (desired level of own funds)	1,961	15.1%	1,555	12.6%
Capital surplus after risk-based capital requirement	1,441	11.1%	1,411	11.4%
Leverage ratio				
Leverage ratio total exposure measure	62,464		62,317	
Leverage ratio, %	5.5%		4.8%	
Tier 1 capital	3,402	5.5%	2,966	4.8%
Minimum own funds requirement (Pillar 1)	1,874	3.0%	1,870	3.0%
Additional own funds requirement (Pillar 2)	–	–	–	–
Leverage ratio guidance	562	0.9%	–	–
Total leverage ratio requirement (desired level of own funds)	2,436	3.9%	1,870	3.0%
Capital surplus after leverage ratio requirement	966	1.5%	1,096	1.8%

¹⁾ The additional own fund requirement are equivalent to the Swedish FSA's estimated Pillar 2 requirements. The internally estimated capital requirement in Pillar 2 is shown in a separate table.

Consolidated situation		31-12-2022	30-09-2022	30-06-2022	31-03-2022	31-12-2021
Key metrics, SEK m						
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	3,402	3,148	2,979	3,000	2,966
2	Tier 1 capital	3,402	3,148	2,979	3,000	2,966
3	Total capital	3,402	3,148	2,979	3,000	2,966
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	12,998	12,448	12,395	12,979	12,336
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	26.2%	25.3%	24.0%	23.1%	24.0%
6	Tier 1 ratio (%)	26.2%	25.3%	24.0%	23.1%	24.0%
7	Total capital ratio (%)	26.2%	25.3%	24.0%	23.1%	24.0%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.6%	3.6%	2.1%	2.0%	2.1%
EU 7b	of which: to be made up of CET1 capital (percentage points)	2.0%	2.0%	1.2%	1.1%	1.2%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.7%	2.7%	1.6%	1.5%	1.6%
EU 7d	Total SREP own funds requirements (%)	11.6%	11.6%	10.1%	10.0%	10.1%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0%	0.0%	0.0%	0.0%	0.0%
9	Institution specific countercyclical capital buffer (%)	1.0%	1.0%	0.0%	0.0%	0.0%
EU 9a	Systemic risk buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Global Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 10a	Other Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Combined buffer requirement (%)	3.5%	3.5%	2.5%	2.5%	2.5%
EU 11a	Overall capital requirements (%)	15.1%	15.1%	12.6%	12.5%	12.6%
12	CET1 available after meeting the total SREP own funds requirements (%)	14.6%	13.7%	13.9%	13.1%	13.9%
Leverage ratio						
13	Leverage ratio total exposure measure	62,464	67,844	67,061	67,442	62,317
14	Leverage ratio (%)	5.5%	4.6%	4.4%	4.5%	4.8%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14e	Overall leverage ratio requirement (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	17,464	18,169	17,539	16,833	16,236
EU 16a	Cash outflows – Total weighted value	6,687	6,552	6,322	6,044	5,665
EU 16b	Cash inflows – Total weighted value	4,303	5,321	6,349	6,777	6,030
16	Total net cash outflows (adjusted value)	3,075	2,545	1,931	1,511	1,436
17	Liquidity coverage ratio (%)	649%	820%	962%	1,061%	1,035%
Net Stable Funding Ratio						
18	Total available stable funding	51,878	55,050	54,877	53,670	50,814
19	Total required stable funding	29,317	31,104	31,773	32,766	27,590
20	NSFR ratio (%)	177%	177%	173%	164%	184%

Avanza Bank AB Own funds, SEK m	31-12-2022	31-12-2021
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Shareholders' equity according to the balance sheet	3,696	3,659
Forseeable dividend	-633	-875
Common Equity Tier 1 (CET1) capital before regulatory adjustments	3,063	2,785
Additional value adjustments	-9	-9
Intangible assets (net of related tax liability)	-85	-85
Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	-	-
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-94	-94
Common Equity Tier 1 (CET1) capital	2,969	2,691
Additional Tier 1 (AT1) capital	-	-
Tier 1 capital (T1 = CET1 + AT1)	2,969	2,691
Tier 2 (T2) capital: instruments and provisions		
Capital instruments and the related share premium accounts	-	-
Tier 2 (T2) capital	-	-
Total capital (TC = T1 + T2)	2,969	2,691
Avanza Bank AB Internal capital requirement in Pillar 2, SEK m	31-12-2022	31-12-2021
Credit-related concentration risk		
Industry concentration	46	43
Geographical concentration	54	52
Name concentration	8	6
Total credit-related concentration risk	108	102
Interest rate risks and other market risks in ancillary activities – credit spread	275	77
Interest rate risks and other market risks in ancillary activities – interest rate risk in the banking book (IRRBB)	236	140
Pension risk	-	-
Total internal capital requirement in Pillar 2	619	319

Avanza Bank AB Risk exposure amount, SEK m	31-12-2022		31-12-2021	
Risk exposure amount				
Credit risk according to the standardised approach	8,387		8,155	
of which exposures to institutions	394		491	
of which exposures to corporates	83		123	
of which retail exposures	320		623	
of which exposures secured by mortgages on immovable property	3,959		3,606	
of which exposures in default	44		5	
of which exposures to covered bonds	3,016		2,480	
of which exposures to equity	–		–	
of which exposures to other items	571		827	
Market risk (position risk)	0		0	
Settlement risk	3		0	
Credit valuation adjustment risk according to the standardised method	–		–	
Operational risk according to the standardised approach	3,421		2,675	
Total risk exposure amount	11,811		10,830	
Capital requirement				
Credit risk according to the standardised approach	671	5.7 %	652	6.0%
of which exposures to institutions	31	0.3 %	39	0.4%
of which exposures to corporates	7	0.1%	10	0.1%
of which retail exposures	26	0.2%	50	0.5%
of which exposures secured by mortgages on immovable property	317	2.7%	288	2.7%
of which exposures in default	4	0.0%	0	0.0%
of which exposures to covered bonds	241	2.0%	198	1.8%
of which exposures to equity	–	0.0%	–	0.0%
of which exposures to other items	46	0.4%	66	0.6%
Market risk (position risk)	0	0.0%	0	0.0%
Settlement risk	0	0.0%	0	0.0%
Credit valuation adjustment risk according to the standardised method	–	0.0%	–	0.0%
Operational risk according to the standardised approach	274	2.3%	214	2.0%
Capital requirement	945	8.0%	866	8.0%
Total own funds	2,969	25.1%	2,691	24.8%
Minimum own funds requirement (Pillar 1)	945	8.0%	866	8.0%
Combined buffer requirement	413	3.5%	271	2.5%
Additional own funds requirement (Pillar 2) ¹⁾	483	4.1%	260	2.4%
Pillar 2 guidance	–	–	–	–
Total risk-based capital requirement (desired level of own funds)	1,841	15.6%	1,397	12.9%
Capital surplus after risk-based capital requirement	1,128	9.5%	1,294	11.9%
Leverage ratio				
Leverage ratio total exposure measure	62,064		61,383	
Leverage ratio, %	4.8%		4.4%	
Tier 1 capital	2,969	4.8%	2,691	4.4%
Minimum own funds requirement (Pillar 1)	1,862	3.0%	1,841	3.0%
Additional own funds requirement (Pillar 2)	–	–	–	–
Leverage ratio guidance	–	–	–	–
Total leverage ratio requirement (desired level of own funds)	1,862	3.0%	1,841	3.0%
Capital surplus after leverage ratio requirement	1,107	1.8%	849	1.4%

¹⁾ The additional own fund requirement are equivalent to the Swedish FSA's estimated Pillar 2 requirements. The internally estimated capital requirement in Pillar 2 is shown in a separate table.

Avanza Bank AB Key metrics, SEK m		31-12-2022	30-09-2022	30-06-2022	31-03-2022	31-12-2021
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	2,969	2,838	2,738	2,726	2,691
2	Tier 1 capital	2,969	2,838	2,738	2,726	2,691
3	Total capital	2,969	2,838	2,738	2,726	2,691
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	11,811	11,480	11,419	11,486	10,830
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	25.1%	24.7%	24.0%	23.7%	24.9%
6	Tier 1 ratio (%)	25.1%	24.7%	24.0%	23.7%	24.9%
7	Total capital ratio (%)	25.1%	24.7%	24.0%	23.7%	24.9%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	4.1%	4.1%	2.3%	2.3%	2.4%
EU 7b	of which: to be made up of CET1 capital (percentage points)	2.3%	2.3%	1.3%	1.3%	1.4%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	3.1%	3.1%	1.7%	1.7%	1.8%
EU 7d	Total SREP own funds requirements (%)	12.1%	12.1%	10.3%	10.3%	10.4%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0%	0.0%	0.0%	0.0%	0.0%
9	Institution specific countercyclical capital buffer (%)	1.0%	1.0%	0.0%	0.0%	0.0%
EU 9a	Systemic risk buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Global Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 10a	Other Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Combined buffer requirement (%)	3.5%	3.5%	2.5%	2.5%	2.5%
EU 11a	Overall capital requirements (%)	15.6%	15.6%	12.8%	12.8%	12.9%
12	CET1 available after meeting the total SREP own funds requirements (%)	13.1%	12.6%	13.7%	13.5%	14.4%
Leverage ratio						
13	Leverage ratio total exposure measure	62,064	67,443	66,653	66,520	61,383
14	Leverage ratio (%)	4.8%	4.2%	4.1%	4.1%	4.4%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14e	Overall leverage ratio requirement (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	17,464	18,169	17,539	16,833	16,236
EU 16a	Cash outflows – Total weighted value	6,641	6,467	6,237	5,959	5,616
EU 16b	Cash inflows – Total weighted value	4,291	5,312	6,346	6,773	6,027
16	Total net cash outflows (adjusted value)	3,073	2,530	1,908	1,490	1,416
17	Liquidity coverage ratio (%)	653%	832%	975%	1,074%	1,050%
Net Stable Funding Ratio						
18	Total available stable funding	51,445	54,741	54,636	53,396	50,539
19	Total required stable funding	28,905	30,689	31,351	31,828	26,639
20	NSFR ratio (%)	178%	178%	174%	168%	190%

Additional information on liquidity

Pursuant to FFFS 2010:7, Avanza reports its liquidity risk positions for the consolidated situation.

Liquidity risk is the risk that Avanza cannot meet its payment obligations at maturity without the cost of obtaining means of payment rising significantly. Avanza's payment obligations mainly come from the deposits that Avanza Bank's customers do not place in various financial instruments or products. When this occurs, deposits arise that Avanza manages.

To manage the liquidity, Avanza's Board of Directors has established internal rules on selecting and approving counterparties as well as investment alternatives and maturities. The distribution of responsibilities and reporting have also mainly been predetermined.

The liquidity reserve is financed by deposits from the public and on equity. Avanza's liquidity is invested in covered bonds, bonds and issued by the Swedish government or Swedish municipalities. A smaller percentage is invested in systematically important Nordic banks and the Riksbank. Avanza Bank AB is a member of the Swedish Riksbank.

Avanza does not engage in proprietary trading in securities and all interest-bearing financial instruments are held to maturity. The overarching concern in liquidity management is that Avanza's customers can get their deposits back at any time. As a result, deposits are distributed across various counterparties, instruments and maturities, so that the portfolio matures consistently over time. Avanza's payment obligations are in SEK and surplus liquidity is therefore invested in SEK. Avanza does not take currency risk.

Consolidated situation		
Liquidity reserve, SEK m	31-12-2022	31-12-2021
Liquid assets	6,376	4,421
Covered bonds and securities issued by governments and municipalities	29,090	26,609
Total liquid assets	35,466	31,029

Consolidated situation		
Sources of funding, SEK m	31-12-2022	31-12-2021
Deposits and borrowing from the public	54,308	53,659
Lease liability	83	122
Other liabilities	1,306	2,057
Accrued expenses and deferred income	140	158
Shareholders' equity	4,694	4,514
Total liabilities and shareholders' equity	60,531	60,510

Avanza Bank AB		
Liquidity reserve, SEK m	31-12-2022	31-12-2021
Liquid assets	6,376	4,421
Covered bonds and securities issued by governments and municipalities	29,090	26,609
Total liquid assets	35,466	31,029

Avanza Bank AB		
Sources of funding, SEK m	31-12-2022	31-12-2021
Deposits and borrowing from the public	54,308	53,659
Lease liability	–	–
Other liabilities	1,976	2,087
Accrued expenses and deferred income	129	148
Shareholders' equity	3,696	3,659
Total liabilities and shareholders' equity	60,108	59,553

Note 35 Financial risks

The Group's exposure to financial risks

Various types of risk arise in the ordinary course of business. Avanza is mainly exposed to credit risks and operational risks, but also has some exposure to market risks, liquidity risks and life insurance risks.

Risks and risk management are also described on pages 44–47 and in the Corporate governance report on page 56.

Credit risks

Avanza's lending and management of surplus liquidity expose the business to credit risk, i.e. the risk that borrowers will not fulfil their financial commitments to Avanza and that securities will not cover the claim. Avanza also faces a counterparty risk, which arises as a result of customers' security trading and its settlement procedure. The counterparty risk is considered low, since the counterparties have high credit ratings. No significant concentrations of risks arise with any individual financial security, counterparty, sector or region. The limited concentration risk that does exist is with credit institutions, interest-bearing investments and the Riksbank related to surplus liquidity management. See also the section Liquidity management.

Avanza's lending is in the form of margin lending and mortgages. The majority of all exposures are to customers residing in Sweden. Loans are only made to Swedes domiciled outside the Nordic countries in exceptional circumstances. On the closing day, lending to the public amounted to SEK 19,259 million (SEK 20,300m). Average lending in 2022 was SEK 19,780 million (SEK 18,294m). Lending to the public is recognised after deducting expected credit losses in accordance with IFRS 9.

IFRS 9 and expected credit losses

Avanza has a low risk appetite in its lending and limits the securities that may be mortgaged in various ways. The majority of the collateral consists of highly liquid, listed shares and Avanza avoids any concentration of pledged securities. Mortgage lending is limited to Private Banking customers and employees, which, coupled with the requirement that Avanza be the only mortgagee of the property, creates a low risk profile. Restrictive lending and proactive credit risk management have historically helped Avanza to maintain very limited credit losses.

The low credit risk mentioned above is reflected in the small expected credit losses (ECL) as of 31 December 2022 amounted to SEK 9 million (SEK 9m). Avanza has developed a model

for expected credit losses calculated according to the methodology in IFRS 9. The model is continuously reviewed and during 2022, the parameters in the models for expected credit losses (IFRS 9) were re-evaluated due to the change in macroeconomic conditions. During 2022, a previously expected credit loss from 2011 of SEK 1 million was realised and which consequently decreased the accumulated provision for expected credit losses. This, along with the re-evaluation of the parameters in the models for expected credit losses, explains why the accumulated provision for expected credit losses was affected by SEK 0 million in 2022.

The IFRS 9 model is adapted to the loan products that are offered: margin lending and mortgages. The assets are divided into three categories depending on the degree of credit impairment according to IFRS 9. A significant increase in credit risk occurs when a customer is delinquent on payment of interest (mortgage) or in breach of terms (margin lending) for longer than 10 calendar days. The table below shows how expected credit losses changed during the year. See also Note 2 Accounting principles (i) Financial instruments, section Impairment according to IFRS 9 and Note 19 Loans to the public for more information on IFRS 9. In addition to IFRS 9 categorisation of credit customers, Avanza regularly reassesses credit customers with elevated risk and works continuously with non-performing credit customers and default credits.

Avanza's macro scenario work is based on three different scenarios to assess any impact on probability of default (PD), loss given default (LGD) and exposure at default (EAD); a base scenario, a negative scenario and a positive scenario. The weights of these scenarios are divided with 70 per cent for the baseline scenario, 15 per cent for the positive scenario and 15 per cent for the negative scenario.

The IFRS 9 model also uses forward-looking macroeconomic factors Avanza that are revised continuously. A reasonability and sensitivity assessment of their impact on ECL is performed. The macro variables that affect the ECL calculation for margin lending are the probabilities of a significant drop in stock prices, a significant price drop in individual securities, and unemployment. The macro variables that affect the ECL calculation for mortgage lending are the policy rate, unemployment and house price index.

Changes in expected credit losses, SEK thousands

	31-12-2022	31-12-2021	Change, %
Mortgage lending			
Category 1	-1,659	-1,810	-8
Category 2	-3,730	-2,877	30
Category 3	-161	-25	556
Total	-5,549	-4,711	18
Margin lending			
Category 1	-2,819	-2,371	19
Category 2	-44	-1	8,317
Category 3	-886	-2,361	-62
Total	-3,749	-4,732	-21
Total ECL	-9,299	-9,443	-2

Significant drop in stock prices

The model tests how mortgage lending is impacted by a broad-based decline in stock prices. The risk in the product consists to a large extent of a substantial price drop, where a well-diversified portfolio with low concentration risk does not help if the markets lose value, because of which customers' exposures and loan to value ratios are pivotal to how well they handle the stress test.

Significant price drop in individual securities

The second dimension that can impact the risk in margin lending is the customers' diversification of collateral in the portfolios. If a customer's entire collateral for the loan consists of a single security, the risk is higher than if the customer has diversified exposures. The portfolios are therefore stress tested based on these concentration risks as well, where declines of 100 per cent in individual collateral are simulated.

Unemployment

Unemployment in Sweden can impact the margin lending risk, since Avanza's ability to collect receivables depends on the customers' repayment capacity, consisting of either external assets or incomes. Unemployment is stressed with various outcomes from a forward-looking perspective.

Unemployment presumably also can impact mortgage customers to some extent, even though they generally have a good financial position since Avanza only grants mortgages with loan to value ratios of 50 per cent or lower at the time of approval to external customers. Additionally, Avanza requires that they have at least SEK 3 million in savings with Avanza at the time of approval. The mortgage portfolio's resilience with respect to unemployment is therefore considered very good, even though there is a theoretical pain threshold when a problem with interest

payments arises, because of which forward-looking unemployment is used as a stress test for mortgages as well.

Policy rate

The model also assumes that the risk in the mortgage portfolio risk increases with a higher policy rate, since it directly affects the rates on the mortgages Avanza brokers. The finances of the borrowers have been stress tested with a mortgage rate corresponding to at least 5 percentage points above the actual rate they were offered after a credit check. In theory, a clear majority of borrowers should be able to manage such a rate if their financial situation has not significantly deteriorated since the loan was granted. At higher interest rates Avanza still assumes that problems with interest payments could arise.

House price index

The House Price Index has a direct impact on the risks in Avanza's mortgages because of its impact on the value of the collateral. Avanza uses forward-looking expected house price projections from institutes such as NASDAQ OMX Valueguard KTH Housing Index (HOX) as a basis for stress tests of the collateral in the mortgage portfolio.

Margin lending

All margin lending is secured against listed securities. As of year end, margin lending after deducting expected credit losses totalled SEK 8,037 million (SEK 10,076m). The market value of pledged securities was SEK 55,437 million (SEK 82,476m). The financial effects of securities held are calculated on a customer by customer basis, meaning that any surplus value in a security for one customer cannot be offset against that of another customer. The majority of the securities are Swedish listed equities with good liquidity that are measured at the fair value on the par-

Pledged financial assets for margin lending

31-12-2022	Market value, SEK m	Credit exposure, SEK m	Share of balanced exposure, %
Shares	47,078	6,693	83
Funds	8,285	1,291	16
Other	73	53	1
Total	55,437	8,037	100

Currency for pledged financial assets for margin lending

31-12-2022	Market value, SEK m	Credit exposure, SEK m	Share of balanced exposure, %
SEK	47,601	6,804	85
USD	4,603	767	10
EUR	1,406	194	2
DKK	856	98	1
NOK	744	101	1
Other	226	74	1
Total	55,437	8,037	100

Largest concentration for pledged securities

31-12-2022	Share of exposure, %
Evolution	5
Investor B	4
Volvo B	3
Samhällsbyggnadsbo. i Norden B	3
Swedbank A	2
Total	17

ticular market. An assessment is made of the appropriate loan to value ratio based on liquidity, volatility and company-specific aspects, among other things. In addition, a substantial risk margin is set to protect Avanza and customers against credit losses. All margin lending to customers is subject to a month's notice and can therefore be given notice to terminate, should exposure need to be rapidly reduced.

The repayment capacity of each borrower is evaluated and a credit limit set. In the lending process, a joint limit is set for all borrowers belonging to the same sphere. The spread in Avanza's lending is good. There is no significant concentration of pledged securities within margin lending. As of 31 December 2022, 51 (83) margin loans exceeded SEK 10 million. The combined total of these loans was SEK 1,217 million (SEK 1,996m) and the highest individual exposure was SEK 101 million (SEK 126m).

Lending is monitored on a daily basis. At excess leverage, that is to say where debt is covered by pledged securities but the loan exceeds the value of the security and the security margin is no longer covered, the customer is contacted directly. The customer can rectify the excess leverage by depositing money or securities in the account or alternatively by settling securities. If no action is taken, Avanza has the right to sell enough of the securities pledged as collateral as required to rectify the excess leverage.

In the event of volatile markets or other extreme events, excess leverage is actioned through the sale of securities more urgently to counteract credit losses. As of 31 December 2022, excess leverage amounted to SEK 2.5 million (SEK 2.7m) or 0.03 (0.03) per cent of security-backed lending. Average excess leverage during the year amounted to SEK 5.5 million (SEK 3.8m) or 0.06 (0.04) per cent of margin lending.

Margin loans are tested for impairment by classifying the loans in categories 1–3 according to Note 2 Accounting principles, section (i) Financial Instruments, paragraph Impairment according to IFRS 9. On the closing day, provisions for expected credit losses on margin lending in accordance with IFRS 9 amounted to SEK 4 million (SEK 5m). Avanza had confirmed credit losses on margin lending of SEK 1 million (SEK 5m) during the year, where the entire amount consists of a write-off of a previously expected credit loss from 2011 which was expensed to the reserve for expected credit losses. These confirmed credit losses therefore has had no effect on net credit losses for 2022. As of 31 December 2022, there were no past due loans that had not been written down where collateral had not been utilised and

seized collateral that had not been sold. Exchange rate gains/losses or other revaluations do not arise. See also Note 13 Credit losses, net and Note 19 Loans to the public.

The margin lending portfolios are regularly stress tested in several dimensions, including for margin losses and losses arising due to a lack of diversification (concentration risk).

If a customer has signed a standardised option and derivative agreement and has an approved margin loan with Avanza, they have the opportunity to trade in standardised equity / index derivatives. Derivative positions do not automatically mean that the customer uses any credit, but depending on the customer's exposure, a credit utilisation may be relevant in the redemption procedure. To take into account the customer's exposure, a collateral requirement is calculated that limits the derivative customer's available funds. At the end of the year, the number of accounts with derivative positions amounted to 711 (702) and the collateral requirement among them amounted to SEK 482 million (SEK 605m).

Mortgage lending

Since the end of 2013, Avanza offers mortgages. Avanza's mortgage offer targets Avanza's high net worth Private Banking customers. Employees can also take advantage of the offer, where the maximum loan to value ratio is 85 per cent at the time the loan is granted. Avanza does not offer loan commitments. As of 31 December 2022, lending after deductions for expected credit losses amounted to SEK 11,222 million (SEK 10,224m)

Avanza had confirmed credit losses during the year on mortgage lending of SEK – million (SEK –m). Provisions for expected credit losses on the mortgage amounted to SEK 6 million (SEK 5m). The decrease in ECL is, among other things, a result of the PD-model for mortgages having been revised and made less conservative compared to before, making the ECL-model more accurate in light of the low risk profile of the product.

All mortgages are secured with pledges on houses and tenant-owned apartments in Sweden. Pledged properties are reassessed at least once a year through a statistical evaluation from external parties. The last reassessment occurred in November 2022. The average loan to value ratio was 38 (41) per cent at the end of the year, a decrease from the previous year as a result of all properties now being presented with their market value from the last statistical revaluation. Avanza is required to act as the only pledgee for the security. Normal credit assessment occurs, in which a remain-to-live-calculation (RTLCL) is performed to see

Pledged assets for mortgage lending

31-12-2022	Credit limit, SEK m	Lending, SEK m	Loan to value ratio (credit limit), %	Loan to value ratio (lending), %
Houses	8,401	7,660	38	36
Tenant-owned apartments	3,977	3,562	42	41
Total	12,379	11,222	39	38

Geographical distribution of mortgages

Region	Share of exposure, %
Storstockholm	72
Göteborg	10
Malmö	6
Other	12
Total	100

whether the borrower satisfies a scenario with the current interest rate plus at least 5 per cent, given the amount applied for. Repayment is usually introduced if the borrower's loan to value ratio exceeds 75 per cent. If the loan to value ratio exceeds 50 per cent, interest premiums accrue according to a fixed interest rate tier. In addition to this, authority requirements regarding amortisation are added.

Liquidity management

Treasury is responsible for Avanza's liquidity management. In addition to investments, this includes regulatory compliance, measuring and reporting relevant risk and return measures and the portfolio's composition.

Avanza has a surplus of liquidity due to significantly larger deposits from than lending to the public. The surplus liquidity is mainly invested in covered bonds, Riksbank certificates and as deposits with the Riksbank and systemically important Nordic banks, plus to a lesser extent in interest-bearing securities issued by the Swedish government, municipalities and county councils.

Holdings of interest-bearing securities including pledged assets at the closing day amounted to SEK 32,591 million (SEK 28,377m). Of these, securities issued by Swedish municipalities and county councils amounted to SEK 1,714 million (SEK 1,167m) and those issued by the Riksbank amounted to SEK 802 million (SEK 2,523m). Other liquidity at systematically important Nordic credit institutions and the Riksbank amounted to SEK 6,966 million (SEK 5,447m) at year-end.

Avanza has a diversified portfolio of interest-bearing securities with limited concentration risk vis-a-vis individual issuers. Liquidity is invested in accordance with the company's internal regu-

lations, which regulate eligible interest-bearing securities issuers, set a maximum average interest duration of three months and require that the bonds as a basic rule be allowed as security at the Riksbank. Regulation also safeguards the quality of counterparties and pledged securities. All covered bonds are listed and have the highest bond rating with Standard & Poor's (AAA) or Moody's (Aaa). Avanza does not allocate any provisions to the reserve for expected credit losses for bonds as the portfolio as a whole has a high rating and is assessed according to the exception for holdings with low credit risk as per IFRS 9. Assessment of the need to report a loan loss reserve is carried out regularly and may change if the structure of the portfolio changes.

Counterparty risk within security trading on customers' behalf

Avanza has a limited exposure to counterparty risk within securities trading. Avanza is a member of the Stockholm, Copenhagen and Helsinki stock exchanges. The counterparty risks primarily arise as a consequence of transaction volumes in these markets. Avanza only trades on customers' behalf in standardised derivatives, settled over Nasdaq. There are no significant OTC dealings. The risks are limited by Avanza's use of recognised clearing houses, e.g. Euroclear and Nasdaq in Sweden, to settle executed transactions.

The counterparty risk that arises in connection with margin lending, which Avanza Pension offers is managed by having the counterparty provide collateral. Avanza Pension will only accept collateral in the form of government bonds issued by certain specific countries. Pledged collateral shall amount to 105 per cent of the market value of loaned shares.

Liquidity management

31-12-2022	Book value, SEK m	Share, %
Cash and balances with central banks	4,915	12
Loans to credit institutions, including pledged assets	2,052	5
Interest-bearing securities, including pledged assets ¹⁾	32,591	83
of which Swedish government, municipalities and county councils (including the Riksbank)	2,515	8
of which covered bonds	30,076	92

¹⁾ Average duration of bondholdings is 0.20.

Operational risks

Operational risk is defined as the risk of loss as a result of inappropriate or inadequate internal processes or routines, human error, faulty systems or external events. The definition of operational risk includes information, communication and security (ICT) risks, legal risk and compliance risk, and can impact the company's assets (financial impact), reputation, availability, and/or result in sanctions (regulatory impact).

Operational risks arise in all businesses. It is neither possible nor cost effective to try to eliminate all operational risks. Avanza strives to minimise operational risks by creating the most efficient and automated processes possible, which also contributes to cost effectiveness. Avanza does not have any unsecured credits, payment accounts or debit cards, and does not participate in payment transactions, which reduces threats and the risk of fraud. The work involved in managing operational risks is structured and follows methods and guidelines for identifying

and managing risks. Ultimate responsibility for Avanza's operational risks rests with the Board of Directors, while the CEO is responsible for day-to-day administration. Since each unit manager has operational responsibility commensurate with their managerial responsibility, responsibility for the risks has essentially been delegated to unit managers, and consequently to operations. This approach enables adequate management of risks considered to be serious within the established limit structure. Avanza works towards preventative operational risk management.

Risks are valued according to a model measuring probability and consequence. The consequences are assessed in four areas: financial impact, reputational impact, availability impact and regulatory impact. Within operational risk, qualitative and quantitative measures are both grounds for the Board's determination of the risk appetite. In addition, the CEO sets tolerance limits.

Business consequence analyses are undertaken on Avanza's critical processes. By establishing tolerable disruption times in these activities, the requirements in terms of resources such as infrastructure, systems, employees and premises are clarified.

Avanza's employees regularly receive training in risk management, security, internal control and governance in order to raise understanding of and competence in these fields. All employees whose work duties require so are licensed according to the SwedSec AB's requirements.

Incident reporting in the operations sharpens the focus on the prevailing situation and the actual outcome of the risks to which Avanza is exposed. Incidents are measured, analysed and reported to those responsible for managing the risks in order to facilitate improvements but also to inform the valuation of risks in the operations.

Changes in the operations follow an approval process whereby the relevant considerations are given the appropriate significance. Commercial, technical, legal, regulatory related, risk and security considerations are made before any decision is taken as to implementation. The change of Avanza's backoffice system has meant a raised operative risk exposure during the year. The implementation has, however, progressed well and has not resulted in any significant disruptions.

IT risks and information security, i.e. processes and procedures to ensure the availability, accuracy and confidentiality of information, is of major significance for Avanza. Information is one of Avanza's most important assets, and digitisation is increasing the amount of information at the same time that managing the information is becoming more complex. Information security and cyber security are to a large extent a management and board issue. To ensure an effective and structured way that it has the right protection for its information and can adapt the protection to future needs, Avanza uses an information security management system.

Market risks

Market risk is the risk of a decrease in Avanza's result, equity or value of assets due to changes in risk factors in the financial market. Market risk includes stock price risk, interest rate risk and currency risk.

Stock price risk

Stock price risk is the risk that the fair value of, or future cash flow from a share will vary due to changes in market prices. Avanza does not conduct trading in securities on its own accounts. The company only performs trading on behalf of customers. Avanza does not take any positions on its own accounts. The stock price risk Avanza is exposed to arises as a consequence of faulty trades.

Interest rate risk

Interest rate risk can arise through an imbalance in the terms of Avanza's assets and liabilities as changes in interest rates can affect the market value of assets and liabilities. Management of Avanza's surplus liquidity entails market risk in held interest-bearing securities with fixed and floating rate notes (FRN) through changes in credit spreads and interest rates. Avanza allocates capital under Pillar 2 for credit spread risk; see Note 34 Own funds and capital requirements.

Changes in interest rates can also affect net interest income. All else being equal, without taking changes in customer behaviour, the competitive landscape or the bond portfolio's interest rate duration, a 1 percentage point decrease or raise of the policy rate would affect full-year net interest income by between SEK -270 million and SEK 580 million, based on volumes and rates by the end of the year and depending on how much will be shared with customers. A sensitivity analysis of the balance sheet is conducted at the end of each quarter in connection with an interest rate report to the Swedish FSA. Avanza allocates capital under Pillar 2 for interest rate risk in the banking book (IRRBB), see Note 34 Own funds and capital requirements.

Avanza has no fixed interest agreements with customers. Avanza lends at a variable interest rate and adjusts in normal market conditions in the event of interest rate changes by the Riksbank. Lending is financed by deposits.

Avanza's surplus deposits are invested in accordance with the internal risk appetite and limit framework. To effectively manage the liquidity, the Board has established an interest rate risk appetite. The investment of the bank's surplus liquidity is normally made for a maximum average fixed interest rate duration of 0.25, i.e. three months. Furthermore, the interest rate risk, based on average fixed interest rate duration and measured as a parallel displacement of 0.5 percentage units of the interest curve, may not exceed 3 per cent of Avanza's own funds. Investable liquidity excluding pledged assets amounted to SEK 36,132 million (SEK 31,586m) at year-end. Interest sensitivity in the portfolio is measured and reported internally on a weekly basis. Interest rate risk is limited as Avanza intends, and normally has the capacity, to hold all reported bondholdings to maturity. The risk of having to sell bondholdings in advance at a modified market value is limited. This reduces the risk that negative price movements, due to changes in credit spreads or interest rates, will lead to realised losses. Of all the bonds, about 97 per cent have variable coupons (FRN – Floating Rate Notes) with quarterly interest revaluations. The average interest term on fixed rate bonds is approximately 3 years.

Currency rate risk

Avanza has very limited foreign currency exposure. Avanza does not conduct any proprietary currency trading and trades only to facilitate customers' securities trading. Assets and liabilities in the balance sheet are measured primarily in SEK. Customers may hold foreign currency in their account and to settle transactions in a foreign currency. Such currency balances are matched in full by the equivalent balance in Avanza's bank accounts. No significant currency exposure exists outside the balance sheet.

Liquidity risks

Liquidity risk is defined as the risk that Avanza cannot meet its payment obligations at maturity without the cost of obtaining means of payment rising significantly. Avanza's Treasury bears operational responsibility to manage Avanza's liquidity risk and reports to the CFO.

Avanza is financed via equity and customer deposits. Avanza's operations are conducted without the need for market funding. Deposits from the public are considered one of the most secure sources of financing. The liquidity risk is reduced because the financing being spread across a very large number of households and small corporate customers. Historically, deposits

from the public have exhibited little movement, a relatively high degree of so-called stickiness. Avanza's current financing structure exceeds liquidity requirements many times over, giving Avanza substantial surplus liquidity. Overall, the conclusion is that the exposure to liquidity risks is limited.

Payment readiness requires that the asset side of the balance sheet is liquid. To have sufficient funds at all times to meet its payments and ensure customer withdrawals, Avanza makes continuous forecasts and performs stress tests to assess its need for means of payment. The stress tests build on historical data and are based on a number of scenarios specific to Avanza. Liquidity risks are estimated and monitored with the help of various risk measures according to Avanza's risk appetite and limit frameworks. The risk appetite for liquidity risk is conservative, which is ensured by adding an extra liquidity buffer to the regulatory requirement in effect at any given time. Treasury regularly calculates the liquidity coverage ratio (LCR) and a stable funding ratio (NSFR) and reports the results to the Board of Directors and management.

Forecasts are performed daily to manage short-term liquidity risks. A special contingency funding plan is established to be prepared to manage serious disruptions to the liquidity situation. The purpose of contingency plans is to be able to effectively and efficiently take measures to restore the liquidity situation. In order to cope with short-term fluctuations in deposits and lending from/to the general public, a significant part of the assets is held in on account. Furthermore, Avanza is a monetary counterparty to the Riksbank and can thus use the Riksbank's standing credit facility in the event of a short-term liquidity requirement.

SEK 25 million (SEK 417) of lending to credit institutions has been pledged as security. Lending to credit institutions, excluding pledged securities, of SEK 2,027 million (SEK 2,091m) and balances at the Riksbank of SEK 4,915 million (SEK 2,939m) are available by the next banking day at the latest. Besides from mort-

gage lending with a usual term of 30 years, Avanza's other larger balance sheet items have a short term. For margin lending, the term is indefinite, but the notice period is one month. Covered mortgage bonds and interest-bearing securities issued by the Swedish government, municipalities and county councils are managed daily and can normally be converted to cash within a few days. Avanza's bond portfolio has an even maturity structure annually, quarterly and to a certain extent monthly, meaning that large negative changes in surplus liquidity normally are managed with the help of ongoing maturities. Avanza has no individual large deposit customers of significance for liquidity. Instead, deposits are spread among many customers and payment readiness is considered very good. See also Note 31 Terms for assets and liabilities.

Liabilities in the insurance business do not affect the liquidity risk. The reason for this is that there are equivalent assets and that it is policyholders' own funds, and thus the customers themselves, that are responsible for the risk. Nor are there any contractual due dates.

Life insurance risks

The life insurance risks in the insurance business operations are small. Mortalities, survivors' pensions, waivers of premium and sickness insurance are relayed by an external party and the risks are not borne by Avanza. Avanza Pension is exposed to mortality risk linked to endowment insurance contracts, where payment to the insured's survivor amounts to 101 per cent of the sum assured upon death. The risk premium so far has more than covered the risk cost associated with mortalities arising from the endowment insurance policies.

The insurance risk is managed by basing risk premiums on statistical assumptions and through monitoring according to actuarial guidelines. To avoid large fluctuations in earnings, Avanza reinsures risk costs in excess of SEK 250 thousand.

Remaining term (undiscounted cash flows)

SEK m 31-12-2022	Upon request	<3 months	3-12 months	1-5 years	>5 years	Perpetual	Total
Deposits and borrowing from the public	54,308	-	-	-	-	-	54,308
Lease liabilities	-	-	-	83	-	-	83
Other liabilities	-	1,260	-	-	-	-	1,260
Accrued expenses and deferred income	-	150	-	-	-	-	150
Total liabilities¹⁾	54,308	1,410	-	83	-	-	55,801

¹⁾ Total liabilities excluding liabilities in insurance operations for which policyholders are exposed to the risk of changes in value. These liabilities do not affect the liquidity risk.

Liquidity and financing, SEK m	31-12-2022	Term
Cash and balances with central banks	4,915	1 day
Loans to credit institutions, excluding client funds	2,052	1 day
Loans to the public – margin lending	8,037	1 month
Loans to the public – mortgage lending	11,222	At least 30 years
Interest-bearing securities	32,591	32 months
Deposits and borrowing from the public, excluding client funds	54,308	On spot basis

Note 36 Related parties

Transactions with related parties are priced on market terms.

Transactions with key individuals in senior positions and other related parties

No transactions over and above normal account management have been undertaken by Group Management, Board of Directors, close family members of the same, or companies over which any of these individuals exercise a controlling influence.

Nor have any provisions or costs for bad debts associated with related parties been reported during the financial year.

Lending to key individuals in senior positions and to other related parties is a part of Avanza's normal operations.

Senior executives participate in the Group's warrant programme on market terms, see Note 9 Employees and personnel costs.

The Group	31-12-2022	31-12-2021
Transactions with key individuals in senior positions and other related parties		
Lending, SEK m	33	44
Deposits, SEK m	337	277
	2022	2021
Brokerage, SEK thousand	1,112	962
Interest income, SEK thousand	510	328
Interest expenses, SEK thousand	487	58
Invoicing from related parties' limited companies, SEK m	8	2
The Parent Company		
Transactions with subsidiaries		
Parent Company receivables from Group companies, SEK m	1,321	1,428
Parent Company liabilities to Group companies, SEK m	-	-
	2022	2021
Parent Company interest income from Group companies, SEK m	-	-
Parent Company interest expenses to Group companies, SEK m	-	-

Note 37 Important estimates and assessments

The estimations and assessments are reviewed regularly. Changes in assessments are reported in the period in which the change is made if such change has had an effect only during that period, or in the period in which the change is made and also in future periods if the change affects both the period in question and future periods. According to management, critical assessments regarding the accounting principles applied and the source of uncertainty in estimations primarily refer to credit assessments.

Credit assessment

Credit losses are written down using a model where credits are divided into three categories based on assessments of when material increases in credit risk will arise. Additional assessments factor macroeconomic scenarios into the calculation of the impairment need. See Note 2 Accounting principles, section (i) Financial instruments and Note 35 Financial risks.

Note 38 Events after the closing day

Peter Strömberg, Chief Product & Tech Officer (CPTO) and a member of Group Management, has announced that he will be leaving Avanza. Peter resigned from his position in Group Management on 16 January, but will remain on the job through April. The recruitment of a new CPTO has begun.

Note 39 Proposed allocation of profits

The Board of Directors of Avanza Bank Holding AB (publ) proposes that the Annual General Meeting on 30 March 2023 agree to a dividend of SEK 7.50 per share for 2022. Monday, 3 April 2023 is proposed as the record day for the dividend. If the Annual General Meeting agrees to the proposal, the dividend is expected to be paid by Euroclear Sweden AB on Thursday, 6 April 2023. The proposal corresponds to a total dividend of 1,175 SEK million, representing 70 per cent of profit for 2022. This is in line with Avanza's dividend policy, which is to pay a dividend of 70 per cent of profit for the year, taking into account the leverage ratio requirement, including Pillar 2 guidance, and the internal buffer requirement. Dividends will only be paid to an extent that is defensible given the requirements that the nature, scope and risk of the activities place on the size of equity and the company's consolidation requirement, liquidity and position in general. The dividend may be combined with other measures, such as redemption or repurchase of own shares.

The Board of Directors' assessment is that The Parent Company's and Group's profit and position are good, which is evident from the most recent profit and loss statement and balance sheet. It is the opinion of the Board of Directors that the proposed dividend is covered by equity, and is within the remit of the company's dividend policy. The capital ratio and liquidity,

following the proposed dividend, will be satisfactory in relation to the Group's activities.

The Board of Directors has especially considered the current economic climate and the views put forward by the Riksbank that banks should be moderate with major dividends and share buybacks, to enable a larger financial capacity for action. The assessment is that Avanza's capitalisation, despite the current situation, is good and that the situation does not prompt any change in the assessment regarding the financial position. Avanza has, despite the current situation, not seen any credit losses during the year, and assesses that the situation will not come to mean a major increase of credit losses that would have a material negative impact on shareholders' equity. Both capital adequacy and the liquidity situation are still considered satisfactory after the proposed dividend.

Overall, The Board of Directors thereby considers that the proposed dividend is justified with regards to the requirements, that the nature, scope and risks of the activities (the company's and the Group's respectively), place on the amount of equity, and the company's and the Group's consolidation requirements, liquidity and position in general.

SEK – The Parent Company

31-12-2022

The following profits are at the disposal of the Annual General Meeting:

Share premium reserve	545,514,210
Fair value reserve	144,128,062
Retained profit	-23,652,393
Net profit for the year	1,236,602,404
Total	1,902,592,284

The Board of Directors propose that the profits be disposed as follows:

Dividend to shareholders, SEK 7.50 per share	1,174,642,703
To be carried forward	727,949,581
Total	1,902,592,284

The undersigned hereby attest that the consolidated and annual accounts have been prepared in accordance with IFRS international accounting standards, as adopted by the EU, and with generally accepted accounting principles, and that they provide a fair presentation of the Group's and the company's position

and results, and that the consolidated Administration report constitutes a fair review of the performance of the Group's and the company's operations, position and results, and describe significant risks and uncertainty factors faced by the companies that make up the Group.

Stockholm, 23 February 2023

Sven Hagströmer
Chairman of the Board

Magnus Dybeck
Board member

Catharina Eklöf
Board member

Jonas Hagströmer
Board member

Linda Hellström
Board member

Johan Roos
Board member

Sofia Sundström
Board member

Hans Toll
Board member

Leemon Wu
Board member

Rikard Josefson
CEO

Our Audit Report was submitted on 23 February 2023

KPMG AB

Mårten Asplund
Authorised Public Accountant
Auditor in charge

Dan Beitner
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Avanza Bank Holding AB,
corp. id 556274-8458

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Avanza Bank Holding AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 63–119 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 50–62 and sustainability report on pages 126–128. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation and existence of financial investment assets and technical provisions

See the income statement, balance sheet, accounting principles and disclosure 22 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Assets in the insurance operations primarily consist of financial instruments where there is an active market with quoted prices. To a lesser extent there are holdings where the valuation is based on other market data than quoted prices.

The valuation of liabilities in the insurance business is based on the the fair value of the underlying assets plus provision for outstanding claims. The provision is attributable to the risk element in endowment insurance.

Assets and liabilities in the insurance operations constitute a significant part of the consolidated balance sheet in Avanza.

The company has processes and control activities to ensure valuation and existence of the financial investment assets.

Response in the audit

We have tested and evaluated the design and effectiveness of Avanza's controls for pricing, securities reconciliation and reconciliation of financial instruments.

For the instruments listed, we have evaluated Avanzas controls for obtaining prices from external sources and we have performed own tests of the pricing for the total portfolio by reconciling the holdings with external independent sources.

For insurance operations liabilities, we have assessed methods, models and assumptions against industry practice and analytically reviewed the calculations based on FTB.

Commission income

See disclosure 4 and accounting principles on page 79 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Commission income is a significant part of Avanza's revenue. These consist primarily of brokerage received in connection with customers' purchases and sales of securities and commissions from the fund operations.

For 2022, the Group reports net sales related to commission income of SEK 2,512 million (SEK 3,419m). The item is thus material from a financial reporting perspective.

The income statement mainly contains risks attributable to completeness, accuracy and valuation due to the large number of transactions. IT systems and applications are used charge the proper revenues, and a large amount of data is generated in these systems and applications when customers use Avanza's services.

Revenue recognition is considered to be a particularly important area as the large volume of transactions means that completeness and accuracy are critical in order for a material error in the financial reporting not to occur.

Response in the audit

Our audit has included testing and evaluation of design and efficiency in controls for reporting commission income. This includes, among other things, evaluation of essential procedures and controls for revenue recognition, including relevant IT systems and applications used for accounting and follow-up. We have ensured the transfer of data between the pre-system and the general ledger.

We have performed data analyzes in combination with analytical review of commission income, where the transactions have been compared with agreed brokerage levels in relation to completed transactions.

We have also carried out calculations to ensure the size of the fund distribution revenue through analytical and detailed audit procedures.

Loan receivables and provisions for loan losses

See disclosure 19 and accounting principles on page 81 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Lending in Avanza Bank consists of loans with collateral in securities and housing. Lending takes place in Sweden via its own channels. The Group's loans to the public amounts to SEK 19,259 million (SEK 20,300m) at December 31 2022, which corresponds to 8.0 (7.3) percent of the Group's total assets. The company's reserves for credit losses in the loan portfolio amounts to SEK 9 million (SEK 9m).

The loan loss provisions in the Group's loan portfolio correspond to the Group's best estimate of potential losses in the loan portfolio as of the balance sheet date. The loan loss provisions require that the Group makes assessments and assumptions about credit risks and in the calculations for expected credit losses. The complexity of these calculations, as well as the judgments and assumptions that are made, make us consider this as a particularly important area.

Response in the audit

We have evaluated and tested the group's key controls in the lending process including credit decisions, credit review, rating classification and approval of loan loss provisions.

Tested controls consist of both manual controls and automatic controls in application systems. We have also tested general IT controls including authorization management for the relevant systems.

We have reviewed the Group's principles based on IFRS 9 to assess whether the Group's interpretation of these are reasonable. Furthermore, we have tested the Group's key controls regarding the process of loan loss provisions. We also randomly checked the input data in the models and the accuracy of the calculations and evaluated the management's assessments. In our audit, we have used our internal credit risk modelling specialists to assist us.

We have assessed the circumstances presented in the information in the annual report and if the information is sufficient comprehensive as a description of the company's assessments.

The Bank's new backoffice-system

See page 4, 5, 7, 34, 65, 67, disclosure 1, 23 and 35 in the annual account for detailed information and description of the matter.

Description of key audit matter

In 2022, Avanza Bank completed the work to replace its previous backoffice system. The system handles a significant number of Avanza Bank's transactions vis-à-vis its customers and is of major significance to the financial reporting.

Complete and accurate accounts require that controls over access to the system, software development and software modifications are properly designed and work effectively.

Because of this, the implementation of a new core banking system during the year constituted a key audit matter.

Response in the audit

Our IT auditors' auditing procedures have included, but not been limited to, creating an understanding and testing the

effectiveness of identified key controls during the year related to processes for identity and access management, including assignment of, changes to and removal of authorisations for the new system. We have also reviewed processes for oversight and control of system configurations to protect systems and information from unauthorised changes. We have taken note of third-party certifications for the controls handled by third-party providers. In connection with the implementation of the system in April 2022, we have examined the bank's analysis that the system was implemented without material errors. Lastly, we have tested data transfers between the system and the general ledger and that reports that serve as the basis of the financial reporting contain comprehensive data.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–49, 126–128, and 130–137. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and the Annual Accounts Act for Credit Institutions and Securities Companies and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Avanza Bank Holding AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Avanza Bank Holding AB (publ) for year 2022. Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Avanza Bank Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity and cash flow, as well as notes, in the Esef report have been marked with iXBRL as prescribed by the Esef regulation.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Avanza Bank Holding AB by the general meeting of the shareholders on the 31 March 2022. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2019.

Stockholm, 23 February 2023

KPMG AB

Mårten Asplund
Authorized Public Accountant
Auditor-in-Charge

Dan Beitner
Authorized Public Accountant

Sustainability reporting

Avanza's sustainability reporting is an important part of an open and balanced presentation of Avanza's position, activities and achievements in key areas.

In accordance with the Annual Accounts Act, chap. 6, section 11, Avanza has chosen to prepare a Sustainability report separately from the Administration report and largely from the formal financial statements. Avanza's report has been prepared in accordance with the GRI Standards: Core option. The report is also prepared in accordance with GRI's specific guidelines for the industry (Financial Services Sector Supplement). For reporting according to EU's Taxonomy Regulation 2020/852, article 8, see page 31.

The statutory Sustainability report comprises the entire Group and its scope can be found on page 128. Avanza's operations

are not deemed to pose any significant negative environmental impact or risk of violation on human rights, whether directly or indirectly, other than in the fund company's asset management. The Avanza Group therefore have no formalised management or performance monitoring in these areas.

A separate statement on the Sustainability report has been prepared by an external party.

Previous Sustainability report concerned the calendar year 2021 and was published on 25 February 2022.

Avanza's policies are published on avanza.se/ir.

GRI Index

General standard information		Page/note
Organisation profile		
102-1	Name of the organisation	Note 1
102-2	Activities, brands, products and services	32–34, 130–133
102-3	Location of headquarters	Note 1
102-4	Location of operations	2
102-5	Ownership and legal form	2
102-6	Markets served	2, 130
102-7	Scale of the organisation	2, 10, 42–43, 130–133
102-8	Information on employees and other workers	36–40
102-9	Supply chain	44
102-10	Significant changes to the organisation's size, structure, owners or its supply chain	Not applicable
102-11	Precautionary Principle or approach	Not applicable
102-12	External initiatives	28–30, 36–39
102-13	Membership of associations	28, 128
Strategy		
102-14	Statement from senior decision-makers	5–7, 48–49
102-15	Key impacts, risks, and opportunities	15–22, 36–40, 44–47
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	36–40, 46, 53–55
Governance		
102-18	Corporate governance	50–62
Stakeholder engagement		
102-40	Stakeholder groups	12–13
102-41	Collective bargaining agreements	39
102-42	Identifying and selecting stakeholders	12–13
102-43	Approach to stakeholder engagement	12–13
102-44	Key topics and initiatives	12–13, 20–22, 28–34
Reporting practice		
102-45	Entities included in the consolidated financial statements	63, Note 2
102-46	Defining report content and topic boundaries	12–13, 126
102-47	List of material topics	12–13, 24–26
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Note 2
102-50	Reporting period	Note 1
102-51	Date of most recent report	137
102-52	Reporting cycle	Note 1
102-53	Contact point for questions regarding the report	128, 137
102-54	Claims of reporting in accordance with the GRI Standards	68, 126
102-55	GRI content index	126–128
102-56	External assurance	Not applicable

Specific standard information			Page/note
GRI 200			
Economic aspects	Indicator		
GRI 103 Management approach	103-1 103-2 103-3	Explanation of the material topic and its boundary The management approach and its components Evaluation of the management approach	2, 10, 12–13, 44–47 8–10 24–26
GRI 203 Indirect economic impacts	203-2	Significant indirect economic impacts	8–10, 24–39
GRI 103 Management approach	103-1 103-2 103-3	Explanation of the material topic and its boundary The management approach and its components Evaluation of the management approach	12–13, 36–39 12–13, 36–39 12–13, 36–39
GRI 205 Anti-corruption	205-2 205-3	Communication and training about anti-corruption policies and procedures Confirmed incidents of corruption and actions taken	44–47, 53 53
GRI 400			
Social aspects			
GRI 103 Management approach	103-1 103-2 103-3	Explanation of the material topic and its boundary The management approach and its components Evaluation of the management approach	12–13, 36–40 12–13, 36–40 12–13, 36–40
GRI 401 Employment	401-1 401-2 401-3	New employee hires and employee turnover Benefits provided to full-time employees that are not provided to temporary or part time employees Parental leave	36–40 39 39–40
GRI 103 Management approach	103-1 103-2 103-3	Explanation of the material topic and its boundary The management approach and its components Evaluation of the management approach	36–40, 44–47, 53 36–40, 44–47, 53 36–40, 44–47, 53
GRI 404 Training and education	404-3	Percentage of employees receiving regular performance and career development reviews	36–40, 44–47, 53
GRI 103 Management approach	103-1 103-2 103-3	Explanation of the material topic and its boundary The management approach and its components Evaluation of the management approach	12–14, 36–39, 54 12–14, 36–39, 54 12–14, 36–39, 54
GRI 405 Diversity and equal opportunity	405-1 405-2	Diversity of governance bodies and employees Ratio of basic salary and remuneration of women to men	36–40, 54, 58–61 38, Note 9
GRI 103 Management approach	103-1 103-2 103-3	Explanation of the material topic and its boundary The management approach and its components Evaluation of the management approach	44, 56–57 44, 56–57 44, 56–57
GRI 418 Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	44

Sector disclosures			Page/note
Financial services			
Products	Indicator		
GRI G4 Management approach	G4_DMA	Material aspect Disclosures on management approach	8–13 8–13
Product portfolio	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	25–34

Statutory Sustainability report – Index

	Page/reference
General information	
Despriction of business model	8–10
Stakeholders	12–13
Environment	
Risks	45–47
Risk management	45–47
Policy, its purpose and distribution of responsibilities	Not applicable
Result indicators	26, 128, avanza.se/ir
Employee relations and Social conditions	
Risks	36–40, 45–47
Risk management	36–40, 45–47
Policy, its purpose and distribution of responsibilities	46
Result indicators	24, 36–40
Human rights	
Risks	46–47
Risk management	30, 37–38, 45–47
Policy, its purpose and distribution of responsibilities	Not applicable
Result indicators	Not applicable
Anti corruption	
Risks	45–47, 53–54
Risk management	45–47, 53–54
Policy, its purpose and distribution of responsibilities	45–47, 53–54
Result indicators	45–47, 53–54

Other sustainability disclosures

Memberships

To share knowledge, meet for discussion with others in the industry and together influence the industry's development, Avanza and its companies are members of, and participate actively in, trade associations such as the Swedish Bankers' Association, the Swedish Securities Markets Association and the Swedish Investment Fund Association. Avanza Funds is a member of Principles of Responsible Investments (PRI).

Morningstar Sustainability Rating (explanation of the target on page 25)

The Morningstar Sustainability Score is a weighted average of the sustainability risk of a fund's holdings. These ESG Risk Ratings are rendered on a scale of 0–100, where lower is better and indicates greater sustainability. 0 indicates that a company has no unmanaged ESG risk and 100 indicates the highest level of ESG risk. The scoring is based on research from Sustainalytics and more than 10,000 companies around the world have a Sustainalytics ESG Risk Rating, which is updated monthly.

Morningstar also assigns funds a sustainability rating of 1 to 5 globes. The globes measure how well companies and other holdings in a fund's portfolio manage risk from environmental, social and governance (ESG) factors relative to other funds in the same global category. The number of globes is a function of the fund's historical sustainability rating. It is a weighted average of its rating now and for the trailing 12 months. The current rating carries more weight than the one 12 months ago. The 10 per cent of funds with the lowest average sustainability risk in their category receive 5 globes. Funds falling into the second best group,

22.5 per cent, receive four globes, while 35 per cent of funds receive three globes, 22.5 per cent receive two globes, and the 10 per cent with the highest risk receive one globe.

We shall be a climate-smart organisation that monitors our carbon footprint

Minimising our climate impact is part of the sustainability work, even though we as an online savings platform have a limited direct impact on the environment. As a result, we do not have a formal environmental management system. Most of our communication with customers is digital. Day-to-day operations do not require transports and travel is limited. We strive for sustainable procurement practices and sustainable offices through healthy work environments and low resource and energy consumption. An analysis is conducted each year to monitor our impact on climate change. Total energy consumption in 2022 amounted to 1,062 (1,021) MWh, of which 369 (379) MWh related to internal consumption.¹⁾ Total GHG emissions amounted to 281 (580) tonnes CO₂e. The year's decrease is mainly due to less purchased IT equipment. For 2022 climate offsets of 281 tonnes CO₂e were purchased.

The climate reports are published on [avanza.se/ir](https://www.avanza.se/ir).

Contact

Johanna Kull, CSR Manager
E-mail: johanna.kull@avanza.se
Phone: + 46 (0) 70-452 48 34

¹⁾ The comparative figures for 2021 have been adjusted since last years Annual report due to a change in the calculation of total emissions during 2022.

Auditor's opinion on the statutory sustainability report

To the general meeting of the shareholders in Avanza Bank Holding AB (publ), corporate identity number 556274-8458

Engagement and responsibility

It is the board of directors who is responsible for the sustainability report for the year 2022 on page 128 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the the examination

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm 23 February 2023

KPMG AB

Mårten Asplund
Authorised Public Accountant
Auditor-in-Charge

Dan Beitner
Authorised Public Accountant

Our customers

Our offerings are mainly targeted at private investors, but we also offer services for professional investors and business customers, including self-employed firms, asset managers, and businesses subscribing for occupational pension plans.

Standard offer

Most of our customers are included in our standard offer. All customers have full access to Avanza's platform. However, certain instruments require specific suitability tests before trading. Being a customer at Avanza is free, and you only pay brokerage or currency exchange fees for trading with equities, fees for investing in mutual funds, or interest for loans.

Private Banking

Private Banking serves our high-net-worth customers with savings of at least SEK 3 million. We offer digital and personal service with a wide range of securities, low brokerage fees, and very attractive interest rates on margin loans and mortgages. In addition, our Private Banking customers have access to services such as tax advice and legal aid, as well as market updates and investment advice from Placera, Avanza's independent editorial media unit. Private Banking customers also receive prompt and personal service from our specialised brokers and account managers. More over, Private Banking Customers have access to VIP-tickets, pre-showings and exclusive events via the digital entertainment service KEY.

Pro

Our Pro offering is designed for more active customers and professional day traders. As a Pro customer, you make at least two trades a day at the minimum brokerage fee or trade at least SEK 280,000 daily. Customers receive favourable terms, low brokerage fees and access to trading tools. Our Pro customers also have access to prompt, personal service from our specialised brokers and account managers. Pro customers also have access to the services available for Private Banking customers, as long as they qualify for the capital requirements.

Corporate customers

Corporate customers have the same access to our services as private customers and can qualify for our standard offer or Private Banking.

We also have an occupational pension offer for companies, free from unnecessary insurance fees, which can give each employee up to SEK 1 million more in retirement savings. The majority of corporate customers with occupational pensions are small and medium-sized companies with less than 100 employees. Firms can in a few simple steps digitally apply for an occupational pension plan.

For institutional investors we offer a highly competitive alternative distinguished by high quality, premium service, and fast and secure order processing by phone, online or the trading app. Asset managers have access to our broad range of investment options. We have around 50 institutional trading customers, mainly Swedish asset managers, who trade for their funds or other management vehicles through Avanza. This is in addition to around 15 collaborations with managers who use Avanza's platform to manage their clients' wealth.

In Corporate Finance, we mainly target small and medium-sized companies as an advisor in connection with IPOs and funding, and as a partner to medium-sized and large companies.

Brokerage fee classes

We offer various brokerage fee classes to fit each customer's trading activity. We have something for everyone, from the smallest trader to those who make large trades and want to pay a flat fee. Customers choose a brokerage fee class and can switch classes whenever they like, but at the earliest one day after the last change. Fund trades are commission free.

Start

Variable brokerage fee

0 %

Lowest brokerage fee

SEK 0

Selectable if you have less than SEK 50,000*

Mini

Variable brokerage fee

0.25 %

Lowest brokerage fee

SEK 1

Suitable for trades below SEK 15,600

Small

Variable brokerage fee

0.15 %

Lowest brokerage fee

SEK 39

Suitable for trades between SEK 15,600 – 46,000

Medium

Variable brokerage fee

0.069 %

Lowest brokerage fee

SEK 69

Suitable for trades between SEK 46,000 – 143,500

Fast Pris

Variable brokerage fee

0 %

Lowest brokerage fee

SEK 99

Suitable for trades over SEK 143,500

PB Mini

Variable brokerage fee

0.15 %

Lowest brokerage fee

SEK 1

PB

Variable brokerage fee

0.055 %

Lowest brokerage fee

SEK 59

PB Fast Pris

Variable brokerage fee

0 %

Lowest brokerage fee

SEK 99

Pro

Variable brokerage fee

0.034 % and below

Lowest brokerage fee

SEK 49 and below

The prices in our brokerage fee classes apply to equity trading on the Stockholm Stock Exchange including First North, with the exception of Start, which applies only to equity trading on the Stockholm Stock Exchange. For more information on our prices, please visit our website, avanza.se (in Swedish only).

* Brokerage fee class Start can be chosen if you have never had SEK 50,000 or more in total savings capital with us. If you reach SEK 50,000 or make more than 500 brokerage-free trades during a 12-month period, you are automatically placed in brokerage fee class Mini and can not choose Start again.

Product range

In order to offer a world-class user experience, we have a broad product range, access to extensive market data, many different filtering tools and decision support, and not least a platform that is easy to use and navigate through the website and app. With Avanza, you won't pay any fixed fees, either.

Our accounts

Share and fund account

Traditional holding account where customers can offset gains against losses for tax purposes and vote their shares. Capital gains tax of 30 per cent is paid on profits and dividends.

Investment savings account

Account subject to standard tax for equities, funds and other securities where customers can vote their shares. Tax is paid annually and does not have to be reported in a tax return. An investment savings account cannot be owned by a company.

Endowment insurance

Account for equities, funds and other securities where standard tax is automatically withheld each quarter and does not have to be declared in a tax return. Companies can also own endowment insurance. A beneficiary can be named for the insured amount should the policyholder die.

Endowment insurance Child

A regular endowment insurance where you save in your own name but are able to designate a child as a beneficiary when the account is opened. Entire account or holding can be assigned to the child at any time.

Savings account

An interest-bearing savings account designed for corporate clients that are unable to take advantage of an external deposit account through our partners. Suits all types of companies, and state deposit guarantee applies up to SEK 1,050,000.

External deposit account

An interest-bearing savings account with or without a minimum term available through partnerships with other banks and credit market companies. State deposit guarantee applies up to SEK 1,050,000.

Occupational pension

Pension savings for the customer themselves or their employees. They can choose a standard solution or create a personalised plan. Through our corporate website, business customers can manage their pension schemes quickly and easily without forms. Application process is digital.

Pension insurance

Insurance policy with option to save privately for retirement and where an annual yield tax is charged. Repayment protection is available. Pension insurance can be transferred to Avanza, but since the deduction was eliminated, there is no longer a tax advantage to contributing new capital.

Individual pension plan

Bank account with option to save privately for retirement and where an annual yield tax is charged. Repayment protection is always included. Individual pension plan can be transferred to Avanza, but since the deduction has been eliminated, there is no longer a tax advantage to contributing new capital.

Securities trading

Equities

Through the website and app shares can be traded in the Nordic countries, on major exchanges in Europe, and in the US and Canada. Beyond this, most markets can be traded through brokers.

Funds

On Avanza's platform, investors can trade more than 1,300 funds from around the world, including 18 of Avanza's own index funds with record-low fees, the specialty funds Avanza Auto, three funds of funds and three actively managed funds in collaboration with external fund managers. In addition to Sweden's broadest range of low-cost funds, customers have access to exchange-traded funds (ETFs), which track various stock indices among other things.

Other securities

Around 60,000 ETPs linked to commodities, currencies, individual shares and indices across the globe, bonds, options, futures, warrants, certificates of deposit and structured products.

Lending

External mortgage and Green mortgage

We offer external mortgages from other lenders that require no savings capital or other commitments. The rate is set in advance and the application is fully digital. Loan to value ratio may not exceed 75 per cent. There is also a green mortgage, where customers with an energy efficient home receive a discounted interest rate.

Private Banking mortgage

Internally financed mortgage for Private Banking customers. Mortgage rate is based on the Swedish Riksbank's repo rate, 3 months floating. Current rates starts at 2.44¹⁾, depending on customer's total savings at Avanza. Borrower has the flexibility to deposit or withdraw funds up to the approved credit limit without a new application or credit check. Flexibility is capped at SEK 500,000.

¹⁾ Interest rate as of 31 December 2022.

Margin loan

Margin lending with no minimum term or fees and the possibility to borrow as low as 0.99 per cent¹⁾. Rate depends on the size of the loan and account balance.

Stock lending

Gives endowment insurance customers with shareholdings the opportunity for a higher return by allowing Avanza to lend shares to Morgan Stanley. Loan does not affect the customer's holding. Avanza pays the expenses and 60 per cent of the compensation from Morgan Stanley goes back to the customer.

Inspiration and decision support**Avanza Auto**

Fund solution where you can filter six automatically optimised funds based on savings horizon and risk level. A smart, cheap and automatic way to manage money.

Portfolio Generator

Decision support that suggests a well-diversified portfolio of five-star funds with low fees based on savings horizon and risk tolerance.

Stock inspiration

Find favourite new stocks with the help of various theme lists such as Sport, Equality or Fashion, as well as popular lists such as Millionaires' and Women's favourites. There are also specific portfolios that, for example, replicate what Avanza's employees invest in.

Stock generator

Filters thousands of equities to create a list of favourite stocks simply by answering five easy questions.

Avanza Swiper

Function in the app that can be used to find interesting new stocks and diversify investments. Swipe right or left depending on whether you like a company or not based on a brief presentation and a number of performance metrics. Companies that are swiped right are added to a list, so customers can easily learn more about them before making an investment.

Analysis Pages

Analysis Pages on the website and in the apps are packed with information on the customer's holdings, including various charts and tables. Through the pages, they can easily see a summary of their historical returns, dividends, deposits and fees sorted into different periods. Data can be exported as CSV file.

The Pension Chase

Tool to find and consolidate occupational pensions and insurance. Using the Pension Chase, customers can find pensions with other companies, see which ones are transferable and determine how much they can save by requesting a transfer to Avanza.

Save sustainably

Special section on the site with information, inspirational lists, educational material and products to inspire and facilitate sustainable investments.

Avanza Academy

For those who want to learn everything they need to know about saving. There are both simple and more in-depth sections on everything from equities and funds to mortgages or taxes and tax forms.

Avanza Podcast

One of Sweden's most popular financial podcasts, where our savings economists discuss a wide range of topics involving personal finance. They invite interesting guests, guide and support savers, and share their best tips on a new theme each week.

Avanza Blog

Blog on savings and personal finance where readers can find updated posts on current economic events, analyses of various customer groups, and information on how to start saving and new functions on the platform.

Placera

One of Sweden's largest financial sites, reporting daily on equities, market news and savings issues. Also offers extensive TV and podcast content, press releases and a number of external analysis services. Placera is editorially independent from Avanza.

Börsveckan

Stockpicking magazine focused on the stock market and equity analysis. Writes over 300 analyses annually and manages two model portfolios. Börsveckan was founded in 1985 with the aim to help readers find winning stocks and successfully trade. Börsveckan is editorially independent from Avanza.

Signal list

Newsletter with a summary of the day's stock market highlights. Also contains an analysis service covering hundreds of shares based on a standardised model of technical analysis that generates price trends. Cost is SEK 0-39 per month depending on version and benefit level.

Other**Monitoring and alarm**

Option to create watch lists of specific shares or funds that triggers an alarm when a specific price is reached.

Stop-loss

Function where the customer can choose to automatically place an order for a security at a specific price. Can be used on the website and in the app.

Trader programme Infront

One of the market's most advanced trading programmes, where customers can track market flows, apply technical analysis and optimise order execution.

Avanza K4

Function on the homepage where the customer can create a pre-printed tax form with everything they need to know about their account and transactions for filing purposes. Price is SEK 0-99 depending on benefit level.

For more information on our range of products and services, visit our website, avanza.se (in Swedish only).

Definitions

The measures and key ratios used in the Annual report are defined below. Some key ratios are alternative performance measures (APM), which are financial measures that are not defined within IFRS or other applicable regulations such as capital adequacy and solvency. APM are applicable when relevant to describe Avanza's operations and financial situation. APM are not directly comparable to other corporations. Financial key ratios and APM are described in the note references below.

Client funds²⁾

Liquid assets with Avanza which are held on behalf of a third party, and which consequently are not reported in the balance sheet.

Costs per customer²⁾

Operating expenses in relation to the average number of customers during the year. The ratio shows how a focus on scalability and cost efficiency yields results.

Costs to savings capital ratio²⁾

Operating expenses in relation to average savings capital during the year. The ratio shows how scalability and cost efficiency yields results. A low relation indicates high competitiveness and is needed to deliver high margins regardless of interest rate level.

Credit loss level¹⁾

Net credit losses in relation to the opening balance for lending to credit institutions and lending to the public.

Currency related income, net²⁾

Foreign exchange income generated from customer trading in securities, less repayment of foreign exchange expenses to customers in benefit level Start for funds.

Customer²⁾

Individual or company with at least one account with holdings or an external mortgage.

Deposits²⁾

Deposits by the public as per the balance sheet with deduction for the portion which represents cash pledged on endowment insurance accounts and which entirely corresponds to the lending to the public, and the addition of client fund deposits and external deposits.

Deposits/Savings capital²⁾

Deposits in relation to the savings capital at the end of the year. The ratio shows how much liquidity the customers hold and indirectly how much is invested in securities.

Dividend yield

Dividend per share relative to share price at year-end.

Earnings per share¹⁾

Profit/loss after tax in relation to the average number of shares during the year before and after dilution.

eNPS

Employee Net Promoter Score, i.e. employees' recommendation level, according to Avanza's pulse surveys.

Equity per share¹⁾

Shareholders' equity in relation to the number of outstanding shares before dilution at the end of the year.

External deposits²⁾

Savings accounts in external banks and credit market companies opened and managed by customers via Avanza's platform.

External mortgages²⁾

External mortgages in financial institutions opened and managed via Avanza's platform.

Fund commissions, net²⁾

Distribution compensation from fund management companies (consists of commission based on fund volume) and management fees from Avanza funds, less repayment of fund commissions to customers in benefit level Start.

Gross brokerage income/Turnover in brokerage-generating securities²⁾

Gross brokerage income in relation to turnover excluding investment fund trading and Avanza Markets. The ratio shows the effect of trading in various brokerage fee classes.

Income per customer²⁾

Operating income in relation to the average number of customers during the year. The ratio shows the effect of trading activity, trading in various brokerage fee classes and price changes.

Income to savings capital ratio²⁾

Operating income in relation to average savings capital during the year. There is a strong correlation between savings capital and income. This ratio shows the effect of price reductions, mix-effects in the savings capital and effects of interest rate changes.

Internally financed lending²⁾

Lending to the public as per the balance sheet less the portion which is covered in its entirety by cash pledged on endowment insurance accounts, without deducting provisions for bad debt.

Leverage ratio³⁾

Leverage ratio is a non-risk weighted measure showing Tier 1 capital and the total exposure amount according to Article 429 of the CRR.

Net brokerage income²⁾

Gross brokerage income less direct costs.

Net inflow²⁾

Deposits, less withdrawals, of liquid assets and securities.

Note²⁾

A customer's buying and selling assignments involving a specific security. A note may comprise one or more transactions.

Operating margin²⁾

Operating profit/loss in relation to operating income.

Own funds³⁾

Equity adjusted for deductions in accordance with the provisions governing credit institutions, fund management companies and insurance companies regarding the way in which the own funds and the capital requirement are determined.

P/E ratio²⁾

Share price in relation to earnings per share before dilution.

Profit margin²⁾

Profit/loss after tax in relation to operating income.

Return on assets¹⁾

Profit/loss after tax in relation to average total assets during the year.

Return on equity¹⁾

Profit/loss after tax in relation to the average shareholders' equity during the year.

Savings capital²⁾

The combined value of accounts held with Avanza. Savings capital is affected by in and outflows as well as changes in value.

Savings capital per customer²⁾

Savings capital in relation to the number of customers at the end of the year. The ratio shows how much savings capital an average customer has and how the customer base's capital develops over time.

Stock market

Refers to the OMX Stockholm GI, which shows the average performance on the Stockholm Stock Exchange, including dividends.

Solvency capital³⁾

Estimated future present value of the insurance company Avanza Pension's profits generated from policyholders' capital.

Solvency capital requirement³⁾

Estimated capital requirement under the Solvency 2 rules.

The Swedish savings market

Total capital in the Swedish savings market according to Statistics Sweden's Savings Barometer, less Avanza's unadressable assets. The data are published with a quarterly lag.

The Swedish life insurance market

Total capital in the occupational pension market according to Statistics Sweden's Savings Barometer. Premium inflow according to data from Insurance Sweden. Non-collective agreement occupational pension insurance adjusted for undistributed premiums in plan agreements. The data are published with a quarterly lag.

Total return

Movements in share price including reinvested dividends.

Turnover²⁾

Turnover in security trading.

Alternative performance measures

¹⁾ Financial key ratios that are directly cited in the financial reports.

²⁾ Financial or other key ratios that can be traced in Avanza's Excel spreadsheets with financial histories, published quarterly on [avanza.se/keydata](https://www.avanza.se/keydata).

³⁾ Key ratios that are reported with respect to the SFSA's regulations and general guidelines, see Note 34 Own funds and capital requirements.

Annual General Meeting

The Avanza Bank Holding AB (publ) ("Avanza") Annual General Meeting will be held on Thursday, 30 March 2023.

Right to participate in the Annual General Meeting

Shareholders who wish to participate in Avanza's Annual General Meeting must:

- be listed in the shareholder register maintained by Euroclear Sweden AB no later than Wednesday, 22 March 2023,
- notify Avanza of their intention to attend the Annual General Meeting or cast their postal vote in the manner indicated in the notice of the meeting.

Registration

Avanza's share register is maintained by Euroclear Sweden AB. Only owner-registered holdings are listed in the shareholder's own name in the register. Shareholders with nominee-registered shares shall be entitled to participate in the Annual General Meeting provided that the nominee-registered shares are re-registered in their own name. Re-registration must be completed by Friday, 24 March 2023. The institution responsible for administration of the shares must be instructed well in advance to assist the shareholder with this.

Notification

Information on how to notify Avanza will be provided in the notice of the Annual General Meeting. The notice will be published in a press release and in the Official Swedish Gazette (Post- and Inrikes Tidningar), and will be available on the company's website, avanza.se/ir, not later than four weeks prior to the meeting.

If a shareholder wishes to attend by proxy, they are asked to submit a proxy form and other documentation when registering for the meeting. The proxy form will also be available on the company's website, avanza.se/ir, and sent to shareholders upon request when they provide their mailing or email address.

Right to submit matters for consideration

Shareholders are entitled to submit matters for consideration by Avanza's Annual General Meeting provided that a written request is received by the Board in sufficient time for the matter to be included in the Notice.

The shareholder's written request should be submitted no later than Thursday, 9 February 2023 and be sent to arsstamma@avanza.se, or by post to:

Avanza Bank Holding AB
Att: Bolagsjuridik
Box 1399
SE-111 93 Stockholm

Financial calendar

30 March
2023

Annual General Meeting

24 April
2023

Interim report January–March

14 July
2023

Interim report January–June

Published

24 February
2023

Annual report 2022

25 February
2022

Annual report 2021

Our financial reports are digitally distributed via the corporate website.

Contacts

Sofia Svavar, Head of Investor Relations
Telephone: + 46 (0)8 409 420 17

Karolina Johansson, IR Manager
Telefon: +46 (0)8-409 422 08

Email: ir@avanza.se

Anna Casselblad, CFO
Telephone: + 46 (0)8 409 420 11
E-mail: anna.casselblad@avanza.se

Head office

Visiting address:
Postal address:
Telephone:
Website:
Corporate web:

Regeringsgatan 103, Stockholm
Box 1399, SE-111 93 Stockholm
+ 46 (0)8 562 250 00
avanza.se
avanza.se/ir

This Annual report is published in Swedish and English. In the event of any differences between the English version and the Swedish original, the Swedish version shall prevail.

