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AVANZA BANK INTERIM REPORT **JANUARY – SEPTEMBER** 2008

- Operating income decreased by 5 per cent (+21%) to SEK 385 million (SEK 406 m)
- The profit after tax decreased by 13 per cent (+25%) to SEK 146 million (SEK 168 m)
- Earnings per share decreased by 12 per cent (+25%) to SEK 5.35 (SEK 6.11)
- Net savings increased to SEK 4,860 million (SEK 4,070 m), corresponding to 11 per cent (9%) of the savings capital at the beginning of the year
- The number of accounts increased by 30 per cent (19%) to 213,700 (165,000 as of 31st December 2007) while the total savings capital decreased by 16 per cent (+14%) to SEK 38,700 million (SEK 45,900 m as of 31st December 2007)

Third quarter

- Operating income decreased by 11 per cent (+52%) to SEK 117 million (SEK 132 m)
- The profit after tax decreased by 18 per cent (+68%) to SEK 47 million (SEK 57 m)
- Earnings per share decreased by 18 per cent (+69%) to SEK 1.70 (SEK 2.08)

Interim Report **January – September** 2008

Comments from the Managing Director

”It’s good to see that customers appreciate Avanza Bank’s stability in the turbulent market. We have noted a good net inflow of both capital and customers during the period. Net savings during the third quarter totalled SEK 650 million and our customers opened 7,900 new accounts. September was also positive, viewed in isolation, with a net inflow of customers and capital alike, a trend strenghtend in the beginning of October with a net inflow of SEK 320 million for the period 1st to 10th of October” says Nicklas Storåkers, Managing Director of Avanza Bank.

”Right from day one, our operations have been conducted on the basis of a belief that Avanza Bank shall be well prepared to handle periods when the stock market is highly unstable, and to that end, we have always maintained a zero direct exposure to the market areas that are now causing problems. Avanza Bank’s financial position is, therefore, strong, and our profitability is good. The very weak stock market notwithstanding, Avanza’s Bank’s income decreased by only 11 per cent during the quarter. Costs increased marginally during the third quarter by 2 per cent and the operating margin was consequently 51 per cent.”

”The stock market’s performance means that we will be unable to achieve our long-term growth goals in 2008, but our underlying growth is still strong. We have implemented two major product launches in September, the first of which involved a completely new pricing and account structure, and the second of which saw us become the first player in Sweden to offer discretionary asset management online for virtually all savings formats. We are also, at the same time, conducting a further review of our costs. Our strategy is to work as aggressively as possible, given our slimlined cost scenario. Avanza Bank has excellent potential for taking market shares and that is an opportunity we do not intend to overlook.”

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

Operations

Market and sales

The OMX Stockholm Price index had in the end of September fallen by 43 per cent since its peak in July 2007. The ongoing financial crisis has, furthermore, generated very widespread turbulence in both the equity and fixed interest markets. Collectively, this has generated significant uncertainty amongst private Swedish investors. Demand trends have, as a result, shifted during the third quarter from the summer’s characteristically strong demand for the highest possible interest on bank savings, to an increase in the importance of the banks’ stability and security to savers in September, and as a result, banks with a stable financial position have taken market shares.

The financial market turbulence of recent weeks has resulted in higher equity trading activity levels than in the late spring and summer. Lending against securities has declined while in the investment fund-based savings sector, exposure to emerging markets and hedge funds has been reduced in favour of increased saving in fixed interest, index and biotechnology funds. Interest in equity-linked bonds and other bank-issued products has fallen dramatically – yet another knock-on effect of the waning confidence in banks. The market for public capital raising has been weak. Since the third quarter, Avanza Bank has been offering its customers to buy treasury bills.

	2008	2007	Change	2008	2007	Change	2007-2008	2007
	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec
Activity								
Net savings, SEK m*	650	1,220	-47	4,860	4,070	19	5,800	5,000
of which pension- & insurance-based savings, SEK m	710	1,640	-57	4,390	3,410	29	4,940	3,960
Net savings/Savings capital, %	6	10	-4	14	13	1	12	12
No. commission notes per account & month	1.5	1.9	-21	1.6	2.1	-24	1.7	2.1
No. transactions per commission note	1.9	1.7	12	1.8	1.7	6	1.8	1.7
Brokerage per commission note, SEK	89	104	-14	93	102	-9	95	102
Market shares, OMX Stockholm and First North								
No. transactions, %	8.9	7.7	1.2	8.7	8.5	0.2	8.6	8.5
Turnover, %	3.9	2.9	1.0	3.6	2.6	1.0	3.6	2.8

For definitions, see page 8.

* Accounts acquired from Ikano-banken accounted for SEK 490 million of total net savings during the period from January to September 2008.

Avanza Bank has taken market shares during the third quarter. Net savings totalled SEK 650 million (SEK 1,220 m) and 7,900 (8,100) new accounts were opened during the quarter. Interest in interest-based savings and in saving in endowment insurance, and thereby avoiding capital gains tax, continues to be high.

	30-09-2008	30-06-2008	Change	31-12-2008	Change	30-09-2007	Change
			%		%		%
Savings capital							
Savings capital, equity & investment fund accounts, SEK m	27,100	31,590	-14	37,020	-27	40,600	-33
Savings capital, savings accounts, SEK m	800	540	48	-	-	-	-
Savings capital, pension- & insurance-based accounts	10,800	11,570	-7	8,880	22	8,800	23
of which, Occupational pensions, SEK m	210	190	11	140	50	110	91
Savings capital, SEK m	38,700	43,700	-11	45,900	-16	49,400	-22
Equities, bonds, derivatives, etc. SEK m	26,170	30,400	-14	32,160	-19	35,800	-27
Investment funds, SEK m	6,980	8,100	-14	8,960	-22	8,940	-22
Deposits, SEK m	7,380	7,530	-2	7,080	4	6,920	7
Lending, SEK m	1,830	2,330	-21	2,300	-20	2,260	-19
Savings capital, SEK m	38,700	43,700	-11	45,900	-16	49,400	-22
Deposits/Lending, %	403	323	80	308	95	306	97
Net deposits/Savings capital, %	14	12	2	10	4	9	5
Avanza Bank, SEK m	22,690	25,570	-11	27,600	-18	29,980	-24
Aktiespar.se, SEK m	630	710	-11	800	-21	870	-28
Avanza Private Banking, SEK m	14,600	16,400	-11	16,400	-11	17,200	-15
Avanza Pro, SEK m	780	1,020	-24	1,100	-29	1,350	-42
Savings capital, SEK m	38,700	43,700	-11	45,900	-16	49,400	-22
Return, average account since Jan 1st	-24	-13	-11	-4	-	5	-
OMX Stockholm Price Index since Jan 1st, %	-30	-21	-9	-6	-	5	-

For definitions, see page 8.

	30-09-2008	30-06-2008	Change %	31-12-2007	Change %	30-09-2007	Change %
Accounts							
No. accounts *	213,700	205,800	4	165,000	30	155,000	38
No. management services	7,200	6,200	16	4,000	80	3,500	106
No. accounts & management services	220,900	212,000	4	169,000	31	158,500	39
No. equity & investment fund accounts	157,550	155,200	2	134,800	17	129,700	22
No. savings accounts	9,850	6,800	45	–	–	–	–
No. pension- & insurance-based accounts	46,300	43,800	6	30,200	53	25,300	83
of which, no. Occupational pensions	4,630	4,060	14	1,040	345	830	458
No. accounts	213,700	205,800	4	165,000	30	155,000	38
Avanza Bank, no. accounts	195,490	188,360	4	149,700	31	140,900	39
Aktiespar.se, no. accounts	10,500	10,100	4	9,020	16	8,330	26
Avanza Private Banking, no. accounts	6,310	6,010	5	5,090	24	4,630	36
Avanza Pro, no. accounts	1,400	1,330	5	1,190	18	1,140	23
No. accounts	213,700	205,800	4	165,000	30	155,000	38

For definitions, see page 8.

* Accounts acquired from Ikano-banken accounted for 15,500 of total increase in the number of accounts during the period from January to September 2008.

The temporary legislative block on the right to transfer pension insurance was lifted as of 1st May 2008 and savers' pension insurance policies have been transferred ever since. Not all types of insurance can be transferred, however, and the transfer process takes time. Avanza Bank has, to date, received 1,120 customer applications to transfer pension insurance (excl. IPS) to Avanza Bank, 230 of which, corresponding to SEK 30 million, have actually been transferred.

The number of occupational pension accounts held with Avanza Bank has increased by 3,590 since 1st January, while net savings have increased by SEK 110 million. 570 occupational pension accounts have been opened during the third quarter and net savings in occupational pensions totalled SEK 40 million.

	2008-09-30	2008-06-30	Change %	2007-12-31	Change %	2007-09-30	Change %
Avanza Zero							
Investment fund capital, Avanza Bank, SEK m	400	380	5	400	0	510	-22
Investment fund capital, PPM, SEK m	150	160	-6	100	50	110	-36
Investment fund capital, Avanza Zero, SEK m	550	540	2	500	10	620	-11
No. unit holders, Avanza Bank	24,800	23,600	5	16,500	50	17,500	42
Return, Avanza Zero since Jan 1st, %	-26	-18	-8	-2	–	10	–
Return, OMXS30 index incl. dividends, %	-26	-18	-8	-3	–	10	–

Development

A new, simpler and clearer account and pricing structure was launched during the third quarter. Clearing numbers have also been linked to all accounts, thereby simplifying transfers to Avanza Bank. These product launches are expected to stimulate additional sales and to increase net savings.

Avanza Bank launched a discretionary asset management market place for all types of saving, with the exception of IPS, at the end of the third quarter. Avanza Bank offers a number of portfolios with different managers and different risk profiles. The aim is to reach out to those customers who lack either the time or the know-how to manage their savings, but who still want to enjoy the benefits offered by Avanza Bank, such as low charges and a wide range of investment alternatives. The minimum capital requirements for investment fund portfolios and equities portfolios are SEK 100 and SEK 150 thousand, respectively.

Financial overview

	2008	2007	Change	2008	2007	Change	2007-2008	2007
	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec
Income Statement, SEK m								
Brokerage income, net	53	61	-13	167	189	-12	234	256
Fund commissions	8	19	-58	34	50	-32	53	69
Net interest items	48	43	12	149	127	17	197	175
Other income, net	8	9	-11	35	40	-13	52	57
Operating income	117	132	-11	385	406	-5	536	557
Personnel	-29	-29	0	-103	-86	20	-138	-121
Marketing	-4	-9	-56	-21	-36	-42	-34	-49
Depreciation and amortisation	-3	-3	0	-9	-7	29	-11	-10
Other expenses	-21	-15	40	-63	-51	24	-82	-70
Operating expenses	-57	-56	2	-196	-180	9	-265	-250
Profit before tax	60	76	-21	189	226	-16	271	307
Operating margin, %	51	58	-7	49	56	-7	51	55
Profit margin, %	40	43	-3	38	41	-3	40	42
Earnings per share, SEK	1.70	2.08	-18	5.35	6.11	-12	7.76	8.51
Earnings per share after dilution, SEK	1.70	2.06	-17	5.32	6.06	-12	7.71	8.45
Return on shareholders' equity, SEK	8	11	-3	25	34	-9	37	46
Investments, SEK m	0	2	-100	10	9	11	11	10
Brokerage income/Operating income, %	45	46	-1	43	47	-4	44	46
Non-brokerage income/Operating income, %	55	54	1	57	53	4	56	54
of which Fund commissions/Operating income, %	7	14	-7	9	12	-3	10	12
of which Net interest items/Operating income, %	41	33	8	39	31	8	37	32
of which Other income/Operating income, %	7	7	0	9	10	-1	10	10
Non-brokerage income/Operating expenses, %	112	128	-16	111	121	-10	114	121
of which Net interest items/Operating expenses	84	76	8	76	70	6	74	70
Operating income/Savings capital, %	0.28	0.27	0,01	0.89	0.86	0.03	1.21	1.19
of which Net interest items/Savings capital, %	0.12	0.09	0,03	0.34	0.27	0.07	0.44	0.37
Average no. employees	199	186	7	200	170	18	197	178
No. trading days	66	65	2	189	189	0	251	251
Web service operational availability, %	99.9	99.4	0.5	99.9	99.6	0.3	99.7	99.5
	30-09-2008	30-06-2008	Change	31-12-2007	Change	30-09-2007	Change	
			%		%		%	
Shareholders' equity per share, SEK	21.19	19.26	10	21.10	0	19.99	6	
Capital adequacy ratio	1.93	1.77	9	1.78	8	2.33	-17	
No. employees	191	193	-1	210	-9	184	4	
Market value, SEK	80.00	92.00	-13	135.50	-41	118.50	-32	
Market capitalisation, SEK m	2,200	2,520	-13	3,680	-41	3,250	-32	

For definitions, see page 8.

Thanks to the strong underlying growth in net savings and new accounts, income decreased by only 11 per cent during the third quarter, despite the market's weakness and turbulence. Non-brokerage income during the third quarter comprises 74 per cent net interest items, 13 per cent fund commissions, and 13 per cent other.

Fund commissions have fallen substantially during the third quarter of the year due to lower market capitalisations and a reweighting from emerging market funds to fixed income funds. Earnings from fixed income funds are considerably lower than those generated by emerging market funds.

The third quarter costs remained largely unchanged in comparison with the corresponding period last year.

The National Tax Board issued an audit memorandum in the third quarter 2008 with regard to a tax audit of Försäkringsaktiebolaget Avanza Pension that began in December 2007. The memorandum states that the National Tax Board is considering the imposition of income tax on the company in respect of fund commissions for the 2006 income year, but no decision has, as yet, been made by the National Tax Board with regard to this issue. The imposition of income tax would fundamentally change the way in which the Swedish fund-based insurance market is taxed and would generate an imbalance in the competition between different types of pension- and insurance-based savings. Avanza Bank believes that there is no legal basis for the National Tax Board's deliberations and has appealed the imposition of this taxation. Avanza Bank will, if necessary, pursue the matter to the highest possible court of appeal. If the National Tax Board decides to impose the tax described in its memorandum and this decision is upheld by the higher courts, the company's tax expense would increase by SEK 2 million for the 2006 income year, while for the income years, 2007 and 2008 (up to and including the third quarter), the tax expense would increase by SEK 3 million and SEK 2 million, respectively.

As of 30th September, Avanza Bank held 11,427 of its own shares, which were bought back in July 2008.

Capital surplus

	30-09-2008	31-12-2007
Net capital base as per note 4, page 11, SEK million	389	344
Unaudited profits, SEK million	–	–
Assumed dividend, SEK 4.50 per share (SEK 6.00), SEK million	124	163
Capital base adjusted for dividends and profits, SEK million	513	507
Capital requirement in accordance with Avanza Bank's internal capital assessment process, SEK million	312	312
Total capital surplus before assumed dividend, SEK million	201	195
Capital surplus per share, SEK	7.31	7.18

When calculating the capital base during the course of an ongoing year, audited profits only are included in the calculations. If the profit/loss for the period has been audited, the capital base is adjusted for the assumed dividend. Adjustments have been made in the above table for profits and assumed dividends deducted when calculating the capital base in accordance with the capital adequacy regulations (see Note 4 on page 11), in order to calculate the scope for dividend payments.

The capital surplus, i.e. the maximum scope available for dividend payments and buybacks of the company's own shares, totalled SEK 201 million as of 30th September 2008 or 7.31 SEK per share.

It is calculated that in the long-term, Avanza Bank will be able to distribute a minimum of 70 per cent of its profits to the shareholders.

Financial position

Avanza Bank has no direct exposure to the market's prevailing problems, which are a combination of financing problems and of uncertainty with regard to the value of credits and other receivables.

Avanza Bank finances its operations using shareholders' equity and deposits from its customers' accounts. Shareholders' equity totalled SEK 583 million, as of 30th September 2008, while deposits, excluding client funds, totalled SEK 6,738 million. Avanza Bank has no other interest-bearing loans, and never has had. The line of credit agreement in place at the end of the year has been terminated as, in the opinion of Avanza Bank, there was no reason to extend it. Deposits excluding client funds totals 368 per cent of Avanza Bank's lending to the public, and the financing level hence far exceeds Avanza Bank's actual requirements. As a result, Avanza Bank does not suffer the same kind of financing problems as those currently being suffered by some other banks.

Avanza Bank's assets primarily comprise two types of assets, namely securities loans and surplus liquidity.

Avanza Bank hence has no direct exposure to any kind of housing financing (e.g. housing bonds, mortgages) or corporate financing (except deposits against securities), or to any foreign markets (e.g. Baltic States).

Avanza Bank's lending, which comprises securities-based lending only, primarily to Swedish private individuals, totalled SEK 1,832 million as of 30th September 2008. All securities loans are covered by adequate collateral, with the exception of a minor amount of overdraft totalling SEK 2 million. Overdraft arises and are managed daily. Average credit losses since 2001 have totalled 0.01 per cent per annum.

SEK 5,696 million of the surplus liquidity was, as of 30th September 2008, invested with major Swedish and Danish banks and SEK 1,520 million in short term Swedish treasury bills. Investments in banks carry a degree of counterparty risk and for that reason, Avanza Bank has always maintained a conservative investment policy. Avanza Bank only invests in short term securities and only in those banks which, in the opinion of Avanza Bank, have a stable financial position – and this has always been our policy. Avanza Bank carries out daily evaluations and reinvestments which currently only being made with a maximum term of one day. Avanza Bank has actively chosen not to invest in certain counterparties.

All of Avanza Bank's assets have a high liquidity level and reinvestments can, therefore, be made with a maximum of one day's delay. The assets are, overall, adjudged to be secure.

New counterparty risks are arised daily as a normal part of the trade with securities. All delivery of securities are however deliverrey versus payment. These risks are continuously monitored.

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 www.avanza.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 from January–September 2008 was SEK –6 million (SEK –6 m). The Parent Company posts no turnover. A dividend totalling SEK 163 million (SEK 110 m) has been paid to the shareholders.

Outlook for the future

Avanza Bank 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, has been good so far this year. Net savings during the most recent twelve-month period totalled 12 per cent of savings capital, which is marginally below our long-term goals. The stock market had in the end of September fallen by 43 per cent since its peak just over a year ago, and has consequently counteracted the underlying growth to a considerable extent. The long-term goals will, therefore, not be achieved in 2008. The fundamental preconditions for long-term growth continue, however, to be good.

Private savers' behaviour is expected to change during the latter part of the year. Trading activity levels are heavily dependent on market trends. Demand for a secure form of interest-based saving is expected to continue strong, while demand for public capital raising products – both guarantee products and share issues – is expected to be weaker. The amount of new endowment insurance taken out is expected to decline towards the end of the year for tax reasons, but interest in the savings format is, in general, expected to remain very high.

Costs are expected to be between 0 per cent and 5 per cent lower during the fourth quarter than during the corresponding period last year. A savings programme for 2009 will be drawn up in the fourth quarter with the aim of cutting costs next year.

Avanza Bank 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.

Annual growth (ca)

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

	2001–2007	Mål
Net savings, % of savings capital at beginning of year	23 % *	13–17 %
Normal growth in value	14 % *	6–8 %
Savings capital, growth	33 %	20–25 %
Estimated pricing pressure	(2 %)	(3–7 %)
Growth in income	34 %	10–25 %
Cost increase	(20 %)	(10–20 %)
Growth in profit	78 %	15–25 %

* 2002–2007

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 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 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 2007 Annual Report. No significant changes have subsequently occurred.

Incentives programme

Avanza Bank implemented an incentives programme aimed at the Group's employees during the spring, in accordance with the resolution passed by the Annual General Meeting held on 15th April 2008. The stock option programme is the first 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 569,690 new shares, and the redemption price is SEK 138.43. The term expires on 27th May 2011. The stock option programme has been implemented on market terms.

The term of subsidiary programme 1 of the previous 2005–2008 stock option programme ran from 1st June to 30th September 2008. The redemption price was SEK 67.20 per share. As of 30th September, 441,400 of a total of 443,386 shares had been subscribed for in connection with this subsidiary programme, of which 93,863 shares are, as yet, unissued. There were a total of 27,507,537 registered shares before this new share issue and there are now a total of 27,496,110 outstanding shares.

Buyback of the company's own shares

The Annual General Meeting held on 15th April 2008 resolved to authorise the Board of Directors to acquire the company's own shares up to a maximum of 10 per cent of the shares in Avanza Bank Holding AB. The authorisa-

tion is valid until the conclusion of the next Annual General Meeting. As of 30th September, 11,427 of the company's own shares had been bought back in 2008 at an average price of SEK 80.58.

Reduction of share capital

The Annual General Meeting held on 15th April 2008 resolved to reduce the company's share capital by SEK 764,185. The reduction in the share capital will be effected by means of the withdrawal of the 305,674 shares owned by the company and which were bought back during 2007. The Swedish Companies Registration Office registered this reduction in share capital during the third quarter.

Financial calendar

Preliminary financial statement, 2008	21st January 2009
2008 Annual Report	March 2009
Annual General Meeting	April 2009

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 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.
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.
Deposits	Deposits, including client accounts.
Earnings per share	Profit/loss after tax in relation to the average number of shares during the period.
Equity per share	Shareholders' equity in relation to the number of outstanding ordinary shares before dilution at the end of the period.
Net deposits/Savings capital	Deposits, including client accounts, minus lending, in relation to the savings capital at the end of the period.
Net interest items/Savings capital	Net interest items in relation to average savings capital during the period.
Net savings	Deposits, less withdrawals, of liquid assets and securities.
Net savings/Savings capital	The period's net savings 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.
Return on equity	Profit/loss after tax in relation to the average shareholders' equity during the period.
Savings capital	The combined value of accounts held with Avanza Bank.
Transactions	Buying and selling transactions completed in different markets and involving different securities.

Consolidated Income Statements (SEK m)

	2008	2007	2008	2007	2007-2008	2007
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
Operating income						
Commission income	84	105	285	327	406	448
Commission expenses	-15	-16	-50	-49	-68	-67
Interest income	108	78	308	214	396	302
Interest expenses	-60	-35	-159	-87	-199	-127
Net result of financial transactions	0	0	1	1	1	1
Other operating income	0	0	0	0	0	0
Total operating income	117	132	385	406	536	557
Operating expenses						
General administrative costs	-47	-42	-155	-129	-206	-180
Depreciation of tangible and intangible fixed assets	-3	-3	-9	-7	-11	-10
Other operating expenses	-7	-11	-32	-44	-47	-59
Credit losses, net	0	0	0	0	-1	-1
Total operating expenses	-57	-56	-196	-180	-265	-250
Operating profit	60	76	189	226	271	307
Tax on profit for the period	-13	-19	-43	-58	-59	-74
Net profit/loss for the period	47	57	146	168	212	233
Earnings per share, SEK	1.70	2.08	5.35	6.11	7.76	8.51
Earnings per share after dilution, SEK	1.70	2.06	5.32	6.06	7.71	8.45
Average no. shares before dilution, thousand	27,428	27,466	27,294	27,466	27,328	27,405
Average no. shares after dilution, thousand	27,516	27,668	27,457	27,660	27,498	27,610
Outstanding no. shares before dilution, thousand	27,496	27,466	27,496	27,466	27,496	27,160
Outstanding no. shares after dilution, thousand	27,594	27,664	27,594	27,664	27,594	27,408
No. shares upon full dilution, thousand	28,952	28,682	28,952	28,682	28,952	28,376

Consolidated Balance Sheets (SEK m)

		30-09-2008	31-12-2007
Assets			
Loans to credit institutions		5,696	4,205
Loans to the public	Note 1	1,832	2,301
Treasury bills eligible for refinancing		1,520	-
Shares and participations		8	1
Assets in insurance operations		9,356	7,280
Intangible fixed assets		36	34
Tangible assets		8	11
Other assets		32	589
Prepaid costs and accrued income		79	28
Total assets		18,567	14,449
Liabilities and shareholders' equity			
Deposits by the public	Note 2	6,738	6,370
Liabilities in insurance operations		9,356	7,280
Other liabilities	Note 3	1,857	196
Accrued costs and prepaid income		33	30
Shareholders' equity		583	573
Total liabilities and shareholders' equity		18,567	14,449

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

	2008	2007	2007
	Jan-Sep	Jan-Sep	Jan-Dec
Shareholders' equity at the beginning of the period	573	489	489
Dividend	-163	-110	-110
Warrants issue	4	2	2
New share issue, exercise of options to subscribe	24	-	-
Buyback of the company's own shares	-1	-	-41
Net profit/loss for the period	146	168	233
Shareholders' equity at the end of the period	583	549	573

Consolidated Cash Flow Statements (SEK m)

	2008	2007	2008	2007
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
Cash flow from operating activities	47	69	164	164
Cash flow from operating activities' assets and liabilities	653	-80	1,473	1,229
Cash flow from investment operations	1	-3	-9	-10
Cash flow from financial operations	9	2	-137	-108
Cash flow for the period	710	-12	1,491	1,275
Liquid assets at the beginning of the period*	4,986	4,167	4,205	2,880
Liquid assets at the end of the period*	5,696	4,155	5,696	4,155

* Liquid assets are defined as loans to credit institutions.

Parent Company Income Statements (SEK m)

	2008	2007
	Jan-Sep	Jan-Sep
Operating income	1	0
Operating expenses	-7	-6
Operating profit/loss	-6	-6
Profit/loss from financial investments	-	-
Tax on profit/loss for the year	2	1
Net profit/loss for the year	-4	-5

Parent Company Balance Sheets (SEK m)

	30-09-2008	31-12-2007
Assets		
Financial fixed assets	215	215
Current receivables	61	234
Liquid assets	0	0
Total assets	276	449
Shareholders' equity and liabilities		
Shareholders' equity	274	415
Current liabilities	2	34
Total shareholders' equity and liabilities	276	449

Accounting principles

The Consolidated Interim Report has been prepared in accordance with IAS 34, Interim Reporting, 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 ÅRKL. 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 Bank also has, as of 30th September 2008, deposits by third parties in client fund accounts totalling SEK 637 million (SEK 708 million as of 31st December 2007).

Note 3 – Other liabilities

Includes unliquidated treasury bills eligible for refinancing totalling SEK 1,520 million.

Note 4 – Capital adequacy (SEK m)

	30-09-2008	31-12-2007
Capital base		
Shareholders' equity, the Group	583	573
Less, subsidiaries not included in the financial corporate group	1	1
Less, unaudited profits	–	–
Assumed/Proposed dividend	–124	–163
Shareholders' equity, financial corporate group*	460	411
Less		
Intangible fixed assets and deferred tax receivables	–32	–29
Deduction of shares and other contributions	–39	–38
Capital base, net	389	344
Capital requirement		
Capital requirement for credit risk, as per standard method	139	132
Capital requirement for trading stock risks	1	0
Capital requirement for operational risk	61	61
Total minimum capital requirement	201	193
Capital surplus	188	151
Capital adequacy ratio	1.93	1.78

* Excluding unaudited profits or assumed dividend.

The above table refers to the financial corporate group that comprises the following Group companies: Avanza Bank Holding AB, Avanza Bank AB and Avanza Fonder AB. The book value of Avanza Bank Holding AB's shares in the subsidiary company, Försäkringsaktiebolaget Avanza Pension, have been deducted from the capital base. Other companies in the Group are booked as exposure and are, therefore, neither consolidated nor deducted from the capital base. The capital requirement for the financial corporate group, in accordance with Avanza's internal capital assessment process, is SEK 312 million.

Stockholm, 14th October 2008

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, 2008 to September 30, 2008. 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 an 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 2008

Ernst & Young AB

Lars Träff

Certified Public Accountant

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/or the Swedish Financial Instruments Trading Act. The information has been released to the market for publication at 07.45 (CET) on 14th October 2008. 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 www.avanza.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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