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AVANZA BANK INTERIM REPORT JANUARY – SEPTEMBER 2010

- Operating income increased by 23 per cent (–4 %) to SEK 454 million (SEK 370 m)
- The profit after tax increased by 24 per cent (12 %) to SEK 203 million (SEK 164 m)
- Earnings per share increased by 23 per cent (11 %) to SEK 7.32 (5.96)
- Net inflow totalled to SEK 8,430 million (SEK 7,380 m), corresponding to 14 per cent (21 %) of savings capital at the beginning of the year
- The number of accounts increased by 20 per cent (15 %) to 335,300 (279,000 as of 31st December 2009), and the total savings capital increased by 22 per cent (60 %) to SEK 74,600 million (SEK 61,300 m as of 31st December 2009)

Third quarter

- Operating income increased by 8 per cent (9 %) to SEK 138 million (SEK 128 m)
- The profit after tax increased by 3 per cent (26 %) to SEK 61 million (SEK 59 m)
- Earnings per share increased by 2 per cent (26 %) to SEK 2.19 per share (SEK 2.15)

Interim Report January – September 2010

Comments from the Managing Director

"Earnings per share during the last year have increased by 30 per cent to SEK 9.63 per share. We are rapidly gaining new market shares and the net inflow during the past year totalled SEK 11,000 million, exceeding our long-term goal. This, coupled with a strong stock market performance, has seen the savings capital increase by 35 per cent in a single year. Costs are, as previously stated, expected to increase by around 25 per cent in 2010, while the cost increase next year is expected to return to between 15 and 20 per cent per year. Taken as a whole, this generates excellent potential for a continued growth in profits", says Nicklas Storåkers, Managing Director of Avanza Bank.

"Both the net inflow and activity levels amongst customers were low during the summer in the wake of the turbulence suffered in the financial markets this past spring. The brokerage income decreased with 9 per cent compared to the same quarter in 2009 and by 20 per cent compared to the second quarter. The net inflow during the third quarter decreased by 52 per cent to SEK 1,370 million. Customer interest and activity revived in September. The net inflow during September totalled SEK 640 million and SEK 460 million during the first ten days of October."

"In September, we launched a scheme giving our customers the opportunity to open savings accounts in other banks and credit market companies, via Avanza Bank. This allows the customer to invest more money with state deposit guarantees than via any other bank, and at a better interest rate than any major bank. The scheme has attracted considerable interest and 1,900 accounts with total deposits of SEK 240 million have been opened since the launch. We are conducting discussions with several other institutions and our aim is to increase the range of external savings accounts on offer. We will also be launching other products during the fourth quarter and expect them to boost our competitiveness."

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Operations

Market and sales

The stock market increased by 10 per cent (15 %) during the third quarter and has increased by 14 per cent (37 %) since the beginning of the year. The percentage of net liquidity in customers' accounts has increased marginally in comparison with the previous quarter. Net deposits totalled 9 per cent (11 %) of savings capital as of 30th September. Lending has decreased during the third quarter.

Customers are buying small cap and fixed income funds, but are awaiting with emerging market funds. This is due, in part, to the uncertainty surrounding the crisis in southern Europe, but also to fears of a new downturn. The percentage of emerging market funds bought by customers is normally higher than that of fixed income funds, for example, during an upturn. The net inflow into fund-based saving totalled over SEK 740 million (SEK 1,480 m) during the third quarter.

The Swedish central bank has raised the key interest rate twice during the third quarter. As of 30th September, the repo rate was 0.75 per cent. Higher key interest rates also help strengthen Avanza Bank's net interest items.

Avanza Bank held 1.9 per cent of the total savings market in Sweden as of 30th June 2010. During the period July 2009 – June 2010, Avanza Bank held 7.9 per cent of the total net inflow into the Swedish savings market.

A number of companies chose Avanza Pension for their employees' occupational pension provider during the third quarter.

	2010	2009	Change	2010	2009	Change	2009–2010	2009
	Jul–Sep	Jul–Sep	%	Jan–Sep	Jan–Sep	%	Oct–Sep	Jan–Dec
Activity								
Net inflow, equity & investment fund accounts, SEK m	240	1,210	-80	-430	1,660	-126	2,180	4,270
Net inflow, savings accounts, SEK m	280	-70	500	-140	-430	-67	360	70
of which, external deposit accounts, SEK m	240	-	-	240	-	-	240	-
Net inflow, pension- & insurance-based accounts, SEK m	850	1,740	-51	9,000	6,150	46	8,460	5,610
of which, endowment insurance, SEK m	710	1,610	-56	8,400	5,830	44	7,630	5,060
of which, occupational pensions, SEK m	120	80	50	550	230	139	660	340
Net inflow, SEK m	1,370	2,880	-52	8,430	7,380	14	11,000	9,950
Net inflow/Savings capital, %	8	24	-16	18	28	-10	20	29
No. commission notes per account & month	1.6	1.9	-16	1.9	1.8	6	1.9	1.9
No. transactions per commission note	1.8	1.8	0	1.7	1.8	-6	1.7	1.8
Brokerage per commission note, SEK	80	86	-7	82	84	-2	83	84
Market shares								
NASDAQ OMX Stockholm, First North and Burgundy								
No. transactions, %	8.6	12.5	-3.9	9.0	11.9	-2.9	9.5	11.7
Turnover, %	5.6	6.2	-0.6	5.6	5.5	0.1	5.7	5.7

For definitions, see page 8.

Trading levels on the Swedish stock markets were relatively low during July and August, returning to a more normal level in September. Avanza Bank's reduced share of the total number of transactions was due to the increased computerised trading.

The net inflow into the endowment insurance savings have been strong throughout the year. Not only are many new customers choosing to open an endowment insurance account as their first Avanza Bank account, but large numbers of existing customers are continuing to discover this savings format and electing to move capital from savings, equity and investment fund accounts to endowment insurance accounts. The net inflow into occupational pensions during the third quarter corresponding to 9 per cent (3 %) of Avanza Bank's total net inflow during the quarter.

	30-09-2010	30-06-2010	Change	31-12-2009	Change	30-09-2009	Change
			%		%		%
Savings capital							
Savings capital, equity & investment fund accounts, SEK m	41,830	39,220	7	39,600	6	34,900	20
Savings capital, savings accounts, SEK m	1,070	780	37	1,200	-11	700	53
of which, external deposit accounts, SEK m	240	-	-	-	-	-	-
Savings capital, pension- & insurance-based accounts	31,700	29,000	9	20,500	55	19,600	62
of which, endowment insurance, SEK m	25,500	23,300	9	15,300	67	14,900	71
of which, occupational pensions, SEK m	1,350	1,200	13	770	75	620	118
Savings capital, SEK m	74,600	69,000	8	61,300	22	55,200	35
Equities, bonds, derivatives, etc. SEK m	51,280	47,180	9	42,300	21	37,740	36
Investment funds, SEK m	16,700	15,700	6	13,100	27	11,400	46
Deposits, SEK m	10,510	9,960	6	9,020	17	8,670	21
of which, external deposits, SEK m	240	-	-	-	-	-	-
Lending, SEK m	-3,890	-3,840	1	-3,120	25	-2,610	49
Savings capital, SEK m	74,600	69,000	8	61,300	22	55,200	35
Deposits/Lending, %	270	259	11	289	-19	332	-62
Net deposits/Savings capital, %	9	9	0	10	-1	11	-2
Avanza Bank, SEK m	44,830	42,520	5	36,830	22	33,220	35
Mini, SEK m	1,440	1,320	9	1,190	21	1,050	37
Private Banking, SEK m	26,200	23,400	12	21,700	21	19,600	34
Pro, SEK m	2,130	1,760	21	1,580	35	1,330	60
Savings capital, SEK m	74,600	69,000	8	61,300	22	55,200	35
Return, average account since Jan 1 st, %	7	1	6	43	-	35	-
OMX Stockholm Price Index since Jan 1 st, %	14	4	10	47	-	37	-

For definitions, see page 8.

	30-09-2010	30-06-2010	Change		Change		Change
			%	31-12-2009	%	30-09-2009	%
Accounts							
No. accounts	335,300	322,700	4	279,000	20	261,000	28
No. management services	8,100	8,100	0	8,900	-9	8,800	-8
No. accounts & management services	343,400	330,800	4	287,900	19	269,800	27
No. equity & investment fund accounts	195,600	192,500	2	182,100	7	175,800	11
No. savings accounts	22,900	19,700	16	17,700	29	15,700	46
of which, no. external deposit accounts	1,900	-	-	-	-	-	-
No. pension- & insurance-based accounts	116,800	110,500	6	79,200	47	69,500	68
of which, no. endowment insurance	67,000	62,700	7	44,200	52	37,900	77
of which, no. occupational pensions	21,300	20,100	6	9,790	118	8,670	146
No. accounts	335,300	322,700	4	279,000	20	261,000	28
Avanza Bank, no. accounts	306,740	295,100	4	254,070	21	237,600	29
Mini, no. accounts *	16,000	15,600	3	14,100	13	13,300	20
Private Banking, no. accounts	10,600	10,100	5	8,780	21	8,200	29
Pro, konton, no. accounts	1,960	1,900	3	2,050	-4	1,900	3
No. accounts	335,300	322,700	4	279,000	20	261,000	28
No. accounts per customer	1.45	1.43	1	1.38	5	1.34	8

For definitions, see page 8.

12,600 (11,200) new accounts were opened during the third quarter of 2010. The number of customers increased by 5,300 (7,000) during the quarter.

Endowment insurance continues to grow strongly in terms of the number of accounts, with 4,300 (4,800) new endowment insurance accounts opened during the third quarter. 20 per cent of Avanza Bank's accounts were endowment insurance accounts, as of 30th September, in comparison with 15 per cent one year ago.

The number of new occupational pension accounts totalled 1,200 (1,070) during the third quarter, corresponding to 10 per cent (10 %) of the total number of new accounts.

Development

An iPhone app that helps Avanza Bank's customers to remain mobile and, at the same time, maintain a good overview of their savings, was launched at the beginning of the third quarter.

The new savings product, Savings accounts+, was launched during the third quarter. Savings accounts+ enables savers with Avanza Bank to invest money with other banks and credit market companies at the press of a single button. The aim is to offer savers even better interest rates on funds deposited. Avanza Bank currently offers its customers the opportunity to invest money with Klarna AB, a credit market company under the supervision of the Swedish Financial Supervisory Authority. The aim is to expand the offering in the form of savings accounts with more banks and credit market companies. Every bank or credit market company added to the offering enables customers to invest a further SEK 500 thousand with a state deposit guarantee. Savings accounts+ has generated SEK 240 million in net inflow and 1,900 new accounts since the launch of 10th September.

A number of new products are under development and will be launched in the fourth quarter. Work on developing a new website is continuing and the first steps in the development will, as previously announced, be launched at the end of the year.

Financial overview

	2010	2009	Change	2010	2009	Change	2009–2010	2009
	Jul–Sep	Jul–Sep	%	Jan–Sep	Jan–Sep	%	Oct–Sep	Jan–Dec
Income Statement, SEK m								
Brokerage income	70	77	–9	244	217	12	327	300
Fund commissions	18	13	38	60	31	94	77	48
Net interest items	39	26	50	107	88	22	137	118
Other income, net	11	12	–8	43	34	26	58	49
Operating income	138	128	8	454	370	23	599	515
Personnel	–36	–26	38	–120	–92	30	–156	–128
Marketing	–3	–3	0	–14	–12	17	–24	–22
Depreciation	–3	–2	50	–8	–6	33	–10	–8
Other expenses	–22	–21	5	–65	–58	12	–84	–77
Operating expenses	–64	–52	23	–207	–168	23	–274	–235
Profit before tax	74	76	–3	247	202	22	325	280
Operating margin, %	54	59	–5	54	55	–1	54	54
Profit margin, %	44	46	–2	45	44	1	45	44
Cost/income ratio, %	46	41	5	46	45	1	46	46
Earnings per share, SEK	2.19	2.15	2	7.32	5.96	23	9.63	8.27
Earnings per share after dilution, SEK	2.15	2.15	0	7.20	5.95	21	9.49	8.24
Return on shareholders' equity, %	9	10	–1	29	26	3	38	36
Investments, SEK m	4	1	300	16	6	167	17	7
Brokerage income/Operating income, %	51	60	–9	54	59	–5	55	58
Non-brokerage income/Operating income, %	49	40	9	46	41	5	45	42
of which, Fund commissions/Operating income, %	13	10	3	13	8	5	13	9
of which, Net interest items/Operating income, %	28	20	8	24	24	0	23	23
of which, Other income/Operating income, %	8	9	–1	9	9	0	9	10
Non-brokerage income/Operating expenses, %	106	98	8	101	91	10	99	91
of which, Net interest items/Operating expenses, %	61	50	11	52	52	0	50	50
Operating income/Savings capital, %	0.19	0.25	–0.06	0.66	0.85	–0.19	0.90	1.09
of which, Net interest items/Savings capital, %	0.05	0.05	0.00	0.16	0.20	–0.04	0.21	0.25
Average no. employees	236	186	27	220	183	20	213	185
No. trading days	66.0	66.0	0	187.0	186.0	1	249.5	248.5
Web service operational availability, %	99.9	99.8	0.1	99.9	99.8	0.1	99.9	99.8

	30-09-2010	30-06-2010	Change	31-12-2009	Change	30-09-2009	Change
			%		%		%
Shareholders' equity per share, SEK	26.17	23.33	12	25.14	4	22.83	15
Capital base/Capital requirement	1.69	1.65	2	1.71	–1	1.76	–4
No. employees	243	228	7	194	25	184	32
Market value, SEK	231.00	217.00	6	168.50	37	144.00	60
Market capitalisation, SEK m	6,440	6,020	7	4,650	38	3,970	62

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 are due to the fact that the level of savings capital in investment funds was substantially higher during the period from January to September 2010 than during the corresponding period last year. This is due, in turn, to the upturn in the world's stock markets and of the substantial net inflow into customers' fund-based savings during the year.

Costs increased by 23 per cent (–9 %) during the third quarter, or by 23 per cent (–14 %) during the period January to September. The opinion continues to be that costs will increase by around 25 per cent for 2010 as a whole.

Non-brokerage income totalled 106 per cent (98 %) of operating expenses during the third quarter of 2010. Non-brokerage income mainly comprises net interest items, fund commissions, net currency items and fees from corporate finance.

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 was issued by the Council for Advance Tax Rulings on 31st May 2010 and was to the detriment of Avanza Pension. Avanza Pension appealed the ruling to the Supreme Administrative Court during the third quarter. If the Supreme Administrative Court upholds the ruling by the Council on Advance Tax Rulings, the company's tax expenses for the 2006–2010 financial years (up to and including Q3 2010) would increase by SEK 13 million. A detrimental ruling from the company's viewpoint could entail an increase in the company's total tax expense in the years ahead.

A Swedish securities company, CTA Lind & Co Scandinavia AB, was declared bankrupt in 2004 and funds were disbursed to investors from the Swedish investor protection scheme. Funds were not consolidated within the investor protection scheme and the Swedish National Debt Office has consequently now begun working retroactively to cover the costs by levying fees from all institutions that were part of the investor protection system at the time. All of these institutions have submitted information on their customers' assets with the respective institutions on 31st December 2004 to the Swedish National Debt Office during the third quarter of 2010. The level of fee payable by Avanza Bank is currently uncertain, but a decision is expected during the fourth quarter of 2010. Preliminary, the total fees amounts to approximately SEK 140 million to be distributed among the approximately 190 institutions, which at the time of the bankruptcy belonged to investor protection scheme.

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 VAT. In July 2009, the Swedish Tax Agency rejected this request. Avanza Bank appealed to Administrative Court, which in September 2010 advised that it would not overturn the Swedish Tax Agency ruling. An appeal will be submitted to the Administrative Court of Appeal during the fourth quarter.

Capital surplus

	30-09-2010	31-12-2009
Shareholders' equity, the Group	729	693
Intangible fixed assets and deferred tax receivables, SEK m	-30	-33
Capital requirement with reference to Avanza Bank's internal capital assessment process, SEK m	-345	-307
Total capital surplus before dividend, SEK m	354	353
Capital surplus per share, SEK	12.70	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 354 million as of 30th September 2010.

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 adjudged to be secure. Avanza Bank has suffered no credit losses during the period January to September of 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 the period January to September of 2010 was SEK –5 million (SEK –5 m). The Parent Company posts no turnover. A total dividend payment of SEK 221 million (SEK 165 m) has been made to the 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 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.

Avanza Bank continues to expect costs to increase in 2010 by around 25 per cent, which is higher than the figure laid down in the long-term growth goals. As previously communicated, this higher figure is due to the fact that Avanza Bank 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. As noted earlier in this report, a degree of uncertainty exists with regard to the level of the fee payable in the CTA Lind & Co Scandinavia AB compensation case. The Swedish central bank has increased the key interest rate twice during the third quarter. Higher interest rates is judged to bring an improved net interest income on deposits. Pricing pressure is expected to continue among others as an effect that 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 during the fourth quarter of 2010 and expects them both to strengthen the relationship with our customers and to make a positive contribution to the rate of growth.

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

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.

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 new 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 of subsidiary programme 3 of the previous 2005–2007 stock option programme ran from 1st June to 30th September 2010. The redemption price was SEK 170.81 per share and as of 30th September, 379,860 of a total of 380,630 shares had been subscribed for in respect of this subsidiary programme and 291,360 subscribed for shares had been issued. The remaining 88,500 subscribed for shares will be issued in October 2010. There are a total of 27,868,970 registered and outstanding shares as of 30th September 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 during the period January to September of 2010 and the company holds no bought back shares.

Financial calendar

Preliminary Financial Statement, 2010	20 January 2011
Annual Report 2010	March 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

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	2009	2010	2009	2009-2010	2009
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
Operating income						
Commission income	114	118	397	331	530	464
Commission expenses	-15	-16	-50	-50	-68	-68
Interest income	44	28	115	107	146	138
Interest expenses	-5	-2	-8	-19	-9	-20
Net result of financial transactions	0	0	0	1	0	1
Other operating income	0	0	0	0	0	0
Total operating income	138	128	454	370	599	515
Operating expenses						
General administrative costs	-55	-43	-174	-140	-226	-192
Depreciation of tangible and intangible fixed assets	-3	-2	-8	-6	-10	-8
Other operating expenses	-6	-7	-25	-22	-38	-35
Credit losses, net	0	0	0	0	0	0
Total operating expenses	-64	-52	-207	-168	-274	-235
Operating profit	74	76	247	202	325	280
Tax on profit for the period	-13	-17	-44	-38	-58	-52
Net profit/loss for the period **	61	59	203	164	267	228
Earnings per share, SEK	2.19	2.15	7.32	5.96	9.63	8.27
Earnings per share after dilution, SEK	2.15	2.15	7.20	5.95	9.49	8.24
Average no. shares before dilution, thousand	27,802	27,578	27,669	27,578	27,646	27,578
Average no. shares after dilution, thousand	28,331	27,673	28,144	27,626	28,056	27,655
Outstanding no. shares before dilution, thousand	27,869	27,578	27,869	27,578	27,869	27,578
Outstanding no. shares after dilution, thousand	28,385	27,707	28,385	27,707	28,385	27,773
No. shares upon full dilution, thousand	29,681	29,105	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.

Consolidated Balance Sheets (SEK m)

	30-09-2010	31-12-2009
Assets		
Loans to credit institutions	6,722	5,452
Loans to the public	Note 1	3,892
Shares and participations	20	12
Assets in insurance operations	29,588	18,640
Intangible fixed assets	28	31
Tangible assets	12	7
Other assets *	390	502
Prepaid costs and accrued income	45	27
Total assets	40,697	27,795
Liabilities and shareholders' equity		
Deposits by the public	Note 2	9,786
Liabilities in insurance operations	29,588	18,640
Other liabilities *	555	139
Accrued costs and prepaid income	39	29
Shareholders' equity	729	693
Total liabilities and shareholders' equity	40,697	27,795

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

	2010	2009	2009
	Jan-Sep	Jan-Sep	Jan-Dec
Shareholders' equity at the beginning of the period	693	628	628
Dividend	-221	-165	-165
Warrants issue	4	3	3
New share issue (exercise of warrants)	50	-	-
Net profit/loss for the period *	203	164	228
Shareholders' equity at the end of the period	729	630	693

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

* Corresponds to total comprehensive income.

Consolidated Cash Flow Statements (SEK m)

	2010	2009	2010	2009
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
Cash flow from operating activities	20	49	246	122
Cash flow from operating activities' assets and liabilities	309	-166	1,208	-450
Cash flow from investment operations	-4	0	-17	-5
Cash flow from financial operations	21	0	-167	-162
Cash flow for the period	345	-117	1,270	-495
Liquid assets at the beginning of the period *	6,377	6,209	5,452	6,587
Liquid assets at the end of the period *	6,722	6,092	6,722	6,092

* Liquid assets are defined as loans to credit institutions.

Parent Company Income Statements (SEK m)

	2010	2009
	Jan-Sep	Jan-Sep
Operating income	0	1
Operating expenses	-5	-6
Operating profit/loss	-5	-5
Profit/loss from financial investments	-	-
Tax on profit/loss for the period	1	1
Net profit/loss for the period	-4	-4

Parent Company Balance sheets (SEK m)

	30-09-2010	31-12-2009
Assets		
Financial fixed assets	232	225
Current receivables *	55	233
Liquid assets	0	0
Total assets	287	458
Shareholders' equity and liabilities		
Shareholders' equity	286	456
Current liabilities	1	2
Total shareholders' equity and liabilities	287	458

* Of which receivables from subsidiaries 54 (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.

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 30th September 2010, deposits by third parties in client fund accounts totalling SEK 791 (747 as of 31st December 2009) million.

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

	30-09-2010	31-12-2009
Capital base		
Shareholders' equity, the Group	729	693
Assumed/Proposed dividend 7.00 (8.00) SEK per share, SEK m	-195	-221
Shareholders' equity, financial conglomerate	534	472
<i>Less</i>		
Intangible fixed assets and deferred tax receivables	-30	-33
Capital base	504	439
Capital requirement		
Capital requirement for regulated units within the banking and securities sector	256	212
Capital requirement for regulated units in the insurance sector	37	33
Theoretical capital requirements for non-regulated units	5	11
Capital requirement	298	256
Capital surplus	206	183
Capital base/Capital requirement	1.69	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, 14th October 2010

Nicklas Storåkers

Managing Director

Auditors' Review Report

Introduction

We have reviewed the interim report for Avanza Bank Holding AB for the period from January 1, 2010 to September 30, 2010. It is the Board of Directors and the Managing Director who are responsible for the presentation of this interim report in accordance with IAS 34, the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The Scope of the Review

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, Review of the Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Federation of Authorized Public Accountants. A review of the interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review substantially smaller less in scope compared to an audit conducted according to Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm, 14th October 2010

Ernst & Young AB

Lars Träff

Certified Public Accountant

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 14th October 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.

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