

# 008

## AVANZA, INTERIM REPORT **JANUARY – MARCH 2008**

- Operating income increased by 2 per cent (9%) to SEK 138 million (SEK 135 m)
- The profit after tax totalled SEK 54 million (SEK 56 m)
- Earnings per share decreased by 3 per cent (+2%) to SEK 1.98 (SEK 2.04)
- Net savings totalled SEK 2,790 million (SEK 1,760 m), corresponding to 6 per cent (4%) of the savings capital at the beginning of the year, with accounts acquired from Ikanobanken accounting for SEK 480 million of this sum.
- The number of accounts increased by 18 per cent (7%) to 194,500 (165,000 as of 31st December 2007) and the total savings capital decreased by 3 per cent (+8%) to SEK 44,500 million (SEK 45,900 m as of 31st December 2007). Accounts acquired from Ikanobanken contributed 15,200 accounts and SEK 480 million in savings capital during the quarter.

# Interim Report, January – March 2008

## Comments from the Managing Director

”Net savings totalled SEK 2,790 million during the first quarter with accounts acquired from Ikanobanken contributing SEK 480 million to this sum. This is a high level and the need for good savings products means that Avanza is growing faster than ever, despite the weakness of the stock market. Avanza offers savers a better way to save through the market’s lowest fees, an extensive range of investment options, and better products and tools for managing one’s savings online. This simple business concept continues to bear fruit,” says Nicklas Storåkers, Managing Director of Avanza.

”The OMX Stockholm Price Index has tumbled by 21 per cent since the first quarter of last year and by 11 per cent during the first quarter of this year. Avanza’s income has, nonetheless, increased during the first quarter by 2 per cent. The profit after tax decreased by 4 per cent. Our goal of achieving a long-term increase in profits of between 15 and 25 per cent per annum, given a normal stock market trend, holds and has, if anything, been confirmed by the healthy underlying growth during the first quarter.”

”Levels of interest in endowment insurance-based saving have been very high. Customers have also liked the fact that Avanza has launched a savings account that offers good interest rates and with no complicated terms and conditions. A new application for equity trading has also been launched, which has stimulated trading. The launch of new products and services will continue at a good rate throughout the spring.”

**For additional information, please contact Nicklas Storåkers, Managing Director of Avanza, tel: +46 70 861 80 01.**

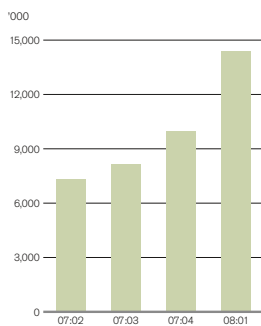
## Business performance

The total number of accounts increased during the first quarter of 2008 by 29,500 (9,600) to 194,500 (165,000 as of 31st December 2007), corresponding to an increase of 18 per cent (7%). Accounts acquired from Ikanobanken contributed 15,200 accounts to the total increase noted during the quarter. The pension and insurance-based accounts comprised 29 per cent (25%) of the total number of new accounts.

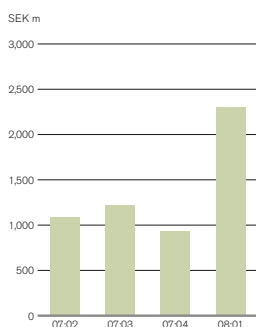
Net savings totalled SEK 2,790 million (SEK 1,760 m) during the first quarter of 2008, corresponding to 6 per cent (4%) of the savings capital at the beginning of the year. Accounts acquired from Ikanobanken contributed SEK 480 million to this sum. Net pension- and insurance-based savings totalled 94 per cent (30%) of total net savings.

Demand for endowment insurance-based savings continued to be very strong. Endowment insurance has changed saving patterns, in the form of large withdrawals at the end of last year and of more savings at the beginning of 2008. Saving through endowment insurance allows the customer to invest in shares and investment funds without incurring a capital gains tax liability and without having to declare individual securities transactions. The customer can also withdraw their money immediately. The only tax that the customer pays is a tax, which currently comprises just over 1 per cent of the value of the insurance.

The change in value of the average account totalled –9 per cent (4%) during the first quarter of 2008 in comparison with a decrease by the OMX Stockholm Price Index of –11 per cent (+6%).



**Account inflow per quarter  
(excluding acquisitions)**



**Net savings per quarter  
(excluding acquisitions)**

The total savings capital decreased during Q1 by 3 per cent (+8%) to SEK 44,500 million (SEK 45,900 m as of 31st December 2007). Savings capital within Avanza Private Banking increased by 1 per cent (13%) to SEK 16,500 million (SEK 16,400 m as of 31st December 2007). Savings capital within Aktiespar.se decreased to SEK 740 million (SEK 800 m as of 31st December 2007).

To date, 1,630 employees (accounts) (1,040 as of 31st December 2007) have joined the Avanza Occupational Pension scheme, of which 410 comprised collective agreement pension accounts (70 as of 31st December 2007). Savings capital within the Avanza Occupational Pension scheme increased by 7 per cent (20%) during the first quarter to SEK 150 million (SEK 140 m as of 31st December 2007). Levels of interest in the Avanza Occupational Pension Scheme are high and Avanza believes it has excellent potential for strong growth in this year.

The temporary legislative block on the right to transfer pension insurance implemented in Sweden in early 2007 will be lifted as of 1st May 2008. Considerable uncertainty does, however, exist with regard to the potential imposition of a mandatory retroactive right to transfer. The removal of the legislative block will, however, open up a bigger market for Avanza which is expected to be of considerable interest in the context of some of the collective agreement-based occupational pension plans, for example.

Savings capital invested in pension- and insurance-based savings totalled SEK 10,800 million as of 31st March 2008 (SEK 8,800 million as of 31st December 2007), corresponding to 24 per cent of the total savings capital (19% as of 31st December 2007).

The range of investment funds offered now comprises over 900 funds from over 70 fund management companies. Interest in Avanza Zero, the no-fee index fund, is an important factor in the increase in fund-based savings with Avanza, and during the first quarter of 2008, Avanza executed 340,000 fund commission notes (230,000). Interest in exchange-traded funds has also increased markedly over the last quarter. As of 31st March 2008, Avanza Zero had 27,200 unit holders (21,200 as of 31st December 2007) and SEK 500 million in fund capital (SEK 500 m as of 31st December 2007), including PPM. The return on Avanza Zero totalled -12 per cent during the first quarter, in comparison with the OMXS30 index which decreased by 12 per cent, including dividends, during the same period. Interest in investments in guarantee products has fallen markedly as a result of the turbulence in global credit markets.

The total value of savings capital invested in funds was SEK 7,960 million, as of 31st March 2008 (SEK 8,960 m as of 31st December 2007), corresponding to 18 per cent of the total value of savings capital (20% as of 31st December 2007). The number of accounts with fund holdings increased during the first quarter of 2008 to 82,900 (64,500 as of 31st December 2007), corresponding to 43 per cent (39% as of 31st December 2007) of all accounts.

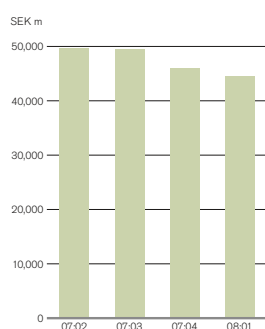
A savings account with a competitive interest rate, currently at 3.76 per cent, has been launched during the first quarter of 2008. As of 31st March 2008, 3,200 accounts had a combined total of SEK 280 million in savings capital.

Avanza's customers averaged 1.9 (2.4) commission notes per account per month during the first quarter of 2008, corresponding to a decrease of 20 per cent (+2%) in comparison with the same period last year.

The average brokerage fee per commission note (excluding fund transactions) for private customers during the quarter was SEK 98 (SEK 104). Operating income totalled 0.31 per cent (0.30%) of savings capital during the first quarter of 2008.

Deposits, including client funds, increased to SEK 7,170 million (SEK 7,080 m as of 31st December 2007). Lending totalled SEK 2,370 million (SEK 2,300 m as of 31st December 2007). Deposits and lending correspond to 16 per cent (15% as of 31st December 2007) and 5 per cent (5% as of 31st December 2007), respectively, of the total value of savings capital. Customers' net liquidity hence totalled 11 per cent of the total value of savings capital (10% as of 31st December 2007).

Avanza's market share of the Stockholm Stock Exchange (including First North) during the first quarter of 2008 was 8.6 per cent (9.5%) of the total number of transactions and 3.5 per cent (2.7%) of turnover. In terms of the number of transactions, therefore, Avanza continued to be the biggest member overall of the Stockholm Stock Exchange (including First North).



**Savings capital as per the end of each quarter**

The online savings magazine, Placera Nu ([www.placera.nu](http://www.placera.nu)), publishes daily analyses of investments in shares, investment funds and pensions. The number of unique visitors totalled 76,200 per week during the first quarter of 2008.

By the end of March, Avanza had 5,100 active PPM management customers. The number of customers increased by 1,100 during the first quarter of 2008. Avanza will be launching asset management services for other types of saving during the second quarter of 2008 to ensure that those customers who lack the time or know-how can still benefit from the advantages offered by Avanza.

Additional services and offerings will be launched during the year to reinforce Avanza's competitiveness. Avanza will also be implementing a number of measures designed to assist the customer all the way from online registration to the point when the customer's savings activities are fully up and running. It is thought that this will increase the efficiency of Avanza's marketing and thereby boost both the account inflow and net savings.

Demand for Avanza's services amongst new companies in the process of listing their shares continues to be high, but 2008 has, to date, nonetheless seen a degree of uncertainty due to the shaky market climate. Avanza intends to offer its customers the opportunity to subscribe for a few new IPO's during the spring. Avanza makes every effort to ensure that the IPO's it offers its customers are of a high standard.

The operational availability of Avanza's web service during the first quarter of 2008 was 99.7 per cent (99.7%).

In July 2007, Avanza concluded an agreement to acquire accounts from Ikanobanken's investment fund and pension savings operations. The preliminary purchase price is SEK 7 million, which has been reported as an intangible asset, customer stock, that will be depreciated, both in accounting terms and fiscally over the course of five years. The operations comprise direct fund-based saving and individual pension saving (IPS). The integration took place in February and entailed the takeover by Avanza of 15,200 accounts with a combined savings capital of SEK 480 million. A few accounts remain to be integrated during the second quarter before the purchase price becomes definitive.

## Result and position

Operating income increased by 2 per cent (9%) during the first quarter of 2008 to SEK 138 million (SEK 135 m), corresponding to 0.31 per cent (0.30%) of the total savings capital. The growth in income is primarily due to good underlying growth in the number of accounts. Net interest items and investment fund commissions totalled SEK 51 million (SEK 40 m) and SEK 12 million (SEK 13 m), respectively, during the first quarter of 2008, corresponding to an increase of 28 per cent (33%) and a decrease of 8 per cent (-28%), respectively, in comparison with the same period last year.

Brokerage income, less deductions for direct costs, comprised 47 per cent (53%) of total operating income during the first quarter of 2008, whilst non-brokerage income made up the remaining 53 per cent (47%).

Non-brokerage income during the first quarter of 2008 comprised 108 per cent (109%) of operating expenses. Non-brokerage income normally comprises net interest items, investment fund commissions and fees from corporate finance.

Operating expenses during the first quarter of 2008 totalled SEK 68 million (SEK 59 m), corresponding to an increase of 15 per cent (23%) in comparison with last year. Marketing costs decreased during the first quarter of 2008 to SEK 10 million (SEK 14 m). Increased staff accounted for the majority of the increase in operating expenses.

The number of full-time employees (excluding those on leaves of absence and parental leave) at the end of March was 207 (210 as of 31st December 2007). It is calculated that the recruitment requirement will be lower, relatively speaking, than was the case last year.

The pre-tax profit for the first quarter of 2008 was SEK 70 million (SEK 76 m), corresponding to an operating margin of 51 per cent (56%). The tax expense was SEK 16 million (SEK 20 m).

The result after tax for the first quarter of 2008 was SEK 54 million (SEK 56 m). Earnings per share totalled SEK 1.98 (SEK 2.04). The return on equity during the first quarter of 2008 was 9 per cent (12%).

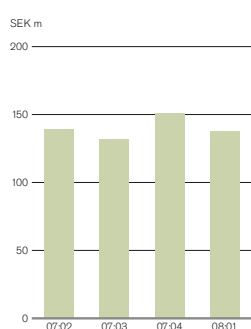
Depreciation of tangible and intangible assets totalled SEK 3 million (SEK 2 m) and investments totalled SEK 8 million (SEK 3 m), including the acquisition of accounts from Ikanobanken for SEK 7 million, during the first quarter of 2008.

The Group's liquid assets totalled SEK 4,867 million (SEK 4,205 m as of 31st March 2008).

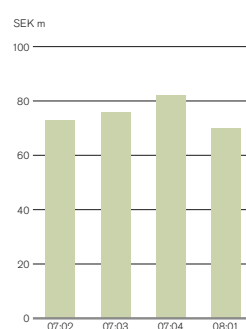
Shareholders' equity totalled SEK 627 million as of 31st March 2008 (SEK 573 m as of 31st December 2007), or SEK 23.10 (SEK 21.12 as of 31st December 2007) per share.

Avanza has not bought back any of its own shares during the first quarter of 2008. Avanza bought back a total of 305,674 shares during 2007 for an aggregate purchase price of SEK 41 million. The buy-backs corresponded to 1.1 per cent of the total number of shares before buy-backs began. The Board has proposed that the Annual General Meeting approve a reduction in the share capital by means of a withdrawal of the bought-back shares. The Board has also proposed that the Annual General Meeting grant the Board a new mandate to acquire the company's own shares.

The capital base, less proposed dividend payments, totalled SEK 337 million, as of 31st March 2008. When calculating the capital base during the course of an ongoing year, unaudited results are excluded from the calculations. The capital base including unaudited profits for the first quarter of 2008 but before dividend payments for the current year totalled SEK 391 million. Avanza's internal capital assessment process calculates that the capital requirement is currently SEK 250 million. Avanza accordingly is estimated to have, over and above the dividend proposed for approval at today's Annual General Meeting, the scope of up to SEK 141 million, corresponding to SEK 5.20 per share, for disbursement to the shareholders or for the acquisition of its own shares. The Swedish Financial Supervisory Authority has not, however, as yet, announced the results of its evaluation of Avanza's internal capital assessment process. It is calculated that in the long-term, Avanza will be able to disburse at least 70 per cent of its profits to the shareholders.



Operating income per quarter



Operating result per quarter

### The Parent Company, Avanza AB

Avanza AB is the Parent Company of the Avanza corporate group. The operating profit/loss for the first quarter of 2008 was SEK -3 million (SEK -2 m). The Parent Company reports zero turnover. The Board has proposed to today's Annual General Meeting that a dividend totalling SEK 163 million be paid to the shareholders. The dividend payment last year totalled SEK 110 million.

### Outlook for the future

Avanza continues to be very ambitious about growth. Our long-term goal is for profit growth to total between 15 and 25 per cent per annum, given a normal stock market performance. The average profit growth between 2001 and 2007 was 78 per cent per annum.

The underlying growth, in net savings and number of accounts, that is, was very strong during the first quarter, with net savings during the first quarter exceeding our long-term goals. The negative stock market performance that characterised the first quarter of 2008 has, however, counteracted the effects of the strong underlying growth trend. If this market trend continues throughout the rest of the year, it will have a negative effect on the potential for achieving our long-term goals in 2008. The fundamental preconditions for good long-term growth do, however, remain sound.

Avanza has adopted a more cautious approach to cost increases. This is expected to have a successive effect during the coming quarters and it is calculated that as percentages, the cost increases for 2008 as a whole will be lower than the 15 per cent by which costs increased during the first quarter. The new EU regulations that came into effect at the end of 2007 will expose the stock market monopoly to competition, which can only be good for Avanza. It is calculated that in the long-term, this will reduce Avanza's transaction costs for securities trading. Avanza does, however, operate in a rapidly changing market and can, therefore, also opt to invest in growth to a greater extent, which may entail a deviation from currently forecast costs.

Avanza's strategy is to continue operating at a high tempo in 2008 with regard both to its sales activities and to the launch of new, even better products and services for Swedish savers. Some launches previously planned for the first quarter will, instead, now take place during the second quarter.

## Other corporate events

### **Significant risks and uncertainty factors**

Avanza'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 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's 2007 Annual Report provides a detailed description of the Group's risk exposure and risk management. No significant risks over and above the risks described therein are adjudged to have arisen.

### **Transactions with associated parties**

Avanza's transactions with associated parties are shown in Note 32 of the 2007 Annual Report. No significant changes have subsequently occurred.

### **Annual General Meeting**

The Annual General Meeting will be held today, 15th April 2008, at 15.00 (CET) in the Annex arena of the Stockholm Globe Arenas in Stockholm. The Annual Report is available from the company's offices and on the company's website at [www.avanza.com](http://www.avanza.com) and has also been sent to shareholders upon request. A press release detailing important decisions taken at the Meeting will be published after the conclusion of the Annual General Meeting.

### **Buy-back of the company's own shares**

On 30th August 2007, the Board of Directors of Avanza decided to commence the buyback of the company's own shares in accordance with the authorisation obtained from the Annual General Meeting of the company held on 22nd March 2007. Avanza had acquired a total of 305,674 of its own shares for a total price of SEK 41 million by 31st December 2007. This corresponds to an average price of SEK 132.86 per share. The buybacks correspond to 1.1 per cent of the total number of shares before the buybacks began. None of the company's own shares have been bought back during the first quarter of 2008. The Board has proposed that the Annual General Meeting approve a reduction in the share capital by means of a withdrawal of the bought-back shares. The Board has also proposed that the Annual General Meeting grant the Board a new mandate to acquire the company's own shares.

### **Financial calendar**

Interim Report, January–June 2008	11th July 2008
Interim Report, January–September 2008	14th October 2008
Preliminary Financial Statement, 2008	January 2009



## The Group's performance and key ratios\*

	2008	2007	2007–2008	2007
	Jan–Mar	Jan–Mar	Apr–Mar	Jan–Dec
Operating income, SEK m	138	135	560	557
Operating expenses, SEK m	–68	–59	–259	–250
Pre-tax profit/loss, SEK m	70	76	301	307
Operating margin, %	51	56	54	55
Profit margin, %	39	41	41	42
Earnings per share, SEK	1.98	2.04	8.45	8.51
Earnings per share after dilution, SEK	1.96	2.02	8.39	8.45
Brokerage income/Operating income, %	47	53	44	46
Non-brokerage income/Operating income, %	53	47	56	54
Non-brokerage income/Operating expenses, %	108	109	120	121
Operating income/Savings capital, %	0.31	0.30	1.19	1.19
Savings capital, SEK m	44,500	46,600	44,500	45,900
Savings capital: pension- and insurance-based savings, SEK m	10,800	5,510	10,800	8,880
Savings capital: investment funds, SEK m	7,960	7,380	7,960	8,960
Net savings, SEK m	2,790	1,760	6,040	5,000
Net savings/Savings capital, %	24	16	13	12
Deposits, SEK m	7,170	5,950	7,170	7,080
Lending, SEK m	2,370	2,200	2,370	2,300
Deposits/Lending, %	33	37	33	33
Net deposits/Savings capital, %	11	8	11	10
No. accounts	194,500	139,600	194,500	165,000
No. management services	5,100	–	5,100	4,000
No. accounts & management services	199,600	139,600	199,600	169,000
No. commission notes per account and month	1.9	2.4	2.0	2.1
No. transactions per commission note	1.9	1.7	1.8	1.7
Brokerage per commission note, SEK	98	104	100	102
Average no. employees	202	155	190	178
No. employees	207	161	207	210
Equity per share, SEK	23.10	15.83	23.10	21.12
Return on equity, %	9	12	43	46
Capital adequacy ratio	1.63	2.33	1.63	1.78
Share price, SEK	130.25	121.00	130.25	135.50
Market capitalisation, SEK m	3,540	3,320	3,540	3,680

\* Avanza also publishes an Excel document containing its financial history. The information is provided in English and is updated quarterly.

The search path is [www.avanza.se/keydata](http://www.avanza.se/keydata)

## Definitions

**Operating margin:** Operating profit/loss in relation to operating income.

**Profit margin:** Profit/loss after tax in relation to operating income.

**Earnings per share:** Profit/loss after tax in relation to the average number of shares during the period.

**Brokerage income:** Brokerage income less direct costs.

**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.

**Deposits:** Deposits, including client accounts.

**Net savings/Savings capital:** The period's net savings on an annual basis in relation to savings capital at the beginning 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.

**Account:** An account opened with holdings.

**Brokerage per commission note:** Gross brokerage income for account customers in relation to the number of commission notes excluding investment fund commission notes.

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

**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.

**Equity per share:** Shareholders' equity in relation to the number of ordinary shares at the end of the period.

**Return on equity:** Profit/loss after tax in relation to the average shareholders' equity during the period.

**Capital adequacy ratio:** The capital base in relation to the capital requirement.

**Capital base:** The financial corporate group's shareholders' equity adjusted in accordance with the Swedish Capital Adequacy and Large Exposures for Credit Institutions and Securities Companies Act. The formal capital base only includes revised results. If the profit/loss for the period has been revised, the capital base is also adjusted for the assumed dividend. A dividend of SEK 163 million corresponding to SEK 6.00 per share, has been approved for 2007, entailing downwards adjustment of the capital base to a corresponding degree.



## Consolidated Income Statements (SEK m)

	2008	2007	2007–2008	2007
	Jan–Mar	Jan–Mar	Apr–Mar	Jan–Dec
<b>Operating income</b>				
Commission income	105	112	442	448
Commission expenses	-18	-17	-68	-67
Interest income	97	63	335	302
Interest expenses	-46	-23	-150	-127
Net result of financial transactions	0	0	1	1
Other operating income	0	0	0	0
<b>Total operating income</b>	<b>138</b>	<b>135</b>	<b>560</b>	<b>557</b>
<b>Operating expenses</b>				
General administrative costs	-53	-40	-194	-180
Depreciation of tangible and intangible fixed assets	-3	-2	-10	-10
Other operating expenses	-12	-17	-55	-59
Credit losses, net	0	0	0	-1
<b>Total operating expenses</b>	<b>-68</b>	<b>-59</b>	<b>-259</b>	<b>-250</b>
<b>Operating profit</b>	<b>70</b>	<b>76</b>	<b>301</b>	<b>307</b>
Tax on profit for the period	-16	-20	-70	-74
<b>Net profit/loss for the period</b>	<b>54</b>	<b>56</b>	<b>231</b>	<b>233</b>
Earnings per share, SEK	1.98	2.04	8.45	8.51
Earnings per share after dilution, SEK	1.96	2.02	8.39	8.45
Average no. shares before dilution, thousand	27,160	27,466	27,343	27,405
Average no. shares after dilution, thousand	27,397	27,652	27,558	27,610
Outstanding no. shares before dilution, thousand	27,160	27,466	27,160	27,160
Outstanding no. shares after dilution, thousand	27,387	27,661	27,387	27,408
No. shares upon full dilution, thousand	28,376	28,309	28,376	28,376

## Consolidated Balance Sheets (SEK m)

		31 Mar 2008	31 Dec 2007
<b>Assets</b>			
Loans to credit institutions		4,867	4,205
Loans to the public	Note 1	2,372	2,301
Shares and participations		2	1
Assets in insurance operations		9,222	7,280
Intangible fixed assets		40	34
Tangible assets		10	11
Other assets		119	589
Prepaid costs and accrued income		37	28
<b>Total assets</b>		<b>16,669</b>	<b>14,449</b>
<b>Liabilities and shareholders' equity</b>			
Deposits by the public	Note 2	6,480	6,370
Liabilities in insurance operations		9,222	7,280
Other liabilities	Note 2	310	196
Accrued costs and prepaid income		30	30
Shareholders' equity		627	573
<b>Total liabilities and shareholders' equity</b>		<b>16,669</b>	<b>14,449</b>

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

	2008	2007	2007
	Jan-Mar	Jan-Mar	Jan-Dec
<b>Shareholders' equity at the beginning of the period</b>	<b>573</b>	<b>489</b>	<b>489</b>
Dividend	-	-110	-110
Buy-back of the company's own shares	-	-	-41
Warrants issue	-	-	2
Net profit/loss for the period	54	56	233
<b>Shareholders' equity at the end of the period</b>	<b>627</b>	<b>435</b>	<b>573</b>

## Consolidated Cash Flow Statements (SEK m)

	2008	2007
	Jan-Mar	Jan-Mar
Cash flow from operating activities	100	20
Cash flow from operating activities' assets and liabilities	570	857
Cash flow from investment operations	-8	-3
Cash flow from financial operations	-	-110
<b>Cash flow for the period</b>	<b>662</b>	<b>764</b>
<b>Liquid assets at the beginning of the period*</b>	<b>4,205</b>	<b>2,880</b>
<b>Liquid assets at the end of the period*</b>	<b>4,867</b>	<b>3,644</b>

\* Liquid assets are defined as loans to credit institutions.

## Parent Company Income Statements (SEK m)

	2008	2007
	Jan-Mar	Jan-Mar
Operating income	0	0
Operating expenses	-3	-2
<b>Operating profit/loss</b>	<b>-3</b>	<b>-2</b>
Tax on profit/loss for the year	1	1
<b>Net profit/loss for the year</b>	<b>-2</b>	<b>-1</b>

## Parent Company Balance Sheets (SEK m)

	31 Mar 2008	31 Mar 2007
<b>Assets</b>		
Financial fixed assets	215	215
Current receivables	207	234
Liquid assets	0	0
<b>Total assets</b>	<b>422</b>	<b>449</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	414	415
Current liabilities	8	34
<b>Total shareholders' equity and liabilities</b>	<b>422</b>	<b>449</b>

## Accounting principles

The Consolidated Interim Report has been prepared in accordance with IAS 34, Interim Reporting, 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 2006:16 and 2007:13). 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 2007 Annual Report.

## Notes

### Note 1 – Loans to the public

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

### Note 2 – Funds managed on behalf of third parties

In addition to the deposits reported in the Balance Sheet, Avanza also has, as of 31st March 2008, deposits by third parties in client fund accounts of SEK 698 million (SEK 708 million as of 31st December 2007).

### Note 3 – Capital adequacy (SEK m)

	31 Mar 2008	31 Dec 2007
Capital base		
Shareholders' equity	411	411
Less		
Intangible fixed assets and deferred tax receivables	-36	-29
Settlement of shares and other contributions	-38	-38
<b>Capital base, net</b>	<b>337</b>	<b>344</b>
<b>Capital requirement</b>		
Capital requirement for credit risk, as per standard method	145	132
Capital requirement for trading stock risks	0	0
Capital requirement for operational risk	61	61
<b>Total minimum capital requirement</b>	<b>206</b>	<b>193</b>
<b>Capital surplus</b>	<b>131</b>	<b>151</b>
<b>Capital adequacy ratio</b>	<b>1,63</b>	<b>1,78</b>

The above table refers to the financial corporate group that comprises the following Group companies: Avanza AB, Avanza Bank AB and Avanza Fonder AB. Avanza AB's shares in the Försäkringsaktiebolaget Avanza Pension subsidiary have been deducted from the capital base. Other companies in the Group are booked as an exposure and are not, either consolidated or deducted from the capital base. The total capital requirement for the entire corporate group, in accordance with capital adequacy regulations and Avanza's internal capital assessment process, is SEK 250 million. The Swedish Financial Supervisory Authority has not, however, as yet announced the results of its evaluation of Avanza's internal capital assessment process.

Stockholm, 15th April 2008

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 that Avanza AB (publ.) is obliged to provide and 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 07.45 (CET) on 15th April 2008.

*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 govern.*

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