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AVANZA BANK INTERIM REPORT JANUARY – MARCH 2010

- Operating income increased by 41 per cent (–21 %) to SEK 154 million (SEK 109 m)
- The profit after tax increased by 66 per cent (–19 %) to SEK 73 million (SEK 44 m)
- Earnings per share increased by 66 per cent (–19 %) to SEK 2.66 (1.60)
- Net inflow totalled to SEK 4,420 million (SEK 2,000 m), corresponding to 7 per cent (6 %) of savings capital at the beginning of the year
- The number of accounts increased by 9 per cent (4 %) to 304,200 (279,000 as of 31st December 2009), and the total savings capital increased by 16 per cent (9 %) to SEK 71,000 million (SEK 61,300 m as of 31st December 2009)

Interim Report January – March 2010

Comments from the Managing Director

“Earnings per share increased by 66 per cent during the first quarter to SEK 2.66 per share. The increase was due, in part, to a very strong stock market performance over the course of the past year and, in part, to a record-high net inflow of capital and customers,” says Nicklas Storåkers, Managing Director of Avanza Bank.”

“The net inflow to Avanza Bank achieved new record levels during the first quarter, rising by 121 per cent in comparison with the corresponding period last year and totalling SEK 4,420 million. Continued healthy demand for endowment insurance-based savings also helped boost the high net inflow. Saving in occupational pensions is also growing rapidly and we gained a number of new clients during the quarter. Occupational pensions accounted for 5 per cent of the net inflow and 22 per cent of the total number of new accounts during the quarter.”

“Avanza Bank’s savings capital totalled SEK 71,000 million at the end of March, which is 89 per cent up on the figure one year ago. This increase generates the potential for a healthy growth in both income and profits, because there is a strong link between growth in savings capital and growth in income. We do, however, expect significant pricing pressure to continue. Avanza Bank will be launching a number of new products and services in the remaining months of 2010, and expects them to make a substantial contribution to Avanza Bank’s competitiveness.”

For additional information:

Nicklas Storåkers, Managing Director of Avanza Bank, tel: +46 (0)70 861 80 01

Birgitta Hagenfeldt, CFO of Avanza Bank, tel: +46 (0)73 661 80 04

Operations

Market and sales

The stock market rose by 9 per cent (-2 %) during the first quarter of 2010 and was characterised by calm trading and low volatility levels. Savers have continued to reduce the percentage of liquid assets in their accounts in favour of equities and investment funds.

Trading in investment funds increased by 100 per cent during the first quarter in comparison with the situation one year ago. Savers are once again buying equity funds and are mainly selling fixed income funds. The range of investment funds offered by Avanza Bank has been expanded and now totals 1,050 different funds. There is considerable interest in Avanza Zero – the fund with no fees. 17 per cent of all Avanza Bank accounts now include holdings in Avanza Zero.

Avanza Bank was responsible for 11 per cent of net sales and 10 per cent of the total number of transactions in Swedish equities at the Burgundy during the first quarter. Burgundy-based trading accounted for 5 per cent of net sales and 6 per cent of transactions in Swedish shares in the market as a whole during the first quarter, and its market shares have increased still further in recent weeks.

The net inflow into occupational pensions displayed good growth during the first quarter of 2010 in terms of both capital and new accounts. eWork Scandinavia was one of several companies that chose Avanza Pension for their employees’ occupational pension.

On 14th April, Avanza Pension was appointed as “Life Assurance Company of the Year” by the Svenska Nyhetsbrev publishing house. The citation read as follows: “Avanza Pension is one of the life assurance sector’s genuine trendsetters and has continued, over the past year, to stand for innovative product development with low costs for the customer. Last year, Avanza Pension was the biggest single life assurance company with regard to premium income in the other life assurance sector.”

The IPO’s market has improved and Avanza Bank has offered customers the chance to subscribe to two new IPO’s during the first quarter.

	2010 Jan-Mar	2009 Jan-Mar	Change %	2009-2010 Apr-Mar	2009 Jan-Dec	Change %
Activity						
Net inflow, equity & investment fund accounts, SEK m	-890	-40	2,125	3,840	4,270	-10
Net inflow, savings accounts, SEK m	-520	-210	148	-660	70	-1,043
Net inflow, pension- & insurance-based accounts, SEK m	5,830	2,250	159	9,190	5,610	64
of which, endowment insurance, SEK m	5,610	2,170	159	8,500	5,060	68
of which, occupational pensions, SEK m	220	60	267	500	340	47
Net inflow, SEK m	4,420	2,000	121	12,370	9,950	24
Net inflow/Savings capital, %	29	23	6	33	29	4
No. commission notes per account & month	2.1	1.6	31	2.0	1.9	5
No. transactions per commission note	1.7	2.0	-15	1.7	1.8	-6
Brokerage per commission note, SEK	84	80	5	85	84	1
Market shares						
NASDAQ OMX Stockholm, First North and Burgundy						
No. transactions, %	9.8	10.8	-1.0	11.4	11.7	-0.3
Turnover, %	5.7	4.8	0.9	5.9	5.7	0.2

For definitions, see page 8.

The net inflow into the endowment insurance savings format during the first quarter was strong. Many existing customers have discovered this savings format and have elected to move capital from savings, equity and investment fund accounts to endowment insurance accounts.

The net inflow into occupational pensions during the first quarter corresponding to 5 per cent (3 %) of Avanza Bank's total net inflow during the quarter.

Avanza Bank had 1.7 per cent of the total savings market in Sweden at the beginning of the year. Avanza Bank is adjudged to have increased its market shares during the first quarter.

	31-03-2010	31-12-2009	Change %	31-03-2009	Change %
Savings capital					
Savings capital, equity & investment fund accounts, SEK m	41,710	39,600	5	25,370	64
Savings capital, savings accounts, SEK m	690	1,200	-43	930	-26
Savings capital, pension- & insurance-based accounts	28,600	20,500	40	11,300	153
of which, endowment insurance, SEK m	22,900	15,300	50	7,750	195
of which, occupational pensions, SEK m	1,030	770	34	360	186
Savings capital, SEK m	71,000	61,300	16	37,600	89
Equities, bonds, derivatives, etc. SEK m	49,380	42,300	17	24,520	101
Investment funds, SEK m	16,100	13,100	23	6,710	140
Deposits, SEK m	9,290	9,020	3	7,870	18
Lending, SEK m	-3,770	-3,120	21	-1,500	151
Savings capital, SEK m	71,000	61,300	16	37,600	89
Deposits/Lending, %	246	289	-43	525	-279
Net deposits/Savings capital, %	8	10	-2	17	-9
Avanza Bank, SEK m	43,370	36,830	18	22,600	92
Mini, SEK m *	1,370	1,190	15	670	104
Private Banking, SEK m	24,400	21,700	12	13,500	81
Pro, SEK m	1,860	1,580	18	830	124
Savings capital, SEK m	71,000	61,300	16	37,600	89
Return, average account since Jan 1 st, %	8	43	-	3	-
OMX Stockholm Price Index since Jan 1 st, %	8	47	-	-2	-

For definitions, see page 8.

* Data as of 31st March 2009 concerns Aktiespar.se, replaced by the new service, Mini.

	31-03-2010	31-12-2009	Change %	31-03-2009	Change %
Accounts					
No. accounts	304,200	279,000	9	236,000	29
No. management services	8,900	8,900	0	8,300	7
No. accounts & management services	313,100	287,900	9	244,300	28
No. equity & investment fund accounts	188,200	182,100	3	165,800	14
No. savings accounts	18,500	17,700	5	14,600	27
No. pension- & insurance-based accounts	97,500	79,200	23	55,600	75
of which, no. endowment insurance	55,600	44,200	26	28,000	99
of which, no. occupational pensions	15,300	9,790	56	6,030	154
No. accounts	304,200	279,000	9	236,000	29
Avanza Bank, no. accounts	277,370	254,070	9	215,340	29
Mini, no. accounts *	14,900	14,100	6	12,000	24
Private Banking, no. accounts	9,470	8,780	8	7,460	27
Pro, konton, no. accounts	2,460	2,050	20	1,200	105
No. accounts	304,200	279,000	9	236,000	29

For definitions, see page 8.

* Data as of 31st March 2009 concerns Aktiespar.se, replaced by the new service, Mini.

25,200 (10,000) new accounts were opened during the first quarter of 2010. The number of customers increased by 13,200 (5,000) during the quarter. There are a total of 1.41 accounts per customer, in comparison with 1.31 at the same time last year.

Endowment insurance continues to grow strongly in terms of the number of accounts, with 11,400 (4,000) new endowment insurance accounts opened during the first quarter.

The number of new occupational pension accounts totalled 5,510 (750) during the quarter, corresponding to 22 per cent (8 %) of the total number of new accounts.

Development

Avanza Bank has invested substantial resources during the first quarter in adapting systems in line with NASDAQ OMX's new trading system, INET, which replaced SAXESS in February. A number of new products are currently under development and will be launched later this year. Work on developing a new website has begun and the first new parts of the site will be launched at the end of the year.

Financial overview

	2010	2009	Change	2009-2010	2009	Change
	Jan-Mar	Jan-Mar	%	Apr-Mar	Jan-Dec	%
Income Statement, SEK m						
Brokerage income	87	58	50	329	300	10
Fund commissions	20	7	186	61	48	27
Net interest items	32	35	-9	115	118	-3
Other income, net	15	9	67	55	49	12
Operating income	154	109	41	560	515	9
Personnel	-38	-32	19	-134	-128	5
Marketing	-4	-4	0	-22	-22	0
Depreciation	-2	-3	-33	-7	-8	-13
Other expenses	-21	-17	24	-81	-77	5
Operating expenses	-65	-56	16	-244	-235	4
Profit before tax	89	53	68	316	280	13
Operating margin, %	58	49	-9	56	54	2
Profit margin, %	47	40	7	46	44	2
Cost/income ratio, %	42	51	-9	44	46	-2
Earnings per share, SEK	2.66	1.60	66	9.33	8.27	13
Earnings per share after dilution, SEK	2.64	1.60	65	9.29	8.24	13
Return on shareholders' equity, %	10	7	3	39	36	3
Investments, SEK m	7	1	600	10	4	150
Brokerage income/Operating income, %	56	53	3	59	58	1
Non-brokerage income/Operating income, %	44	47	-3	41	42	-1
of which, Fund commissions/Operating income, %	13	7	6	11	9	2
of which, Net interest items/Operating income, %	21	32	-9	21	23	-2
of which, Other income/Operating income, %	10	8	2	10	10	0
Non-brokerage income/Operating expenses, %	103	91	12	95	91	4
of which, Net interest items/Operating expenses, %	49	63	-14	47	50	-3
Operating income/Savings capital, %	0.23	0,30	-0.07	1.03	1.09	-0.06
of which, Net interest items/Savings capital, %	0.05	0,10	-0.05	0.21	0.25	-0.04
Average no. employees	205	180	14	190	185	27
No. trading days	61.5	61.5	0	248.5	248.5	0
Web service operational availability, %	100.0	99.8	0.2	99.9	99.8	0.1
			Change			Change
	31-03-2010	31-12-2009	%	31-03-2009		%
Shareholders' equity per share, SEK	27.80	25.14	11	24.35		14
Capital base/Capital requirement	1.55	1,71	-9	1.58		-2
No. employees	215	194	11	179		20
Market value, SEK	187.00	168.50	11	85.75		118
Market capitalisation, SEK m	5,160	4,650	11	2,370		118

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 savers bought equity funds in general, and emerging market funds in particular, during the first quarter, and simultaneously sold holdings in fixed income funds.

Non-brokerage income totalled 103 per cent (91 %) of operating expenses during the first quarter of 2010. Non-brokerage income normally mainly comprises net interest items, fund commissions, net currency items and fees from corporate finance.

Staff overheads increased during the first quarter in line with earlier announcements and as a consequence of investments in website and technical development work.

Avanza Pension has, as previously announced, sought an advance ruling on the way in which fund commissions from external fund managers will be taxed. A ruling on the issue has been delayed, but is expected in the spring. If the Council for Advance Tax Rulings issues a negative ruling, the company's tax expenses for the 2006-2010 (until the first quarter 2010) financial years will increase by SEK 11 million.

Capital surplus

	31-03-2010	31-12-2009
Capital base, as per Note 3, page 11, SEK m	441	439
Unaudited profits, SEK m	73	–
Proposed dividend, SEK – (SEK 8.00) per share, SEK m	–	221
Capital base, adjusted for dividend, SEK m	514	660
Capital requirement with reference to Avanza Bank's internal capital assessment process, SEK m	314	307
Total capital surplus before proposed dividend, SEK m	200	353
Capital surplus per share, SEK	7.27	12.80

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, the capital base is adjusted for the proposed dividend. Adjustments have been made in the above table for profits and assumed dividends deducted when calculating the capital base in accordance with the capital adequacy regulations (see Note 3 on page 11), in order to calculate the scope for dividend payments.

The capital surplus, i.e. the maximum scope available for dividend payments and buybacks of the company's own shares, totalled SEK 200 million as of 31st March 2010 beyond the today's Annual General Meeting, proposed dividend for 2009 of SEK 221 million.

Financial position

Avanza Bank has no direct exposure to the market's prevailing problems, which are a combination of financing problems and of uncertainty with regard to the value of credits and other receivables. 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 adjudged to be secure. Avanza Bank has suffered no credit losses during the first quarter of 2010 and the average credit losses since 2001 total less than 0.01 per cent per annum.

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 the first quarter of 2010 was SEK –1 million (SEK –1 m). The Parent Company posts no turnover. The Board of Directors has proposed that today's Annual General Meeting authorise a total dividend payment of SEK 221 million. The total dividend payment last year was SEK 165 million.

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 normally is expected 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 is a clear long-term link between growth in savings capital and growth in operating income, and an 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:

	2001–2009	Goal
Net inflow, % of savings capital at beginning of the year	23 % *	13–17 %
Growth in value	7 % *	6–8 %
Savings capital, growth	28 %	20–25 %
Estimated pricing pressure	(2 %)	(3–7 %)
Growth in income	24 %	15–20 %
Cost increase	14 %	15–20 %
Growth in profit	54 %	15–20 %

* 2002–2009

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

Costs are expected to increase by around 25 per cent in 2010, which is higher than the long-term growth goals. The reason for the higher than usual rate of increase is that Avanza Bank intends to invest more than normal in website and technology development in 2010 in response to what is seen as the strong potential for taking additional market shares. The rate of increase in costs is expected to return to between 15 and 20 per cent per annum after 2010.

Increased costs notwithstanding, Avanza Bank believes its potential for achieving its long-term goals with regard to profit growth in 2010 are good, given a normal stock market performance. Pricing pressure is expected to continue as an effect of the pressure on interest rate margins resulting from low key interest rates. Brokerage fees are, furthermore, not expected to increase at the same rate as savings capital, because a large part of the equities transactions are being conducted at an unchanged minimum brokerage fee. The above should, in that operations are dependent on stock market trends, not however be regarded as an income or profit forecast for 2010.

Avanza Bank will be launching new products 2010 and expects them both to strengthen the relationship with the customers and to make a positive contribution to the growth rate.

Avanza Bank's long-term vision is to be the natural choice for Swedes who actively monitor their savings. One of the goals is, therefore, to achieve a market share of at least 7 per cent of the total net inflow to the Swedish savings market by 2012.

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 Interim Report 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 21st April 2010 at 15.00 (CET) in the Auditoriet hall of the Moderna Museet museum in Stockholm. The Annual Report is available from the company's offices and on the company's website at www.avanza.com. A printed version of the 2009 Annual Report will not be issued. A press release detailing important decisions taken at the Meeting will be published after the conclusion of the Annual General Meeting.

Buyback of the company's own shares

On 21st April 2009, 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 during the first quarter of 2010 and the company holds no bought back shares.

Financial calendar

Interim Report, January – June 2010	9th July 2010
Interim Report January – September 2010	14th October 2010
Preliminary Financial Statement, 2010	January 2011

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.
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.
Transactions:	Buying and selling transactions completed in different markets and involving different securities.

Consolidated Income Statements (SEK m) *

	2010 Jan-Mar	2009 Jan-Mar	2009-2010 Apr-Mar	2009 Jan-Dec
Operating income				
Commission income	138	90	512	464
Commission expenses	-16	-16	-68	-68
Interest income	33	48	123	138
Interest expenses	-1	-13	-8	-20
Net result of financial transactions	0	0	1	1
Other operating income	0	0	0	0
Total operating income	154	109	560	515
Operating expenses				
General administrative costs	-55	-46	-200	-192
Depreciation of tangible and intangible fixed assets	-2	-3	-8	-8
Other operating expenses	-8	-7	-36	-35
Credit losses, net	0	0	0	0
Total operating expenses	-65	-56	-244	-235
Operating profit	89	53	316	280
Tax on profit for the period	-16	-9	-59	-52
Net profit/loss for the period **	73	44	257	228
Earnings per share, SEK	2.66	1.60	9.33	8.27
Earnings per share after dilution, SEK	2.64	1.60	9.29	8.24
Average no. shares before dilution, thousand	27,578	27,578	27,578	27,578
Average no. shares after dilution, thousand	27,801	27,579	27,705	27,655
Outstanding no. shares before dilution, thousand	27,578	27,578	27,578	27,578
Outstanding no. shares after dilution, thousand	27,828	27,580	27,828	27,773
No. shares upon full dilution, thousand	29,105	28,940	29,105	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.

Consolidated Balance Sheets (SEK m)

		31-03-2010	31-12-2009
Assets			
Loans to credit institutions		5,897	5,452
Loans to the public	Note 1	3,774	3,124
Shares and participations		16	12
Assets in insurance operations		26,665	18,640
Intangible fixed assets		30	31
Tangible assets		7	7
Other assets *		153	502
Prepaid costs and accrued income		37	27
Total assets		36,579	27,795
Liabilities and shareholders' equity			
Deposits by the public	Note 2	8,584	8,294
Liabilities in insurance operations		26,665	18,640
Other liabilities *		532	139
Accrued costs and prepaid income		31	29
Shareholders' equity		767	693
Total liabilities and shareholders' equity		36,579	27,795

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

	2010	2009	2009
	Jan-Mar	Jan-Mar	Jan-Dec
Shareholders' equity at the beginning of the period	693	628	628
Dividend	–	–	–165
Warrants issue	–	–	3
Net profit/loss for the period (tillika totalresultat)	73	44	228
Shareholders' equity at the end of the period	767	672	693

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

Consolidated Cash Flow Statements (SEK m)

	2010	2009
	Jan-Mar	Jan-Mar
Cash flow from operating activities	190	37
Cash flow from operating activities' assets and liabilities	257	–27
Cash flow from investment operations	–2	–1
Cash flow from financial operations	0	0
Cash flow for the period	445	10
Liquid assets at the beginning of the period *	5,452	6,587
Liquid assets at the end of the period *	5,897	6,597

* Liquid assets are defined as loans to credit institutions.

Parent Company Income Statements (SEK m)

	2010	2009
	Jan-Mar	Jan-Mar
Operating income	0	1
Operating expenses	–2	–2
Operating profit/loss	–2	–1
Profit/loss from financial investments	–	–
Tax on profit/loss for the period	1	0
Net profit/loss for the period	–1	–1

Parent Company Balance sheets (SEK m)

	31-03-2010	31-12-2009
Assets		
Financial fixed assets	231	225
Current receivables *	231	233
Liquid assets	0	0
Total assets	462	458
Shareholders' equity and liabilities		
Shareholders' equity	455	456
Current liabilities	7	2
Total shareholders' equity and liabilities	462	458

* Of which receivables from subsidiaries 230 (231).

Accounting principles

The Consolidated Interim Report 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 Interim Report 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. The revised IAS 1, Presentation of Financial Statements, requires that a report showing the total comprehensive income be presented. There is no difference, for the Group, between the result for the period and the total comprehensive income and hence no separate total comprehensive income report is presented in this Interim 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 March 2010, deposits by third parties in client fund accounts totalling SEK 712 (747 as of 31st December 2009) million.

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

	31-03-2010	31-12-2009
Capital base		
Shareholders' equity, the Group	767	693
Less, unaudited profits	-73	-
Proposed dividend	-221	-221
Shareholders' equity, financial conglomerate	473	472
<i>Less</i>		
Intangible fixed assets and deferred tax receivables	-32	-33
Capital base	441	439
Capital requirement		
Capital requirement for regulated units within the banking and securities sector	236	212
Capital requirement for regulated units in the insurance sector	36	33
Theoretical capital requirements for non-regulated units	12	11
Capital requirement	284	256
Capital surplus	157	183
Capital base/Capital requirement	1.55	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.

Note 4 – Segment information

Avanza Bank has no segments that meet the criteria laid down in IFRS 8. All operations are conducted in Sweden and both income from external customers and fixed assets are attributable to Sweden.

Operating income per product area/service groups breaks down as follows (SEK m):

	2010	2009	2009
	jan-mar	jan-mar	jan-dec
Direct savings products	99	62	314
Indirect savings products	46	25	123
Other services	5	3	15
Total income från external customers	150	90	452
Other income	4	19	63
Total operating income	154	109	515

Direct savings products refer to equity, investment fund and savings accounts. Indirect savings products refer to pension and insurance accounts. Other services includes asset management services, corporate finance, etc. Other income refers primarily to interest income from lending to credit institutions.

There is no single external customer who generates income that exceeds 10 per cent of the Group's income. Avanza Bank offers a diversified portfolio of savings services in highly competitive markets and the Group's reliance on individual customers is, therefore, limited.

Stockholm, 21st April 2010

Nicklas Storåkers, Managing Director

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 21st April 2010.

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.

Avanza Bank Holding AB ▪ Box 1399, SE-111 93 Stockholm, Sweden ▪ Street address: Klarabergsgatan 60

Tel: +46 (0)8 562 250 00 ▪ Fax: +46 (0)8 562 250 41

Registered office: Stockholm ▪ Corporate ID no: 556274-8458 ▪ avanzabank.se