

Avanza Bank

Interim report January – March 2013

- Net inflow totaled SEK 3,290 million (SEK 1,910 m), corresponding to 4 (3) per cent of the total savings capital at the beginning of the year
- The number of accounts increased by 4 (5) per cent to 492,200 (471,600 as of 31 December 2012)
- The total savings capital increased by 9 (11) per cent to SEK 93,400 million (SEK 85,800 m as of 31 December 2012)
- Operating income decreased by 9 (–10) per cent to SEK 150 million (SEK 164 m)
- Operating margin was 36 (44) per cent
- The profit after tax decreased by 25 (–33) per cent to SEK 45 million (SEK 60 m)
- Earnings per share decreased by 27 (–35) per cent to SEK 1.55 (SEK 2.11)

This is Avanza Bank

Welcome to banking as it should be

Fourteen years ago, we started Avanza on the basis of a simple concept: We wanted to build a company that we, ourselves, would like to be customers of. A company that does not look at the world the way it is, but the way it should be.

For this reason, we make sure to always charge our customers as little as possible, while still offering better products and better service than any other bank. Of course, we also want it to be easy and fun for our customers to see growth in their funds. As it always should be.

We want to be the alternative for those who really care about their money. Those who don't want to follow the crowd but would rather do things their own way. Those who think that progress is more important than tradition and who would rather talk about tomorrow than yesterday. It is for these people that we do everything we do. This way of thinking has resulted in us having, today, the lowest fees on the market, as well as the widest range of shares, funds and securities. To cap it all off, measurements from the Svenskt Kvalitetsindex show that

Avanza Bank has Sweden's most satisfied savers for the third year in a row.

If you ask us, this is just the beginning. We firmly believe that the most important thing for you to consider when investing your money is not what has happened in the past, but what is going to happen in the future. That's why we will always continue to develop. And we think that the best way to do that is to stick to what we promised from the very start: with us, you should get more from your investments and savings than you would anywhere else. Today and tomorrow. Just as it should be.

Årets
nördaste
sparkunder
2010



Årets
nördaste
sparkunder
2011



Årets
nördaste
sparkunder
2012



Quarterly Summary

Avanza Bank	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Operating income, SEK m	150	131	125	141	164	157	182	172
Operating profit, SEK m	54	38	42	48	72	62	103	68
Operating margin, %	36	29	34	34	44	39	57	40
Earnings per share, SEK	1.55	1.04	1.11	1.34	2.11	1.94	3.10	2.01
Return on shareholders' equity, %	5	4	4	5	7	6	11	7
Net inflow, SEK m	3,290	1,420	970	1,080	1,910	120	1,550	730
Savings capital at the end of the period, SEK m	93,400	85,800	82,200	78,700	82,000	74,200	70,300	84,200
No. accounts at the end of the period	492,200	471,600	458,800	447,900	436,500	417,200	403,500	387,500
No. customers at the end of the period	292,200	283,300	278,900	274,740	270,100	263,000	258,600	252,700

Comments from the Managing Director

"In March, our major annual event, the Avanza Forum, was held for the eighth consecutive year. Approximately 3,500 attendees made their way to the Globe arena in Stockholm, while a further 15,000 have viewed a recording of the event over the internet. This was an unprecedented number of attendees, which we are extremely proud of. The interest in the event reflects the increased awareness and search for knowledge among the general public regarding their savings and the macrofactors affecting them. We also see this in our customer statistics, in the form of increases of trading activity and the inflow of new customers.

Net inflow – the third strongest quarter in Avanza's history

Historically speaking, the first quarter tends to begin positively, and this year is no different. However, we believe that the increased level of interest is also a consequence of more positive signs from each of the EU, the USA and Asia. It would even be fair to say that savers are likely to have grown tired of the sensationalist headlines we have seen over recent years, and are no longer tricked by political manoeuvring, looking instead at the economic data and making their own minds up. The Stockholm Stock Exchange has experienced a positive development, and a number of listed companies will experience a direct yield during the spring which is significantly more than the short interest rate. This turn of events has implied that customers have been considerably more active with their savings than during the three previous quarters. This manifests itself in fund saving, which is up 77 per cent compared with the same quarter during 2012, as well as in the historically strong net inflow of SEK 3.3 billion. This is an increase of 72 per cent compared with the corresponding period during the previous year, and represents a positive signal in terms of our long-term target of achieving a 5 per cent share of the total net inflow to the Swedish savings market.

We are becoming ever more popular – the inflow of new customers is increasing

The inflow of 8,900 new customers during the first quarter represents an increase of 26 per cent compared with the same period during 2012, and is well in line with our long-term target of gaining 20,000 – 30,000 customers per year. This is an effect of savers' increased activity, in combination with the fact that we have the highest rating in the market for customer satisfaction.

Low interest rates continue to put pressure on income

Trading activity has increased since the previous quarter, but the low interest rates continue to impact net interest income, with a reduction of 19 per cent to MSEK 50 (62) compared with the same period during the previous year. To combat this, we will continue to refine our offering and focus on the areas we are able to impact, such as continued growth of customer volume and savings capital, we will continue the development of our occupational pension offering and to prepare the bank for the introduction of unrestricted transfer rights, as well as further strengthening our long-term, low price leadership.

Upgrading of the IT platform on schedule and according to plan

The important strategic work with modernising our underlying IT system is continuing as planned, which has kept the majority of the Company's IT resources tied up during the first quarter. We will continue to prioritise the completion of this project during the year, for which an important milestone will be the launch of our new internet banking site after the end of the second quarter. A flexible, cost-effective IT platform is crucial to our continued success and our ability to continue to create competitive offerings with our customers in focus – as it should be."

Stockholm, 17 April 2013



Martin Tivéus, Managing Director Avanza Bank



Operations

Market and sales

The Stockholm Stock Exchange developed strongly during the first quarter, with a considerable increase in activity. The index rose by 10 per cent and turnover was 24 per cent higher than during Q4 2012. Turnover was, however, 11 per cent lower than during the first quarter of 2012. Savers began to turn back to trading in shares and Avanza Bank increased its market share of trade on the Stockholm Stock Exchange compared to its most significant competitors, in terms of the number of transactions. As a consequence of this shift in behaviour, activity in interest-based investments fell somewhat, although the exchange-traded credit-linked note and Sparkonto+ continued to develop positively. Savings capital for these products amounted to SEK 590 million (SEK 40 m) and SEK 4,500 million (SEK 3,100 m), respectively.

The Investment Savings Account (ISA) remained popular during the first quarter. More than half of Avanza Bank's net inflow was into ISA, and the number of accounts increased by 45 per cent.

In autumn 2012, the results of the review regarding life insurance were presented, proposing that statutory transfer rights for pensions be extended. Avanza Bank responded to the results with a statement of opinion during the first quarter of 2013, suggesting several refinements to certain of the

proposals made. The introduction of unrestricted transfer rights benefits consumers and will lead to increased competition and movement within the life insurance industry. Once the extended transfer rights enter into force, Avanza Bank will be well-positioned to increase its market shares in both the pensions market and the Swedish savings market. Preparatory work for the extension of transfer rights is underway both internally within the Bank and externally in the form of intensive lobbying. The net inflow in occupational pensions has remained at a positive level during the first quarter of 2013, in terms of both capital and new accounts.

At the end of March, we arranged the Avanza Forum, the largest exhibition in Sweden for private economy, for the eighth consecutive year. Approximately 3,500 attendees to the Ericsson Globe in Stockholm, as well as around 15,000 viewers on a web feed, heard talks by guests such as Hans Rosling, Susanna Campbell and Erik Lallerstedt, while 40 exhibitors including Danske Invest, ODIN Fonder, AMF and Skagen Fonder also contributed to the success of the event.

Avanza Bank had a 1.8 (1.8) per cent share of the total savings market in Sweden as of 31 December 2012. During 2012 as a whole, Avanza Bank's share of the total net inflow to the Swedish savings market was 2.9 (3.8) per cent.

Activity	2013 Jan–Mar	2012 Jan–Mar	Change %	2012–2013 Apr–Mar	2012 Jan–Dec	Change %
Net inflow, equity & investment fund accounts, SEK m	1,870	1,360	38	4,010	3,500	15
of which, investment savings accounts, SEK m	1,800	1,820	-1	3,500	3,520	-1
Net inflow, savings accounts, SEK m	240	-500	-	1,110	370	200
of which, external deposit accounts, SEK m	340	-200	-	1,290	750	72
Net inflow, pension- & insurance-based accounts, SEK m	1,180	1,050	12	1,640	1,510	9
of which, endowment insurance, SEK m	830	750	11	430	350	23
of which, occupational pensions, SEK m	340	270	26	1,080	1,010	7
Net inflow, SEK m	3,290	1,910	72	6,760	5,380	26
Net inflow/Savings capital, %	15	10	5	8	7	1
No. commission notes per account & month	1.5	1.8	-17	1.3	1.4	-7
No. transactions per commission note	1.7	1.5	13	1.7	1.6	6
Brokerage per commission note, SEK	72	77	-6	74	75	-1
Market shares						
NASDAQ OMX Stockholm, First North and Burgundy						
No. transactions, %	7.4	6.6	0.8	6.5	6.4	0.1
Turnover, %	4.1	4.3	-0.2	4.1	4.1	0.0

For definitions, see page 16.

Net inflow during the first quarter was SEK 3,290 million (SEK 1,910 m), which is the highest amount since Q1 2011. The largest portion of this inflow was attributable to the Investment Savings Account.

Activity among Avanza Bank's customers, measured as the number of transactions per account, was 25 per cent higher during Q1 than during the preceding quarter and 17 (-10) per

cent lower than during the corresponding period the previous year. Brokerage fees per transaction were 6 (-3) per cent lower than during the first quarter of 2012. At the same time, Avanza Bank has increased its market share of the number of completed deals on the Stockholm Stock Exchange to 7.4 (6.6) per cent during the first quarter.

Savings capital	31-03-2013	31-12-2012	Change %	31-03-2012	Change %
Savings capital, equity & investment fund accounts, SEK m	49,560	45,510	9	43,730	13
of which, investment savings accounts, SEK m	6,120	3,960	55	1,930	217
Savings capital, savings accounts, SEK m	5,240	4,990	5	4,070	29
of which, external deposit accounts, SEK m	4,470	4,110	9	3,120	43
Savings capital, pension- & insurance-based accounts, SEK m	38,600	35,300	9	34,200	13
of which, endowment insurance, SEK m	29,600	27,000	10	26,900	10
of which, occupational pensions, SEK m	3,740	3,250	15	2,460	52
Savings capital, SEK m	93,400	85,800	9	82,000	14
Equities, bonds, derivatives, etc. SEK m	59,770	54,560	10	54,350	10
Investment funds, SEK m	21,700	18,900	15	17,400	25
Deposits, SEK m	15,000	15,200	-1	13,500	11
of which, external deposits, SEK m	4,470	4,110	9	3,120	43
Lending, SEK m	-3,070	-2,860	7	-3,250	-6
Savings capital, SEK m	93,400	85,800	9	82,000	14
Deposits/Lending, %	489	531	-42	415	74
Net deposits/Savings capital, %	13	14	-1	13	0
Avanza Bank, SEK m	52,110	47,780	9	45,470	15
Mini, SEK m	1,590	1,470	8	1,530	4
Private Banking, SEK m	37,200	34,100	9	32,600	14
Pro, SEK m	2,500	2,450	2	2,400	4
Savings capital, SEK m	93,400	85,800	9	82,000	14
Return, average account since Jan 1 st, %	5	8	-	8	-3
SIX Return Index since Jan 1 st, %	10	16	-	11	-1

For definitions, see page 16.

Accounts	31-03-2013	31-12-2012	Change %	31-03-2012	Change %
No. equity & investment fund accounts	250,200	239,000	5	226,100	11
of which, no. investment savings accounts	20,700	14,300	45	7,220	187
No. savings accounts	67,200	63,300	6	52,700	28
of which, no. external deposit accounts	38,800	35,200	10	25,700	51
No. pension- & insurance-based accounts	174,800	169,300	3	157,700	11
of which, no. endowment insurance	95,700	93,600	2	90,600	6
of which, no. occupational pensions	40,700	38,400	6	32,600	25
No. accounts	492,200	471,600	4	436,500	13
Avanza Bank, no. accounts	450,630	431,890	4	399,460	13
Mini, no. accounts	20,700	20,100	3	19,600	6
Private Banking, no. accounts	18,100	17,200	5	15,300	18
Pro, no. accounts	2,770	2,410	15	2,140	29
No. accounts	492,200	471,600	4	436,500	13
No. accounts per customer	1.68	1.66	1	1.62	4

For definitions, see page 16.

Avanza Bank continues to gain new customers. At the end of the first quarter, the number of customers amounted to 292,200 (270,100). The number of accounts per customer represents a measure of savers' customer loyalty to Avanza Bank and, thereby, also a measure of our share of customers' savings. The

number of accounts per customer has increased during the period and now amounts to 1.68 (1.62) accounts.

The number of new occupational pension accounts was 2,300 (2,500) during the period January to March, which corresponds to 11 (13) per cent of the total number of new accounts.

Development

Intensive work was undertaken on developing Avanza Bank's new internet presence and modernising the underlying systems during the first quarter. A number of new features were implemented in the beta version of the new site, including trade in currencies and bonds, and trade on foreign marketplaces. The work with our new internet bank is expected to continue until summer 2013. New IT systems also lead to improved scalability and cost-effectiveness in conjunction with on-going growth,

which is important in our ambition to continue to offer the industry's lowest fees while providing a good return to our shareholders.

Preparations are well under way for the de-regulation of the pensions market, whereby transfer rights for pensions will, in all likelihood, be extended in accordance with the proposals presented in autumn 2012, in the results of the review regarding life insurance.

Financial overview

	2013 Jan-Mar	2012 Jan-Mar	Change %	2012-2013 Apr-Mar	2012 Jan-Dec	Change %
Income Statement, SEK m						
Brokerage income	64	70	-9	211	216	-2
Fund commissions	19	17	12	66	64	3
Net interest items	50	62	-19	222	235	-6
Other income, net *	17	15	13	49	47	4
Operating income	150	164	-9	548	562	-2
Personnel **	-52	-51	2	-209	-207	0
Marketing	-6	-8	-25	-19	-21	-10
Depreciation	-3	-3	0	-13	-13	0
Other expenses	-35	-30	17	-124	-119	4
Operating expenses before credit losses	-96	-92	4	-365	-360	1
Profit before credit losses	54	72	-25	183	202	-9
Credit losses, net	0	0	-	-1	-1	0
Operating profit	54	72	-25	182	201	-9
Operating margin, %	36	44	-8	33	36	-3
Profit margin, %	30	37	-7	26	28	-2
Cost/income ratio, %	64	56	8	67	64	3
Earnings per share, SEK	1.55	2.11	-27	5.04	5.58	-10
Earnings per share after dilution, SEK	1.55	2.09	-26	5.04	5.58	-10
Return on shareholders' equity, %	5	7	-2	17	19	-2
Investments, SEK m	1	0	-	3	3	0
Brokerage income/Operating income, %	43	43	0	39	38	1
Non-brokerage income/Operating income, %	57	57	0	61	62	-1
of which, Fund commissions/Operating income, %	13	10	3	12	11	1
of which, Net interest items/Operating income, %	33	38	-5	41	42	-1
of which, Other income/Operating income, %	11	9	2	9	8	1
Non-brokerage income/Operating expenses, %	90	102	-12	92	96	-4
of which, Net interest items/Operating expenses, %	52	67	-15	61	65	-4
Operating income/Savings capital, %	0.17	0.21	-0.04	0.65	0.70	-0.05
of which, Net interest items/Savings capital, %	0.06	0.08	-0.02	0.26	0.29	-0.03
Average no. employees	269	263	2	272	269	1
No. trading days	61.5	63.5	-3	245.5	247.5	-1
Web service operational availability, %	99.9	100.0	-0.1	99.6	99.6	0.0

* Including an impairment of the holding in Burgundy with SEK 9 million in the third quarter 2012.

** Including non-recurring costs related to rationalization through personnel changes of SEK 3.5 million in the third quarter 2012.

	31-03-2013	31-12-2012	Change %	31-03-2012	Change %
Shareholders' equity per share, SEK	30.23	28.68	5	33.08	-9
Capital base/Capital requirement	2.28	2.21	3	2.22	3
No. employees	276	262	5	265	4
Market value, SEK	175.00	131.50	33	186.00	-6
Market capitalisation, SEK m	5,050	3,800	33	5,260	-4

For definitions, see page 16.

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

Operating income decreased by 9 (-10) per cent during Q1 compared with the corresponding period during the previous year, primarily as a result of decreases to brokerage income and net interest items. However, compared with the fourth quarter of 2012, increased trading activity meant that income increased by 15 per cent.

Avanza's customers completed, on average, 17 per cent fewer securities transactions per account during the first quarter of 2013 than during the same period in 2012 and, in addition, brokerage fees per transaction declined somewhat. Compared with the preceding quarter, the number of transactions per account did, however, rise by 25 per cent, and brokerage income was up by 39 per cent.

At the end of the quarter, lending was 6 per cent lower than at the same point in time during the previous year, which negatively impacted interest income. In addition, the prime

lending rate was an average of 0.64 percentage points lower than during the corresponding period in 2012, which further affected net interest items.

Expenses before credit losses increased by 4 (21) per cent during the first quarter, in comparison to the previous year. This was mainly due to the continued investments in our new internet bank, which are reported as expenses directly in the income statement. These investments in the new internet bank started in 2011 and are expected to be completed by the end of Q2 2013. The work with modernising the underlying systems is expected to continue through 2013.

During the first quarter, non-brokerage income amounted to 90 (102) per cent of expenses. Non-brokerage income is comprised primarily of net interest items, fund commissions and net foreign exchange income. Our objective is that this item should, in the long-term, exceed 100 per cent.

Capital surplus

	31-03-2013	31-12-2012
Shareholders' equity, the Group	873	828
Intangible fixed assets and deferred tax receivables, SEK m	-24	-24
Capital requirement with reference to Avanza Bank's internal capital evaluation (IKU), SEK m	-289	-298
Total capital surplus before dividend, SEK m	560	507
Capital surplus per share, SEK	19.39	17.54

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 4, page 14.

The capital surplus, i.e. the maximum scope available for dividend payments and buybacks of the company's own shares, totalled SEK 560 million as of 31 March 2013.

Financial position

All of Avanza Bank's assets have a high level of liquidity. The majority of the assets can, therefore, be transferred within one day. The assets are deemed to be secure. Between 2001 and the first quarter of 2013 total credit losses amounted to SEK 8 million, which is the equivalent, on average, to less than 0.03 percent per year. Avanza Bank does not conduct, and has not previously conducted, trading in securities on its own behalf.

The statutory protection and guarantees (such as the state deposit guarantee) apply to customers in Avanza Bank in the same manner as applying to other Swedish banks and

insurance companies. Additional information on Avanza Bank and security matters can be found on avanzabank.se.

The Parent Company Avanza Bank Holding AB

Avanza Bank Holding AB is the Parent Company in the Avanza Bank Group. The operating result for the first quarter was SEK -1 (-2) million. The Parent Company does not report any sales. The Board of Directors has proposed to today's Annual General Meeting a dividend of SEK 231 million, equivalent to SEK 8.00 per share. For the previous year, the dividend amounted to SEK 283 million, equivalent to SEK 10.00 per share.

Outlook for the future

Growth possibilities on the Swedish savings market are deemed to be positive. In order to generate long-term value for our shareholders, Avanza Bank's work is concentrated on those areas that we can impact and which drive the underlying growth of the Company, in combination with thorough monitoring of expenses – good scalability in the operations, strong net inflow, good growth in customers and customer satisfaction.

Factors which impact Avanza Bank's possibilities for future growth include:

Growth of the savings market

Our assessment is that the Swedish savings market will grow by 6–8 per cent per year in the long-term, which is in line with the growth over the last ten years. However, there is a risk that concerns regarding the housing market might spread to the savings market. Worries about falling housing prices, in combination with uncertainty regarding the stock market, may mean that more Swedes will choose to save by paying off their housing loans, which, in the short-term, may have a negative impact on the growth of the Swedish savings market.

Avanza Bank's growth opportunities are not, however, limited to the growth of the Swedish savings market. This is because Avanza Bank currently has a market share of only 1.8 per cent of the Swedish savings market, in combination with capital moved from other savings institutions to Avanza Bank which is not included in the net inflow to the Swedish savings market.

Net inflow and growth in value

An important factor generating long-term growth in savings capital is the net inflow. Avanza Bank aims to attract a minimum of 5 per cent of the net inflow to the Swedish savings market per year. Growth in net inflow is achieved through increased savings from new and existing customers. Avanza Bank aims to attract 20,000 – 30,000 new customers per year, as well as to utilise its advantages in terms of offering the market's widest range of savings products, as well as its lowest prices, in order to grow the Bank's share of customers' savings over time. Our assessment is that our customers today have half of their transferrable savings in Avanza Bank.

In addition to the net inflow, value development also generates growth in customers' savings capital.

Link between growth in savings capital and growth in operating income

From a long-term perspective, there is a clear link between growth in savings capital and growth in operating income, for which reason an underlying growth in savings capital creates the conditions necessary for increased income. Income is primarily

generated through brokerage income from trade in securities, net interest income from borrowing and lending, fund commissions and other compensation from suppliers of savings products. The income to savings capital ratio has fallen by 13 per cent per year over the last five years, due to price pressure combined with the effects of the product mix of savings, a lower short interest rate level and variations in trading activity on the stock market. Our assessment is that the income to savings capital ratio, with an unchanged repo rate, will fall at a lower rate than the historical rate from the current level. This assessment is based on our forecast of continued effects of the product mix of savings capital, as we believe that fund savings and interest savings will increase in the future, to the detriment of trade in shares, in conjunction with an increase in pension capital. Price pressure due to competitive pressure is, however, deemed to be limited.

Rate of increase in expenses

Avanza Bank reviewed the rate of increase in expenses prior to 2012. Given the company's substantial investments in the new internet presence, as well as the modernisation of the underlying systems undertaken during recent years, expenses for the coming years are not expected to increase at the same rate as income, which creates the conditions for increased operating margins. This is due to the fact that the new systems require less maintenance and facilitate increased efficiency in the operations, subsequently creating an improved scalability with continued customer growth. In the long-term, the target is that increases in expenses are not to exceed increases in income.

Possible deregulation of the transfer market for pension savings

In autumn 2012, the results of the review regarding life insurance were presented, proposing that statutory transfer rights for pension savings be extended. The pensions and insurance market is twice the size of the market for direct savings in shares and funds. It is, therefore, estimated that Avanza Bank's customers will have more pension savings than direct share and fund savings. If there were to be an extension to the transfer rights for pension capital, customers would be able to transfer portions, or all, of their pension savings to Avanza Bank and, in doing so, earn a larger pension, as Avanza Bank offers the lowest fees and the widest product range for pension savings. A resolution in favour of unlimited transfer rights would, therefore, have a positive effect on Avanza Bank's growth opportunities. The results of the review propose that the extension to transfer rights becomes applicable as of 1 January 2015.

Other corporate events

Significant risks and uncertainly factors

Avanza Bank's operations are exposed to risks on a daily basis. These risks are measured, controlled and, where necessary, acted upon, in order to protect the Company's capital and reputation. The manner in which Avanza Bank identifies, follows up and manages these risks has a bearing on the soundness of the business and on the Company's long-term profitability. A detailed description of the Group's risk exposure and risk management is provided in Avanza Bank's Annual Report for 2012, Note 32. It is deemed that there are no significant risks other than those risks described in the Annual Report and in this interim report.

Transactions with associated parties

Avanza Bank's transactions with associated parties are presented in the Annual Report for 2012, Note 33. No significant changes have taken place since the publication of the Annual Report.

Annual General Meeting

The Annual General Meeting will be held today, 17 April 2013, at 15.00 at Nalen, Regeringsgatan 74, Stockholm. The Annual

Report is available from the Company's office and on the Company's website, www.avanza.com. A press release outlining important resolutions made by the Annual General Meeting will be published after the conclusion of the meeting.

Repurchase of the company's own shares

On 19 April 2012, the Annual General Meeting decided to authorise the Board of Directors to implement the acquisition of own shares, up to a maximum of 10 percent of the shares in Avanza Bank Holding AB. No shares were repurchased during the first quarter of 2013 and the company holds no repurchased shares as of 31 March 2013.

Financial calendar

Annual General Meeting	17 April 2013
Interim Report, January – June 2013	10 July 2013
Interim Report, January – September 2013	16 October 2013
Preliminary Financial Statement 2013	January 2014

Consolidated Income Statements *

SEK m	2013 Jan–Mar	2012 Jan–Mar	2012–2013 Apr–Mar	2012 Jan–Dec
Operating income				
Commission income	118	119	400	400
Commission expenses	-18	-18	-68	-67
Interest income	61	82	286	307
Interest expenses	-11	-20	-64	-72
Net result of financial transactions	0	0	-7	-7
Other operating income	0	1	1	1
Total operating income	150	164	548	562
Operating expenses				
General administrative costs	-81	-75	-313	-306
Depreciation of tangible and intangible fixed assets	-3	-3	-13	-13
Other operating expenses	-12	-14	-39	-41
Total operating expenses before credit losses	-96	-92	-365	-360
Operating profit before credit losses	54	72	183	202
Credit losses, net	0	0	-1	-1
Operating profit	54	72	182	201
Tax on profit for the period	-9	-12	-37	-41
Net profit/loss for the period **	45	60	145	160
Earnings per share, SEK	1.55	2.11	5.04	5.58
Earnings per share after dilution, SEK	1.55	2.09	5.04	5.58
Average no. shares before dilution, thousand	28,874	28,263	28,817	28,665
Average no. shares after dilution, thousand	28,874	28,449	28,817	28,665
Outstanding no. shares before dilution, thousand	28,874	28,263	28,874	28,874
Outstanding no. shares after dilution, thousand	28,874	28,451	28,874	28,874
No. shares upon full dilution, thousand	30,431	29,907	30,431	30,431

* 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 Sheet

SEK m		31–03–2013	31–12–2012
Assets			
Loans to credit institutions		7,599	7,989
Loans to the public	Note 1	4,101	3,710
Shares and participations		0	0
Assets in insurance operations		36,219	33,067
Intangible fixed assets		23	23
Tangible assets		15	17
Other assets		303	316
Prepaid costs and accrued income		50	84
Total assets		48,310	45,206
Liabilities and shareholders' equity			
Deposits by the public	Note 2	10,759	11,116
Liabilities in insurance operations		36,219	33,067
Other liabilities		380	115
Accrued costs and prepaid income		70	71
Provisions		9	9
Shareholders' equity		873	828
Total liabilities and shareholders' equity		48,310	45,206

Changes in the Group's shareholders' equity

SEK m	2013 Jan–Mar	2012 Jan–Mar	2012 Jan–Dec
Shareholders' equity at the beginning of the period	828	875	875
Dividend	–	–	–283
Warrants issue	–	0	3
Exercise of share warrants	–	–	72
Repurchase of own shares	–	–	–
Net profit/loss for the period	45	60	160
Shareholders' equity at the end of the period	873	935	828

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

Consolidated Cash Flow Statements

SEK m	2013 Jan–Mar	2012 Jan–Mar
Cash flow from operating activities	4	19
Cash flow from operating activities' assets and liabilities	–393	–1 412
Cash flow from investment operations	–1	0
Cash flow from financial operations	0	0
Cash flow for the period	–390	–1 393
Liquid assets at the beginning of the period *	7 989	8 672
Liquid assets at the end of the period *	7 599	7 279

* Liquid assets are defined as loans to credit institutions.

At the end of the period SEK 574 million (SEK 600 m) of consolidated liquid assets are pledged as collateral.

Parent Company Income Statements

SEK m	2013 Jan–Mar	2012 Jan–Mar
Operating expenses		
Administration expenses	–1	–1
Other operating income	–	–
Other operating expenses	–1	–1
Operating profit/loss	–2	–2
Profit/loss from financial investments		
Profit/loss from shares in group companies	–	–
Profit/loss from other securities	–	–
Interest income and similar items	0	0
Interest expenses and similar items	–	–
Profit/loss before tax	–1	–2
Tax on profit for the period	0	0
Net profit/loss for the period	–1	–2

Parent Company Balance sheets

SEK m	31-03-2013	31-12-2012
Assets		
Financial fixed assets	408	408
Current receivables *	256	256
Liquid assets	0	0
Total assets	664	664
Shareholders' equity and liabilities		
Shareholders' equity	662	663
Current liabilities	2	1
Total shareholders' equity and liabilities	664	664

* Of which receivables from subsidiaries SEK 255 million (SEK 256 m).

Accounting principles

The 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 and the supplementary accounting rules for legal entities (RFR 2) issued by the Swedish Financial Reporting Board. Accounting principles and calculation methods remain unchanged from those applied in the 2012 Annual Report.

Notes

Note 1 – Loans to the public

Loans to the public are reported after deductions for actual and anticipated credit losses. SEK 1,029 million (SEK 849 m as of 31 December 2012) of loans to the public as of 31 March 2013, so-called account credits, are covered in their entirety by cash and cash equivalents pledged on endowment insurance accounts. This portion of the lending does not impact the net interest items, as the interest on deposits is the same as the lending rate. Collateral for the remainder of the loans to the public is 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 Bank also has, as of 31 March 2013, deposits by third parties in client fund accounts totalling SEK 790 million (SEK 847 m as of 31 December 2012).

Note 3 – Financial instruments

Classification of financial information

SEK m, 31-03-2013	Financial instruments valued at fair value via Income Statement	Loan receivables and accounts receivable	Other financial liabilities	Non-financial instruments	Total
Assets					
Lending to credit institutions	-	7,599	-	-	7,599
Lending to the public	-	4,101	-	-	4,101
Shares and participations	0	-	-	-	0
Assets in insurance operations	36,219	-	-	-	36,219
Intangible assets	-	-	-	23	23
Tangible assets	-	-	-	15	15
Other assets	-	211	-	92	303
Prepaid costs and accrued income	-	24	-	26	50
Total assets	36,219	11,935	-	156	48,310
Liabilities					
Deposits by the public	-	-	10,759	-	10,759
Insurance operations liabilities	36,219	-	-	-	36,219
Other liabilities	-	-	380	-	380
Accrued costs and prepaid income	-	-	52	18	70
Provisions	-	-	-	9	9
Total liabilities	36,219	-	11,191	27	47,437

Financial instruments valued at fair value

SEK m, 31-03-2013	Level 1	Level 2	Level 3	Total
Assets				
Equities	19,669	0	-	19,669
Fund units	1,251	9,482	-	10,733
Bonds and other interest-bearing securities	626	222	-	848
Other securities	189	161	-	350
Liquid assets	-	-	-	4,619
Total assets	21,735	9,865	-	36,219
Liabilities				
Liabilities in insurance operations (investment agreements)	-	36,219	-	36,219
Total liabilities	-	36,219	-	36,219

Fair value

In the case of financial instruments reported at accrued acquisition cost, incurring variable interest, or with short maturities, the reported value and fair value are equal.

The fair value of those financial instruments reported at fair value through profit and loss is determined as shown below.

During the period, no transfers between the levels have taken place. Pension and insurance customers (assets in the insurance operations) are, in principle, only permitted to hold securities traded on a regulated market or a multilateral trading facility, investment funds or securities on unlisted securities markets managed electronically by Avanza Bank.

Financial assets valued at fair value via the Income Statement

The majority of the securities in this category, primarily comprising assets within the insurance operations, comprise listed securities and the fair value is determined by using the official bid rate on the closing date. The fair value of securities without an active market is determined, initially, by obtaining pricing information from operators who quote daily prices, mainly the net asset values quoted by the fund companies, where the issuer values every individual security, and secondarily, by assessing the most recently completed market transaction between two mutually independent parties.

Changes in the value of assets in the insurance operations correspond to changes in the value of liabilities in the insurance operations and the net result is, therefore, zero.

Financial assets valued at fair value are classified through the use of a hierarchy for fair value that reflects the significance of the input data used in the valuations. The hierarchy contains the following levels:

- Level 1 – Quoted prices (unadjusted) on active markets for identical assets or liabilities. The majority of the shares pertaining to the insurance operations are included in this category.

- Level 2 – Input data other than the quoted prices included in Level 1, but which are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Funds (not traded on a stock exchange) are included in this category. Liabilities in the insurance operations are included in this category as the value of the entire balance sheet item is indirectly related to the value of the assets in the insurance operations.
- Level 3 – Input data from the asset or liability in question that is not based on observable market data (non-observable input data).

The level of the hierarchy for fair values where the valuation at fair value is categorised in its entirety shall be determined on the basis of the lowest level of input data of significance to the valuation at fair value in its entirety. To this end, the assessment of the significance of the input data is conducted with regard to the valuation at fair value in its entirety.

Note 4 – Capital requirement for the financial conglomerate

SEK m	31-03-2013	31-12-2012
Capital base		
Shareholders' equity, the Group	873	828
Less, unaudited profits	-45	-
Proposed dividend SEK 8.00 per share	-231	-231
Shareholders' equity, financial conglomerate	597	597
<i>Less</i>		
Intangible fixed assets and deferred tax receivables	-24	-24
Capital base	573	573
Capital requirement		
Capital requirement for regulated units within the banking and securities sector	219	226
Capital requirement for regulated units in the insurance sector	30	30
Theoretical capital requirements for non-regulated units	3	3
Capital requirement	252	259
Capital surplus	321	314
Capital base/Capital requirement	2.28	2.21

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 for the period has been audited, adjustments are made for the assumed dividend. Assumed dividend refers to the current period and the proposed dividend is dividend proposed by the Board of Directors to the Annual General Meeting for the full financial year.

Stockholm, 17 April 2013



Martin Tivéus
Managing Director

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

The information contained in this report comprises information that Avanza Bank Holding AB (publ.) is obliged to provide as well as that which 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 17 April 2013.

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.

Definitions

Account:	An account opened with holdings.
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.
Commission notes per account:	Commission notes per account excluding savings accounts.
Cost/income ratio:	Costs before credit losses in relation to income.
Deposits:	Deposits by the public as per balance sheet with deduction for the portion which are covered in their entirety by cash pledged on endowment insurance accounts which entirely corresponds to the lending to the public and the addition of client fund deposits and external deposits.
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, Sparkonto+, opened and managed by customers via Avanza Bank's website.
Lending:	Loans to the public as per balance sheet with deduction for the portion which are covered in their entirety by cash and cash equivalents pledged on endowment insurance accounts.
Net deposits/Savings capital:	Deposits, including client accounts and external deposits, 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 expenses:	Operating expenses before credit losses.
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 SIX Return Index share index, which shows the average development on the Stockholm Stock Exchange, including dividends.
Transactions:	Buying and selling transactions completed in different markets and involving different securities.

