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AVANZA BANK PRELIMINARY FINANCIAL STATEMENT 2010

- Operating income increased by 21 per cent (1 %) to SEK 621 million (SEK 515 m)
- The profit after tax increased by 19 per cent (23 %) to SEK 271 million (SEK 228 m)
- Earnings per share increased by 18 per cent (22 %) to SEK 9.77 (8.27)
- Net savings totalled SEK 9,570 million (SEK 9,950 m), corresponding to 16 per cent (29 %) of savings capital at the beginning of the year
- The number of accounts increased by 26 per cent (23 %) to 352,200 (279,000), and the total savings capital increased by 34 per cent (77 %) to SEK 82,000 million (SEK 61,300 m)
- The Board proposes that a dividend of SEK 9.50 (SEK 8.00) per share be paid

Fourth quarter

- Operating income increased by 15 per cent (17 %) to SEK 167 million (SEK 145 m)
- The profit after tax increased by 6 per cent (64 %) to SEK 68 million (SEK 64 m)
- Income and profit before tax was charged with SEK 9 million in respect of value adjustment of the holding in the Exchange Burgundy
- Earnings per share increased by 6 per cent (62 %) to SEK 2.45 (SEK 2.31)

Preliminary Financial Statement, 2010

Comments from the Managing Director

"The number of accounts grew by 26 per cent during the year and net inflow amounted to SEK 9,570 million. This means that we met our long term goals. The foundation for growth is that Avanza Bank has Sweden's most satisfied savers, which also appeared in the Swedish Quality Index survey. Customer satisfaction is our focus and we believe that it is also the reason why we were named both the Bank of the Year and Life Insurance Company of the year in 2010," says Avanza Bank's Nicklas Storåkers, Managing Director of Avanza Bank.

"Earnings per share increased 18 per cent during the year. During the fourth quarter pre-tax profit increased by 19 per cent before value adjustment of the holdings of shares in the Exchange Burgundy. In addition to the underlying growth obviously a strong stock market and higher interest margins contributed positively."

"The popular savings product endowment insurance accounted for most of Avanza Bank's net inflow. During the fourth quarter, net inflow are seasonally weak and amounted to SEK 1,130 million. Demand for the endowment insurance product continues to be very high and during the first two weeks in January 2011 the net inflow was SEK 1,530 million, compared with SEK 1,330 million in the same period last year."

"We continue forward in 2011, as usual, with the ambition to take many small, quick steps on the Swedish savings market. We see good growth opportunities and will this year launch new products. In addition, net interest margins are expected to strengthen our revenue base. Since we have not succeeded in recruiting at the pace we wanted in the IT and web development in 2010, expenses have increased less than the 25 per cent we previously thought. This means that some recruiting will be implemented in 2011 instead. The expenses increase is therefore estimated to be in the top of the range of 15–20 per cent, which is the long-term goal. Conditions are considered as good in 2011 to achieve the long-term goal of 15–20 per cent profit growth."

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Operations

Market and sales

The stock market was strong in 2010, with the NASDAQ OMX Stockholm rising by 23 (47) per cent. Trading was quiet in the first quarter, followed by high trading in the second quarter as a result of concerns over the Greek economy and the Euro. Trading has increased since the end of the third quarter and interest in the stock market has gradually increased in 2010. In fund trading mixed funds and funds based on small emerging markets have grown the most but also exchange-traded funds have grown sharply in 2010.

The Riksbank raised the key interest rate on a number of occasions in the second half of 2010. As of 31st December the repo rate was 1.25 per cent. Higher key interest rates also help to strengthen Avanza Bank's net interest items. The impact of this will be seen more clearly in 2011 as the interest rate rises came in the latter part of 2010.

In spring 2010 Avanza Bank was named Life Insurance Company of the Year at the Risk & Försäkring Insurance Awards. In November, the Swedish Quality Index showed that Avanza Bank has Sweden's most satisfied savers. In December Avanza Bank was named Bank of the Year by the Swedish personal finance magazine Privata Affärer.

As of 30th September, 2010 Avanza Bank had 1.9 per cent (1.7 % as of 31st December 2009) of the total savings market in Sweden. During the period from October 2009 to September 2010 Avanza Bank had 6.9 per cent (6.1 % during 2009) of the total net inflow into the Swedish savings market.

At the end of the year Avanza Bank had 244 (194) employees and will be moving to larger and more suitable offices at Regeringsgatan 103 in central Stockholm in the spring 2011.

| | 2010 | 2009 | Change | 2010 | 2009 | Change |
|--|--------------|--------------|------------|--------------|--------------|-----------|
| | Oct-Dec | Oct-Dec | % | Jan-Dec | Jan-Dec | % |
| Activity | | | | | | |
| Net inflow, equity & investment fund accounts, SEK m | 2,440 | 2,610 | -7 | 2,010 | 4,270 | -53 |
| Net inflow, savings accounts, SEK m | 1,340 | 500 | 168 | 1,210 | 70 | 1,629 |
| of which, external deposit accounts, SEK m | 570 | - | - | 810 | - | - |
| Net inflow, pension- & insurance-based accounts, SEK m | -2,650 | -540 | 391 | 6,350 | 5,610 | 13 |
| of which, endowment insurance, SEK m | -2,780 | -770 | 261 | 5,620 | 5,060 | 11 |
| of which, occupational pensions, SEK m | 120 | 120 | 0 | 670 | 340 | 97 |
| Net inflow, SEK m | 1,130 | 2,570 | -56 | 9,570 | 9,950 | -4 |
| Net inflow/Savings capital, % | 6 | 19 | -13 | 16 | 29 | -13 |
| No. commission notes per account & month | 1.8 | 2.0 | -10 | 1.9 | 1.9 | 0 |
| No. transactions per commission note | 1.7 | 1.7 | 0 | 1.7 | 1.8 | -6 |
| Brokerage per commission note, SEK | 81 | 85 | -5 | 82 | 84 | -2 |
| Market shares | | | | | | |
| NASDAQ OMX Stockholm, First North and Burgundy | | | | | | |
| No. transactions, % | 9.4 | 11.0 | -1.6 | 9.1 | 11.7 | -2.6 |
| Turnover, % | 5.5 | 6.2 | -0.7 | 5.5 | 5.7 | -0.2 |

For definitions, see page 8.

The number of transactions in December was high, although the size of the transactions was lower.

The net inflow into the endowment insurance product was strong over the year. Saving in the endowment insurance product is contributing to significant seasonal variation. The net inflow in the fourth quarter is seasonally weak, while interest is usually strong in the first quarter. Many new customers are opening an endowment insurance account as their first account with Avanza Bank, while many existing customers continue to discover this form of saving and are moving part or all of their capital from savings-, equity- and fund-accounts to endowment insurance funds. The net inflow into occupational pension schemes corresponds to 7 (3) per cent of Avanza Bank's total net inflow in 2010.

| | 31-12-2010 | 30-09-2010 | Change | 31-12-2009 | Change |
|---|---------------|---------------|-----------|---------------|-----------|
| | | | % | | % |
| Savings capital | | | | | |
| Savings capital, equity & investment fund accounts, SEK m | 48,190 | 41,830 | 15 | 39,600 | 22 |
| Savings capital, savings accounts, SEK m | 2,410 | 1,070 | 125 | 1,200 | 101 |
| of which, external deposit accounts, SEK m | 810 | 240 | 238 | - | - |
| Savings capital, pension- & insurance-based accounts | 31,400 | 31,700 | -1 | 20,500 | 53 |
| of which, endowment insurance, SEK m | 24,700 | 25,500 | -3 | 15,300 | 61 |
| of which, occupational pensions, SEK m | 1,560 | 1,350 | 16 | 770 | 103 |
| Savings capital, SEK m | 82,000 | 74,600 | 10 | 61,300 | 34 |
| Equities, bonds, derivatives, etc. SEK m | 56,420 | 51,040 | 11 | 42,300 | 33 |
| Investment funds, SEK m | 17,700 | 16,700 | 6 | 13,100 | 35 |
| Deposits, SEK m | 11,740 | 10,750 | 9 | 9,020 | 30 |
| of which, external deposits, SEK m | 810 | 240 | 238 | - | - |
| Lending, SEK m | -3,860 | -3,890 | 1 | -3,120 | 24 |
| Savings capital, SEK m | 82,000 | 74,600 | 10 | 61,300 | 34 |
| Deposits/Lending, % | 304 | 276 | 28 | 289 | 15 |
| Net deposits/Savings capital, % | 10 | 9 | 1 | 10 | 0 |
| Avanza Bank, SEK m | 46,380 | 44,830 | 3 | 36,830 | 26 |
| Mini, SEK m | 1,560 | 1,440 | 8 | 1,190 | 31 |
| Private Banking, SEK m | 31,300 | 26,200 | 19 | 21,700 | 44 |
| Pro, SEK m | 2,760 | 2,130 | 30 | 1,580 | 75 |
| Savings capital, SEK m | 82,000 | 74,600 | 10 | 61,300 | 34 |
| Return, average account since Jan 1 st, % | 16 | 7 | 9 | 43 | -27 |
| OMX Stockholm Price Index since Jan 1 st, % | 23 | 14 | 9 | 47 | -24 |

For definitions, see page 8.

| | 31-12-2010 | 30-09-2010 | Change % | 31-12-2009 | Change % |
|---|----------------|----------------|-------------|----------------|-------------|
| Accounts | | | | | |
| No. accounts | 352,200 | 335,300 | 5 | 279,000 | 26 |
| No. management services | 8,020 | 8,100 | -1 | 8,900 | -10 |
| No. accounts & management services | 360,220 | 343,400 | 5 | 287,900 | 25 |
| No. equity & investment fund accounts | 199,800 | 195,600 | 2 | 182,100 | 10 |
| No. savings accounts | 27,500 | 22,900 | 20 | 17,700 | 55 |
| of which, no. external deposit accounts | 4,950 | 1,900 | 161 | - | - |
| No. pension- & insurance-based accounts | 124,900 | 116,800 | 7 | 79,200 | 58 |
| of which, no. endowment insurance | 72,100 | 67,000 | 8 | 44,200 | 63 |
| of which, no. occupational pensions | 22,400 | 21,300 | 5 | 9,790 | 129 |
| No. accounts | 352,200 | 335,300 | 5 | 279,000 | 26 |
| Avanza Bank, no. accounts | 321,320 | 306,740 | 5 | 254,070 | 26 |
| Mini, no. accounts | 16,500 | 16,000 | 3 | 14,100 | 17 |
| Private Banking, no. accounts | 12,100 | 10,600 | 14 | 8,780 | 38 |
| Pro, konton, no. accounts | 2,280 | 1,960 | 16 | 2,050 | 11 |
| No. accounts | 352,200 | 335,300 | 5 | 279,000 | 26 |
| No. accounts per customer | 1.49 | 1.45 | 3 | 1.38 | 8 |

For definitions, see page 8.

Some 73,200 (53,000) new accounts were opened in 2010. The number of customers increased by 34,200 (27,400) during the year.

There was strong growth in endowment insurance, with 27,900 (20,200) new endowment insurance accounts being opened in 2010. At year-end 20 per cent of Avanza Bank's accounts were endowment insurance accounts, compared with 16 per cent one year before.

The number of new occupational pension accounts totalled 12,610 (4,510) in 2010, corresponding to 17 (9) per cent of the total number of new accounts.

Development

The fourth quarter saw the launch of Avanza Labs, which is the first stage in the development of a new website. Avanza Labs is the place where Avanza Bank will build the bank of the future together with its customers. Avanza Labs allows customers to hear other people's ideas, contribute their own thoughts and suggestions and test new services. So far, customers have contributed 570 different ideas and have been active to discuss these ideas.

The final quarter of the year also saw the launch of a website for companies for the administration of occupational pensions. This enables businesses that offer their staff occupational pension schemes through Avanza Bank to administer staff occupational pensions themselves.

Interest in exchange traded funds and certificates has increased over the past year. For the convenience of customers, therefore, a public square for exchange-traded funds and certificates was launched on the site during the fourth quarter.

The new Sparkonto+ savings product was launched in the third quarter. Sparkonto+ provides savers with Avanza Bank with a simple way of investing money with other banks and credit market companies. The aim is to offer savers even better interest rates on their deposited funds. Every bank or credit market company added to the offering enables customers to invest a further TEUR 100 with a state deposit guarantee.

Earlier in the year an iPhone app was launched that helps Avanza Bank's customers to remain mobile while also maintaining a good overview of their savings.

Financial overview

| | 2010 | 2009 | Change | 2010 | 2009 | Change |
|--|---------|---------|--------|---------|---------|--------|
| | Oct-Dec | Oct-Dec | % | Jan-Dec | Jan-Dec | % |
| Income Statement, SEK m | | | | | | |
| | | | | | | |
| Brokerage income | 85 | 83 | 2 | 329 | 300 | 10 |
| Fund commissions | 21 | 17 | 24 | 81 | 48 | 69 |
| Net interest items | 50 | 29 | 72 | 157 | 118 | 33 |
| Other income, net | 11 | 16 | -31 | 54 | 49 | 10 |
| Operating income | 167 | 145 | 15 | 621 | 515 | 21 |
| | | | | | | |
| Personnel | -46 | -36 | 28 | -165 | -128 | 29 |
| Marketing | -10 | -10 | 0 | -23 | -22 | 5 |
| Depreciation | -3 | -2 | 50 | -11 | -8 | 38 |
| Other expenses | -24 | -19 | 26 | -91 | -77 | 18 |
| Operating expenses | -83 | -67 | 24 | -290 | -235 | 23 |
| | | | | | | |
| Profit before tax | 84 | 78 | 8 | 331 | 280 | 18 |
| | | | | | | |
| Operating margin, % | 50 | 54 | -4 | 53 | 54 | -1 |
| Profit margin, % | 41 | 44 | -3 | 44 | 44 | 0 |
| Cost/income ratio, % | 50 | 46 | 4 | 47 | 46 | 1 |
| Earnings per share, SEK | 2.45 | 2.31 | 6 | 9.77 | 8.27 | 18 |
| Earnings per share after dilution, SEK | 2.41 | 2.29 | 5 | 9.62 | 8.24 | 17 |
| Return on shareholders' equity, % | 9 | 10 | -1 | 37 | 36 | 1 |
| | | | | | | |
| Investments, SEK m | 4 | 1 | 300 | 20 | 7 | 186 |
| | | | | | | |
| Brokerage income/Operating income, % | 51 | 57 | -6 | 53 | 58 | -5 |
| Non-brokerage income/Operating income, % | 49 | 43 | 6 | 47 | 42 | 5 |
| of which, Fund commissions/Operating income, % | 13 | 12 | 1 | 13 | 9 | 4 |
| of which, Net interest items/Operating income, % | 30 | 20 | 10 | 25 | 23 | 2 |
| of which, Other income/Operating income, % | 7 | 11 | -4 | 9 | 10 | -1 |
| | | | | | | |
| Non-brokerage income/Operating expenses, % | 99 | 93 | 6 | 101 | 91 | 10 |
| of which, Net interest items/Operating expenses, % | 60 | 43 | 17 | 54 | 50 | 4 |
| | | | | | | |
| Operating income/Savings capital, % | 0.21 | 0.25 | -0.04 | 0.87 | 1.09 | -0.22 |
| of which, Net interest items/Savings capital, % | 0.06 | 0.05 | 0.01 | 0.22 | 0.25 | -0.03 |
| | | | | | | |
| Average no. employees | 244 | 184 | 33 | 225 | 185 | 22 |
| No. trading days | 63.5 | 62.5 | 2 | 250.5 | 248.5 | 1 |
| Web service operational availability, % | 99.9 | 100.0 | -0.1 | 99.9 | 99.8 | 0.1 |
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For definitions, see page 8.

Avanza Bank also publishes an Excel document containing financial history. The information is presented in English and can be viewed at avanzabank.se/keydata.

The increase in fund commissions is due to the fact that the level of savings capital in funds was considerably higher in 2010 than in 2009. This was, in turn, a result of the rise in the world's stock markets and of the substantial net inflow into customers' fund-based savings during the year. Customers are buying more emerging market funds than before.

Net interest items have gradually increased over the year, owing to higher interest rate margins as a result of the Riksbank increasing key interest rates in the second half of 2010. These interest rate rises are expected to continue in 2011.

Expenses increased by 23 (-13) per cent in 2010. The expense increase was therefore slightly lower than the previous estimate that costs would rise by about 25 per cent for the full year 2010.

Fourth-quarter earnings were negatively affected by lower other income as a result of an SEK 9 million value adjustment of the shareholding in the Exchange Burgundy. This is based on an estimate of expected earnings performance. The existence of Burgundy has in recent years resulted in increased competition and lower overall transaction costs for Avanza Bank, which exceed the investment in Burgundy.

Non-brokerage income in 2010 totalled 101 (91) per cent of operating costs. Non-brokerage income primarily consists of net interest items, fund commission, net income from currency fluctuations and fees from corporate finance.

As previously announced, Avanza Pension has sought an advance ruling from the Council on Advance Tax Rulings on the way in which fund commissions from external fund managers will be taxed. A ruling on the issue was obtained on 31st May 2010, and was negative to Avanza Pension. Avanza Pension appealed the ruling to the Supreme Administrative Court in the third quarter. If the Supreme Administrative Court upholds the ruling by the Council on Advance Tax Rulings, the company's tax expenses for 2006–2010 would increase by SEK 15 million. A negative ruling for the company could entail an increase in the company's total tax expense in future.

A Swedish securities company, CTA Lind & Co Scandinavia AB, was declared bankrupt in 2004 and funds were paid to investors from the Swedish compensation scheme. Monies were not funded within the investor compensation scheme and the Swedish National Debt Office has consequently now begun levying fees in arrears from all institutions which were part of the investor compensation scheme at the time of the bankruptcy in order to cover costs. All of these institutions submitted information on their customers' assets with the respective institutions on 31st December 2004 to the Swedish National Debt Office in the third quarter of 2010. The level of fee payable by Avanza Bank is still uncertain. The preliminary total fee calculated is SEK 140 million, to be divided between the 190 institutions that were part of the investor compensation scheme at the time of the bankruptcy.

In September 2008 Avanza Bank submitted a request to the Swedish Tax Agency for a review of the deductibility of input VAT in respect of 2007, with the aim of recovering the VAT paid. In July 2009, the Tax Agency rejected this request. Avanza Bank appealed the ruling to the Administrative Court, which ruled, in September 2010, that it would not overturn the Tax Agency ruling. This ruling was appealed to the Administrative Court of Appeal in the fourth quarter.

Capital surplus

| | 31-12-2010 | 31-12-2009 |
|--|------------|------------|
| Shareholders' equity, the Group | 813 | 693 |
| Intangible fixed assets and deferred tax receivables, SEK m | –27 | –33 |
| Capital requirement with reference to Avanza Bank's internal capital assessment process, SEK m | –321 | –307 |
| Total capital surplus before dividend, SEK m | 465 | 353 |
| Capital surplus per share, SEK | 16.65 | 12.80 |

Intangible fixed assets and deferred tax receivables are not included in the capital base under the capital adequacy rules and are thus not distributable and should be reduced from the equity. See also note 3, page 11.

The capital surplus, i.e. the maximum scope available for dividend payments and buybacks of the company's own shares, totalled SEK 465 million as of 31st December 2010.

Dividend

The Board of Directors proposes that a dividend of SEK 9.50 (SEK 8.00) per share be paid, or 98 per cent (97 %) of the profit for the year. It is calculated that in the long-term, Avanza Bank will be able to distribute a minimum of 70 per cent of its profits to the shareholders.

Financial position

All of Avanza Bank's assets have a high liquidity level. Reinvestments can, therefore, for the main part of the assets be made with one day's delay. The assets are judged to be secure. Avanza Bank has suffered no credit losses during 2010 and the average credit losses since 2001 total less than 0.01 per cent per annum. Avanza Bank does not and has not engaged in trading in securities for its own account.

The statutory protection and guarantees (e.g. the government deposits guarantee) apply to customers of Avanza Bank in the same way as to customers of every Swedish bank and insurance company. For further information on Avanza Bank and security, please see avanzabank.se.

The Parent Company, Avanza Bank Holding AB

Avanza Bank Holding AB is the Parent Company of the Avanza Bank corporate group. The operating result for 2010 was SEK –6 million (SEK –7 m). The Parent Company reports no turnover. Anticipated dividends from subsidiary companies totalling SEK 197 million (SEK 216 m) have been reported. During the year the previous write-downs of the subsidiaries of SEK 200 million were reversed and recorded as income from financial investments. A dividend totalling SEK 221 million (SEK 165 m) has been paid to all shareholders.

Outlook for the future

Avanza Bank's goal is for its long-term profit growth to total between 15 and 20 per cent per annum. Growth rates in individual years will, however, vary in line with stock market performance.

The healthy long-term growth potential is due to the fact that the savings market is normally estimated to grow by 8–12 per cent per year and that online saving is growing even faster. This is due to the advantages offered by the internet in terms of simplicity and low fees, to an increased requirement for individual saving, and to the increase in internet usage amongst the more mature target groups. There are, however, some threats to growth in the savings market. In addition to the uncertainty over stock market performance, there is a higher risk than previously that concerns over the property market may spread to the savings market. Concern over falling house prices in combination with higher interest rates than before could result in Swedes saving to a greater extent by paying off their mortgages.

There is a clear long-term link between growth in savings capital and growth in operating income, and underlying growth in savings capital therefore generates the preconditions for growth in income. Pricing pressure is, however, expected to continue, and this will have a negative effect on the rate of growth.

Annual growth (ca.)

The long-term growth goals can be summarised as follows:

| | 2001–2010 | Goal |
|--|-------------|----------------|
| Net savings, % of savings capital at beginning of the year | 22 % * | 13–17 % |
| Growth in value | 8 % * | 6–8 % |
| Savings capital, growth | 29 % | 20–25 % |
| Estimated pricing pressure | (5 %) | (3–7 %) |
| Growth in income | 23 % | 15–20 % |
| Cost increase | 15 % | 15–20 % |
| Growth in profit | 50 % | 15–20 % |

* 2002–2010

Avanza Bank's business model means that the majority of the costs comprise fixed overheads. Marketing and sales costs are, however, primarily variable costs that depend on Avanza Bank's assessment of the market climate. Avanza Bank can therefore elect to reduce the rate at which costs increase in a poorer market climate, but the Bank operates in a rapidly changing market and can, therefore, also choose to invest more in growth. This may entail higher costs than forecast. Operating costs are, seasonally speaking, normally higher during the first and fourth quarters than during the other quarters.

The company expects costs to increase by around 20 per cent in 2011, which is at the upper end of the range for the long-term goal of a 15–20 per cent increase. The background to this is that some of the costs that were expected to be incurred in 2010 will now be incurred in 2011 instead. Beside these cost increases, fees for the CTA Lind & Co Scandinavia AB compensation case are also expected to be incurred in 2011. In the fourth quarter, the Riksbank continued to raise the key interest rate. A higher key interest rate results in improved net interest income from deposits. Pricing pressure is estimated to continue as an effect of brokerage fees not being expected to increase at the same rate as savings capital.

Avanza Bank will be launching new products in 2011 and these are expected to make a positive contribution to the growth rate. Three areas will be prioritised in 2011: a stronger offering for savers, modernisation of Avanza Bank's website and online presence, and continued high cost-effectiveness.

The primary goal for 2011 is to continue to have Sweden's most satisfied savers. Avanza Bank's long-term vision is to be the natural bank of choice for Swedes who actively monitor their savings. One of the Bank's goals is, therefore, to achieve a market share of at least 7 per cent of the total net flow in the Swedish savings market by 2012.

Overall, Avanza Bank is considered to have good potential for achieving its long-term profit growth goals in 2011, given normal stock market performance. The above should not, however, be regarded as an income or profit forecast, in that operations are dependent on stock market trends.

Other corporate events

Significant risks and uncertainty factors

Avanza Bank's operations entail day-to-day risks that are quantified, monitored and, if necessary, acted upon in order to protect the company's capital and reputation. The ways in which Avanza Bank identifies, follows up on and manages these risks are important to the health of the company and its long-term profitability. Note 31 of Avanza Bank's 2009 Annual Report provides a detailed description of the Group's risk exposure and risk management. No significant risks over and above the risks described in the Annual Report and in this Preliminary Financial Statement are adjudged to have arisen.

Transactions with associated parties

Avanza Bank's transactions with associated parties are shown in Note 32 of the 2009 Annual Report. No significant changes have subsequently occurred.

Annual General Meeting

The Annual General Meeting of the company's shareholders will be held on 14th April 2011 at 15.00 (CET) in the Auditoriet hall of the Moderna Museet museum in Stockholm. The Annual Report is scheduled to be available at the company's offices and on the company's website at avanza.com, as of week 11 2011.

Nomination Committee

The Nomination Committee comprises the Chairman of the Board, Sven Hagströmer, Erik Törnberg, who represents Investment AB Öresund, Johan Lannebo, who represents Lannebo Fonder, and Magnus Dybeck, who represents the Dybeck family and companies. Erik Törnberg has been appointed Chairman of the Nomination Committee. For further information about the Nomination Committee, please visit Avanza's website at avanza.com.

Incentives programme

Avanza Bank implemented an incentives programme for the Group's employees in the spring in accordance with a resolution passed by the Annual General Meeting held on 15th April 2008. The stock option programme is the third of a total of three stock option programmes approved for implementation between 2008 and 2010. This year's programme comprises warrants corresponding to the entitlement to subscribe for 577,000 shares, and the redemption price is SEK 268.46. The term expires on 24th May 2013. The stock option programme has been implemented on market terms.

The redemption period for subsidiary programme 3 of the previous 2005–2007 stock option programme was between 1st June and 30th September 2010. The redemption price was SEK 170.81 per share, and 379,860 out of 380,630 shares were subscribed for in respect of this subsidiary programme, and the same number were issued. The number of registered and outstanding shares totalled 27,957,470 on 31st December 2010.

Buyback of the company's own shares

On 21st April 2010, the Annual General Meeting decided to authorise 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. No shares have been bought back in 2010 and the company holds no bought back shares.

Financial calendar

| | |
|---|-------------------|
| 2010 Annual Report | Week 11 2011 |
| Interim Report, January – March 2011 | 14th April 2011 |
| Annual General Meeting | 14th April 2011 |
| Interim Report, January – June 2011 | 12th July 2011 |
| Interim Report January – September 2011 | 13th October 2011 |
| Preliminary Financial Statement, 2011 | January 2012 |

Definitions

| | |
|--|--|
| Account: | An account opened with holdings. |
| Deposits: | Deposits, including client accounts. |
| Brokerage income: | Brokerage income less direct costs. |
| Brokerage per commission note: | Gross brokerage income for account customers in relation to the number of commission notes excluding investment fund commission notes. |
| Capital base: | The financial conglomerate's shareholders' equity, adjusted for deductions in accordance with the provisions governing credit institutions, fund management companies and insurance companies with regard to the way in which the capital base and capital requirement are determined. |
| Commission note: | Daily compilation of the buying and selling commissions completed by a customer and involving a specific security. A commission note may include one or more transactions. Brokerage fees are charged on the basis of the commission notes. |
| Cost/income ratio: | Costs in relation to income. |
| Earnings per share: | Profit/loss after tax in relation to the average number of shares during the period. |
| Equity per share: | Shareholders' equity in relation to the number of outstanding ordinary shares before dilution at the end of the period. |
| External deposits: | Savings accounts in external banks and credit market companies opened and managed by customers via Avanza Bank's website. |
| Net deposits/Savings capital: | Deposits, including client accounts, minus lending, in relation to the savings capital at the end of the period. |
| Net interest items/Savings capital: | Net interest items in relation to average savings capital during the period. |
| Net inflow: | Deposits, less withdrawals, of liquid assets and securities. |
| Net inflow/Savings capital: | The period's net inflow on an annual basis in relation to savings capital at the beginning of the period. |
| Non-brokerage income: | Income excluding brokerage income less direct costs. |
| Operating income/Savings capital: | Operating income in relation to average savings capital during the period. |
| Operating margin: | Operating profit/loss in relation to operating income. |
| Profit margin: | Profit/loss after tax in relation to operating income. |
| Savings capital: | The combined value of accounts held with Avanza Bank. |
| Return on equity: | Profit/loss after tax in relation to the average shareholders' equity during the period. The return on shareholders' equity for interim periods is not recalculated at a yearly rate. |
| Stock market: | Refers to the OMXSPI share index, which comprises all shares listed on the Stockholm Stock Exchange. |
| Transactions: | Buying and selling transactions completed in different markets and involving different securities. |

Consolidated Income Statements (SEK m) *

| | 2010 Oct-Dec | 2009 Oct-Dec | 2010 Jan-Dec | 2009 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|
| Operating income | | | | |
| Commission income | 144 | 133 | 541 | 464 |
| Commission expenses | -18 | -17 | -68 | -68 |
| Interest income | 59 | 30 | 174 | 138 |
| Interest expenses | -9 | -1 | -17 | -20 |
| Net result of financial transactions*** | -9 | 0 | -9 | 1 |
| Other operating income | 0 | 0 | 0 | 0 |
| Total operating income | 167 | 145 | 621 | 515 |
| Operating expenses | | | | |
| General administrative costs | -66 | -52 | -240 | -192 |
| Depreciation of tangible and intangible fixed assets | -3 | -2 | -11 | -8 |
| Other operating expenses | -14 | -13 | -39 | -35 |
| Credit losses, net | 0 | 0 | 0 | 0 |
| Total operating expenses | -83 | -67 | -290 | -235 |
| Operating profit | 84 | 78 | 331 | 280 |
| Tax on profit for the period | -16 | -14 | -60 | -52 |
| Net profit/loss for the period ** | 68 | 64 | 271 | 228 |
| Earnings per share, SEK | 2.45 | 2.31 | 9.77 | 8.27 |
| Earnings per share after dilution, SEK | 2.41 | 2.29 | 9.62 | 8.24 |
| Average no. shares before dilution, thousand | 27,943 | 27,578 | 27,739 | 27,578 |
| Average no. shares after dilution, thousand | 28,412 | 27,740 | 28,177 | 27,655 |
| Outstanding no. shares before dilution, thousand | 27,957 | 27,578 | 27,957 | 27,578 |
| Outstanding no. shares after dilution, thousand | 28,459 | 27,773 | 28,459 | 27,773 |
| No. shares upon full dilution, thousand | 29,681 | 29,105 | 29,681 | 29,105 |

* Corresponds to total comprehensive income in that no other total comprehensive income exists.

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

*** SEK 9 million in 2010 relating to valueadjustment of the holding in the Exchange Burgundy.

Consolidated Balance Sheets (SEK m)

| | 31-12-2010 | 31-12-2009 |
|---|---------------|---------------|
| Assets | | |
| Treasury bills eligible for refinancing | 300 | - |
| Loans to credit institutions | 6,334 | 5,452 |
| Loans to the public | Note 1 | 3,861 |
| Shares and participations | 14 | 12 |
| Assets in insurance operations | 29,093 | 18,640 |
| Intangible fixed assets | 26 | 31 |
| Tangible assets | 14 | 7 |
| Other assets | 568 | 502 |
| Prepaid costs and accrued income | 33 | 27 |
| Total assets | 40,243 | 27,795 |
| Liabilities and shareholders' equity | | |
| Deposits by the public | Note 2 | 10,159 |
| Liabilities in insurance operations | 29,093 | 18,640 |
| Other liabilities | 141 | 139 |
| Accrued costs and prepaid income | 37 | 29 |
| Shareholders' equity | 813 | 693 |
| Total liabilities and shareholders' equity | 40,243 | 27,795 |

Changes in the Group's shareholders' equity (SEK m)

| | 2010 Jan-Dec | 2009 Jan-Dec |
|--|-----------------|-----------------|
| Shareholders' equity at the beginning of the period | 693 | 628 |
| Dividend | -221 | -165 |
| Warrants issue | 4 | 3 |
| Exercise of share warrants | 65 | - |
| Net profit/loss for the period | 271 | 228 |
| Shareholders' equity at the end of the period | 813 | 693 |

There are no minority shareholdings included in the shareholders' equity.

Consolidated Cash Flow Statements (SEK m)

| | 2010 Oct-Dec | 2009 Oct-Dec | 2010 Jan-Dec | 2009 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operating activities | 39 | 58 | 285 | 180 |
| Cash flow from operating activities' assets and liabilities | -439 | -697 | 769 | -1,146 |
| Cash flow from investment operations | -3 | -1 | -20 | -7 |
| Cash flow from financial operations | 15 | 0 | -152 | -162 |
| Cash flow for the period | -388 | -640 | 882 | -1,135 |
| Liquid assets at the beginning of the period * | 6,722 | 6,092 | 5,452 | 6,587 |
| Liquid assets at the end of the period * | 6,334 | 5,452 | 6,334 | 5,452 |

* Liquid assets are defined as loans to credit institutions.

At the end of the year SEK 680 (633) million of consolidated liquid assets are pledged as collateral.

Parent Company Income Statements (SEK m)

| | 2010 Jan-Dec | 2009 Jan-Dec |
|---|-----------------|-----------------|
| Operating income | 0 | 0 |
| Operating expenses | -6 | -7 |
| Operating profit/loss | -6 | -7 |
| Profit/loss from financial investments * | 387 | 223 |
| Tax on profit/loss for the period | 0 | 0 |
| Net profit/loss for the period | 381 | 216 |

* Of which, anticipated dividend from subsidiaries 197 (216).

Parent Company Balance sheets (SEK m)

| | 31-12-2010 | 31-12-2009 |
|---|------------|------------|
| Assets | | |
| Financial fixed assets | 417 | 225 |
| Current receivables * | 272 | 233 |
| Liquid assets | 0 | 0 |
| Total assets | 689 | 458 |
| Shareholders' equity and liabilities | | |
| Shareholders' equity | 686 | 456 |
| Current liabilities | 3 | 2 |
| Total shareholders' equity and liabilities | 689 | 458 |

* Of which receivables from subsidiaries 271 (231).

Accounting principles

The Consolidated Preliminary Financial Statement has been prepared in accordance with IAS 34, Interim Reporting, the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and with the guidelines and general advice issued by the Swedish Financial Supervisory Authority concerning the annual accounts of credit institutions and securities companies (FFFS 2008:25). The Preliminary Financial Statement for the Parent Company has been prepared in accordance with the provisions of the Swedish Annual Accounts Act. Accounting principles and calculation methods remain unchanged from those applied in the 2009 Annual Report.

Notes

Note 1 – Loans to the public

Loans to the public are reported after deductions for actual and anticipated credit losses. All loans, known as account credits, are secured by collateral in the form of securities.

Note 2 – Funds managed on behalf of third parties

In addition to the deposits reported in the Balance Sheet, Avanza also has, as of 31st December 2010, deposits by third parties in client fund accounts totalling SEK 776 (747) million.

Note 3 – Capital requirement for the financial conglomerate (SEK m)

| | 31-12-2010 | 31-12-2009 |
|--|-------------|-------------|
| Capital base | | |
| Shareholders' equity, the Group | 813 | 693 |
| Proposed dividend, SEK 9.50 (8.00) per share | -266 | -221 |
| Shareholders' equity, financial conglomerate | 547 | 472 |
| <i>Less</i> | | |
| Intangible fixed assets and deferred tax receivables | -27 | -33 |
| Capital base | 520 | 439 |
| Capital requirement | | |
| Capital requirement for regulated units within the banking and securities sector | 242 | 212 |
| Capital requirement for regulated units in the insurance sector | 36 | 33 |
| Theoretical capital requirements for non-regulated units | 4 | 11 |
| Capital requirement | 282 | 256 |
| Capital surplus | 238 | 183 |
| Capital base/Capital requirement | 1.84 | 1.71 |

The above table refers to the financial conglomerate, including Avanza Bank Holding AB and all of its subsidiary companies. The financial conglomerate's capital base and capital requirement have been calculated using the consolidation method.

When calculating the capital base during the course of an ongoing year, audited profits only are included in the calculations. If the profit/loss for the period has been audited, adjusted for the assumed dividend. Assumed dividend refers to the current period and the proposed dividend is the Board of Directors to the Annual General Meeting proposed dividend for the full financial year.

Stockholm, 20th January 2011

The Board of Directors

This report has not been subject to review by the company's auditors.

The information contained in this report comprises information both that Avanza Bank Holding AB (publ.) is obliged to provide and that it has chosen to provide in accordance with the provisions of the Swedish Securities Market Act and the Swedish Financial Instruments Trading Act. The information has been released to the market for publication at 08.15 (CET) on 20th January 2011.

Avanza Bank also publishes an Excel document containing its financial history. The information is provided in English and is updated quarterly. The document can be accessed at avanzabank.se/keydata.

This Interim Report is published in Swedish and English. In the event of any difference between the English version and the Swedish original, the Swedish version shall prevail.

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