



NORDNET

FREE YOUR SAVINGS

2007

Nordnet 2007

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Annual Report 2007

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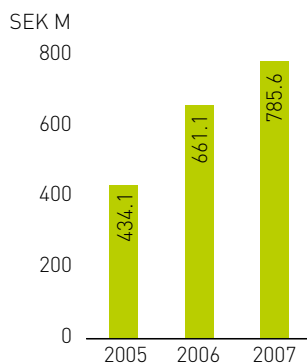
Highlights of 2007

- Operating income increased by 19 percent
- Operating profit fell by 5 percent
- Profit after tax by fell by 5 percent
- The number of accounts grew by 24 percent, our clients invested capital grew by 12 percent, and the number of trades grew by 17 percent
- Proposed dividend of SEK 0.50 per share.

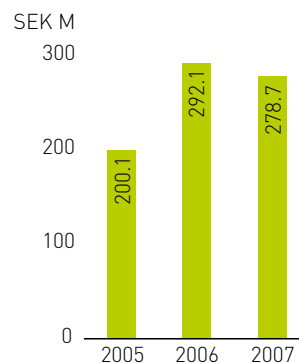
Summary income statement and key ratios

	2007	2006	change
Operating income, SEK M	785.6	661.1	19%
Operating profit, SEK M	278.7	292.1	-5%
Operating margin	35%	44%	
Profit after tax, SEK M	196.3	206.7	-5%
Earnings per share after tax, SEK	1.19	1.25	-5%
Capital adequacy ratio	1.3	-	
Deposits, SEK billions	8.2	5.9	39%
Lending and margin lending, SEK billions	3.8	3.3	15%
Number of trades	9,402,000	8,003,000	17%
Number of active accounts	185,000	149,500	24%

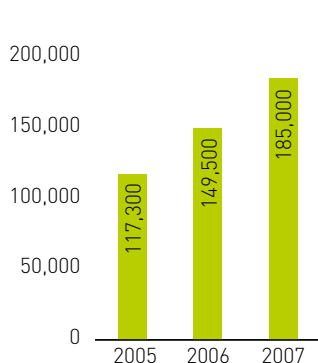
Operating income



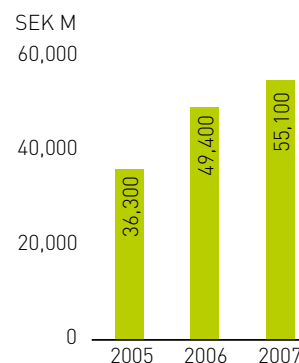
Operating profit




Number of active accounts



Invested capital



Guidelines for readers: Nordnet is a Swedish limited liability company that operates under Swedish law. All amounts are stated in Swedish kronor. Millions of kronor is occasionally abbreviated SEK M. Figures in parentheses refer to 2006 unless otherwise stated. Data on markets and competition are assessments made by Nordnet, unless a specific source is cited. These assessments are based on the most reliable and most recently published sources from the finance sector and our competitors. The financial reports, which have been audited, encompass pages 39-81.  is a reference to the Internet.

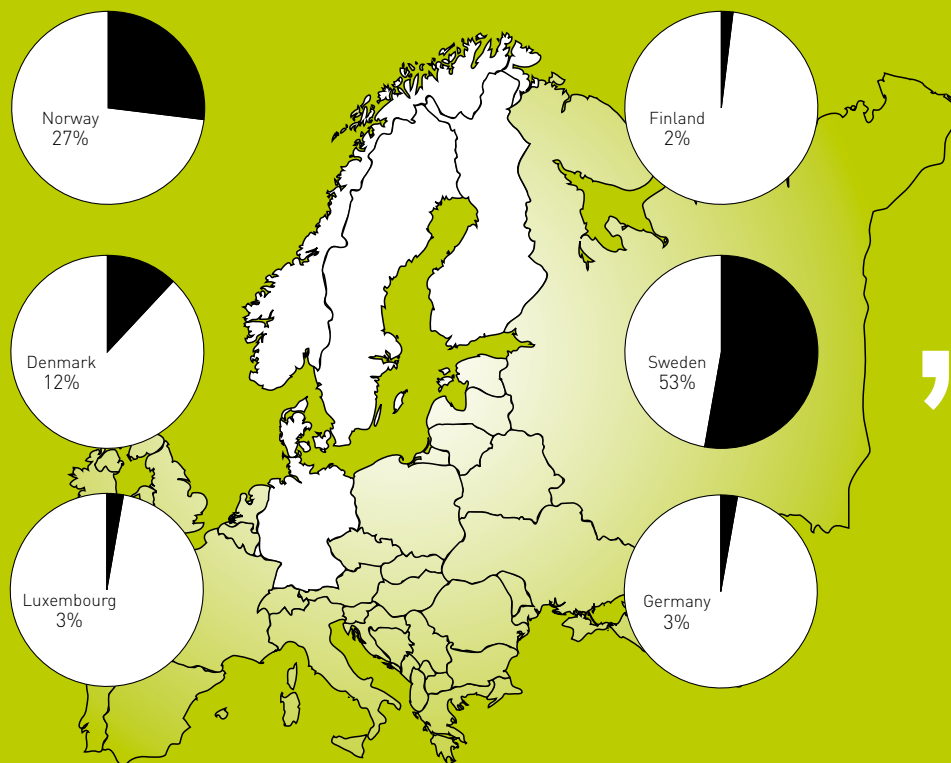
Nordnet – shares, mutual funds, and pensions

Nordnet offers savings in shares, mutual funds, and pensions.

Nordnet is the challenger that is revolutionizing savings by improving and simplifying private investment in shares, mutual funds, and pension plans. With innovation, service, freedom of choice, and availability, we offer our clients the best possible terms. As a Nordnet client, you can save in shares from seven different markets and in more than 900 mutual funds.

Nordnet's focus areas for 2008 are to:

- strengthen our position in the Nordic region – our domestic market
- have a complete service offering in all important savings areas
- aim operations at both active and management-oriented clients
- increase cost-efficiency through focus, streamlining, and delegation
- take advantage of the Nordnet model by simply and cost-effectively adding clients, services, and markets, and thereby diversify the group's risks
- formulate clear goals for the international venture.



” Nordnet always keeps client needs in focus. We make saving both fun and easy!

The diagram shows each market's share of Nordnet's total income in 2007.

CEO's comment



” Nordnet will double its income in three to five years.

Carl-Viggo Östlund,
Chief Executive Officer

Dear Shareholder,

In November 2007, I joined Nordnet as CEO. I soon realized that I'd come to an amazingly enterprising company with great potential. I could also conclude that Nordnet is a very successful and profitable company, though even good companies offer room for improvement. In a short time, Nordnet has developed from a small firm of entrepreneurs to a multi-national operation employing more than 300 people.

I can summarize 2007 as a successful year, a year in which the number of accounts increased by 24 percent and income by 19 percent. Our clients' aggregate invested capital increased by 12 percent and we executed 17 percent more trades than in 2006. We launched several new products and services, including a new web service, banking services in Sweden, pensions and mutual funds in Norway, and a mutual fund market in Denmark.

I won't go into any more detail about last year, as the next 80 pages will do just that. Instead, I'll take a brief look toward the future – where is Nordnet headed?

- Always keeps client needs in focus
- The Nordic region is our domestic market
- Clear international business plan
- Active sales with a local presence
- Streamlining and focus that result in cost efficiency.

Nordnet has entered a very exciting phase and I'm really looking forward to joining my fellow Nordnet employees in driving the company's continued development.

A warm welcome to all who are joining our exciting journey!



Carl-Viggo Östlund
Chief Executive Officer

We improve and simplify savings

Nordnet's business concept is to improve and simplify savings in shares, mutual funds, and pensions.

Mission – We are the challenger that is revolutionizing savings.

Our mission guides everything we do. We use innovation and creativity to challenge. We continually ask ourselves whether things can be done differently and better. We aim to constantly make things easier, smarter, and cheaper for our clients.

Business concept – To use innovation and service to improve and simplify private investment in shares, mutual funds, and pension plans by offering freedom of choice and availability on the best possible terms.

Our driving force is to do something good for our clients. We help private investors improve their finances by offering freedom of choice, lower fees, and better services.

We've been doing this for more than a decade, and there's no doubt as to whether we've achieved a number of improvements and simplifications. One example from 2007 is the Swedish introduction of the possibility to transfer assets between mutual funds on the same day. As a result, clients can buy a new mutual fund directly without the need to wait for the proceeds from the sale of the other fund. The Swedish private finance periodical *Privata Affärer* named this News of the Year.

Improving and simplifying things for our clients is our business. If we succeed in this, client satisfaction increases, which helps attract even more clients. And so it creates growth. Many satisfied clients pave the way for good financial results. In other words, it creates profitability – on the condition that we run our business in a cost-efficient manner.

Increased focus and streamlining

Over the coming years, Nordnet's operations are based on a strategy with six focus areas. The Nordnet model is an important foundation for reaching the company's goal to double income.

GOALS

Nordnet's goal is to double income over a period of three to five years while retaining our high operating margin.

Within two years, we will reach 100 percent cost coverage from revenues not related to transaction commission, that is, income from, for example, mutual fund commission, net interest, and asset management services.

STRATEGY

Nordnet's strategy for reaching these goals is to work on the following focus areas:

The Nordic region is our domestic market

The Nordic region is our domestic market. Today, Nordnet is one of the largest online brokers in each and every one of the Nordic markets. The extensive similarities between the different Nordic markets means the Nordnet model works especially well in these markets. Our ambition is to further strengthen our position in the Nordic region. Sales will be given an increased focus with the establishment of sales offices in Copenhagen and Helsinki in 2008.

A comprehensive savings company

Nordnet has a broad grip on savings and provides a comprehensive service offering in all important savings areas. We package and mediate the market's broadest offering. In addition to trading in securities and financial instruments, we offer research and other services to make it easier to save smartly. The broad offering affords our clients great freedom of choice while giving Nordnet stable business. We always keep the needs and best interests of our clients in focus. We make saving both fun and easy!

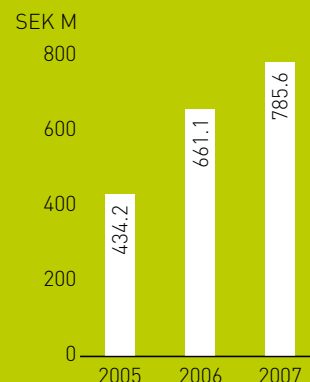
Target both active and management-oriented clients

Our services are mainly aimed at two distinct client groups. On the one hand we have those who save actively. For this group, commission and net interest are the dominant lines of income.

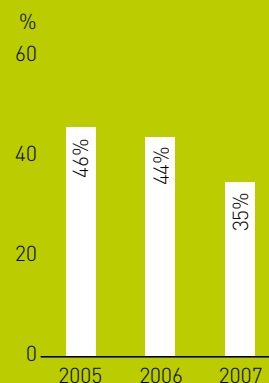
On the other hand we have savers who need more assistance, or who perhaps lack the time or will to actively take care of their saving, and therefore seek advice and asset management. Nordnet's income is mostly comprised of mutual fund commission and compensation for asset management services.

During the year, we will emphasize the continued development of revenues other than commission on transactions. We will, for example, launch additional management services.

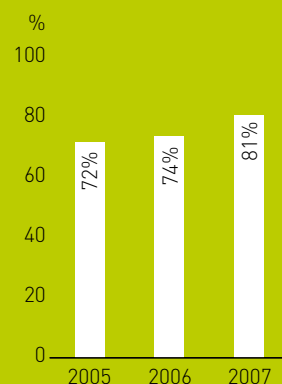
Income



Operating margin



Cost coverage



Cost-efficiency

We also strive to offer all our services on the best possible terms. This requires that our own costs are low. A cost-efficient structure affords Nordnet good opportunities to compete on services, client benefits, and prices. Costs development was unsatisfactory in 2007, and as a consequence all costs are under review – we will increase efficiency with a clearer focus, streamlining, and delegation.

The Nordnet model

The Nordnet model means business is concentrated in Stockholm while operating in markets in Sweden, Norway, Denmark, Finland, Germany, and Luxembourg. For example, development, administration, and infrastructure are all gathered at our Swedish headquarters. The system is designed to make it easy to add new clients, services, and markets. As a result, we can expand our client base, broaden our service offering, and increase the number of geographic markets at low costs.

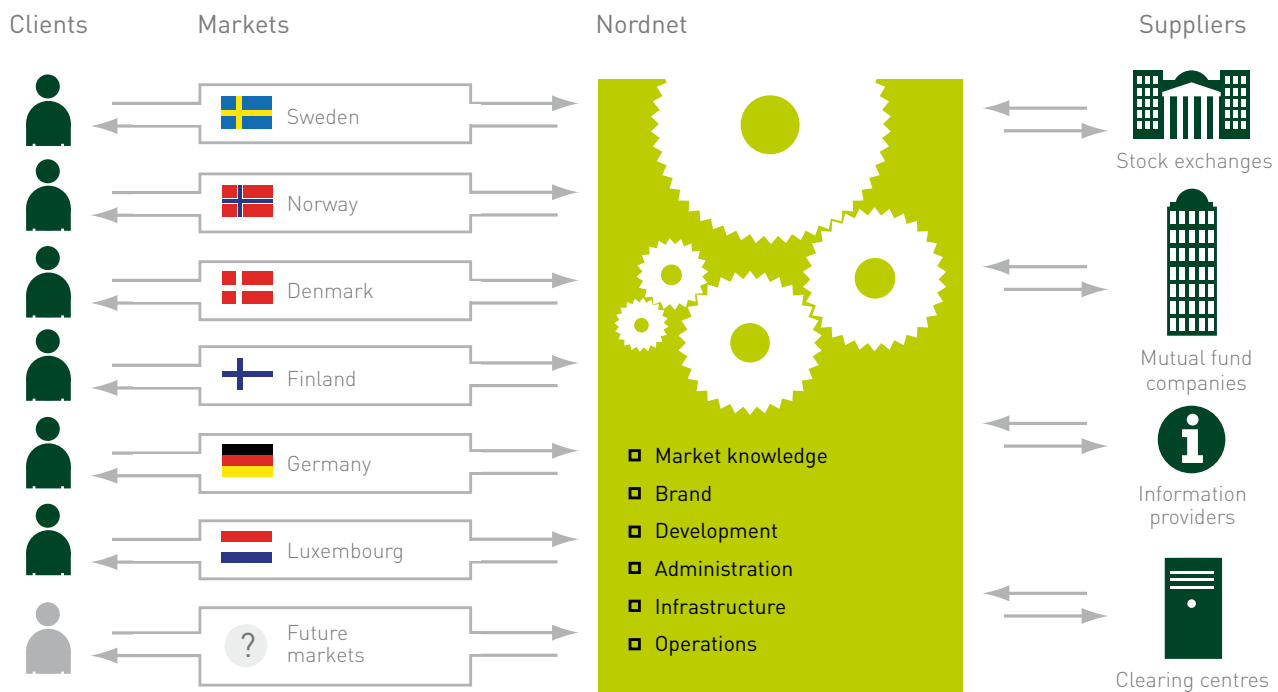
As the Nordnet model facilitates entering new markets, it also helps diversify risks in the group. Nordnet has extensive operations in several countries, making us well equipped to survive extremely fierce competition in any one of these markets for some time.

Our size also means we have the resources to develop and improve a broad service offering.

International venture

Today, in addition to the Nordic countries, Nordnet operates in Germany and Luxembourg. In 2008, we will prioritize work to formulate a business plan with clear goals for our international venture.

The Nordnet model



Corporate culture important to success

A strong corporate culture is important to a company's success. Nordnet's corporate culture can be summed up by our employees, who are honest, dedicated, unconventional, and considerate.

Nordnet's mission is to be the challenger that revolutionizes saving. Together with our business concept, the mission creates our corporate culture.

Our corporate culture can be described as our employees' mutual values and behaviors. It's the sum of the lifetime experiences of our organization.

A strong corporate culture is an important characteristic of a successful company. This is why Nordnet prioritizes its culture. We strive to make our corporate culture as clear as possible. Rapid expansion, with many new recruits joining our company, makes this especially important.

Our core values entail being

- Honest
- Dedicated
- Unconventional
- Considerate.

Four core values

Nordnet's corporate culture is summarized in four core values that are reflected in everything we do: in our client offering; in our service; in our business development; in the recruitment of new employees; and in our management training.



Strong Nordic position

During the year, we noted a trend toward increased price awareness among savers. The high mutual fund and pension fees charged by the major banks and insurance companies received much media attention. This benefits Nordnet as we strive to offer clients good terms.

Nordnet's most important competitive advantages are its broad and advanced service offering, the high availability of its trading system, its lead in the development of new services, and its highly competitive terms.

Shares

In share trading, Nordnet competes with a number of online brokers that run along similar lines, as well as banks that offer securities trading over the Internet. In 2007, the market was generally characterized by tough competition and continued price wars.

Nordnet has broad market coverage throughout the Nordic region and, measured in the number of trades, in 2007 was the fifth largest stockbroker in the Nordic stock market (Stockholm, Oslo, Copenhagen, and Helsinki), with a market share of 5.5 percent.

One explanation for the drop in market share during the year is that a number of major international investment banks expanded their offering of automated and computerized trading and this generated a large number of trades. What's more, competition toughened due to proactive initiatives by several conventional players. As a whole, the market did however grow and the total number of trades on the Nordic stock exchanges increased by 48 percent.

Nordnet has strong market positions in Sweden, Norway, and Denmark. Our Finnish operation has experienced strong growth and has gained a steadily increasing market share since its establishment in 2005. Business in Germany is still under establishment and has a lower market share.

Mutual funds

Competition in mutual fund trading differs from that in share trading, mainly because many players sell their own mutual funds, rather than broker the available market offering.

During the year, several players began offering mutual funds other than their own. This increases competition for Nordnet, but is also proof that we had the right game plan from the start when we launched a mutual fund market in 1999. Today, our mutual fund market offers clients a choice of more than 900 funds managed by 70 investment companies. This is one of the broadest market offerings. Parallel to this, we offer pre-packaged services for those who lack the desire or time to involve themselves.

In Sweden, the conventional banks' share of the total capital managed in mutual funds continued to drop, reaching about 68 percent at year-end.

Pensions

In the field of pensions, Nordnet competes with conventional insurance companies as well as a number of new players. The competition is still considerably weaker than in securities trading.

The lion's share of invested Swedish pension capital is frozen as the investors are not permitted to move their pension funds between companies. This means there is no incentive for the conventional insurance companies managing this capital to improve the terms offered to investors.

However, as of May 1, 2008, the right to freely transfer pension funds invested in Swedish insurance policies taken out after January 1, 2006 comes into force. This benefits Nordnet as we have a very competitive offering with lower fees, greater freedom of choice, and more investor control.

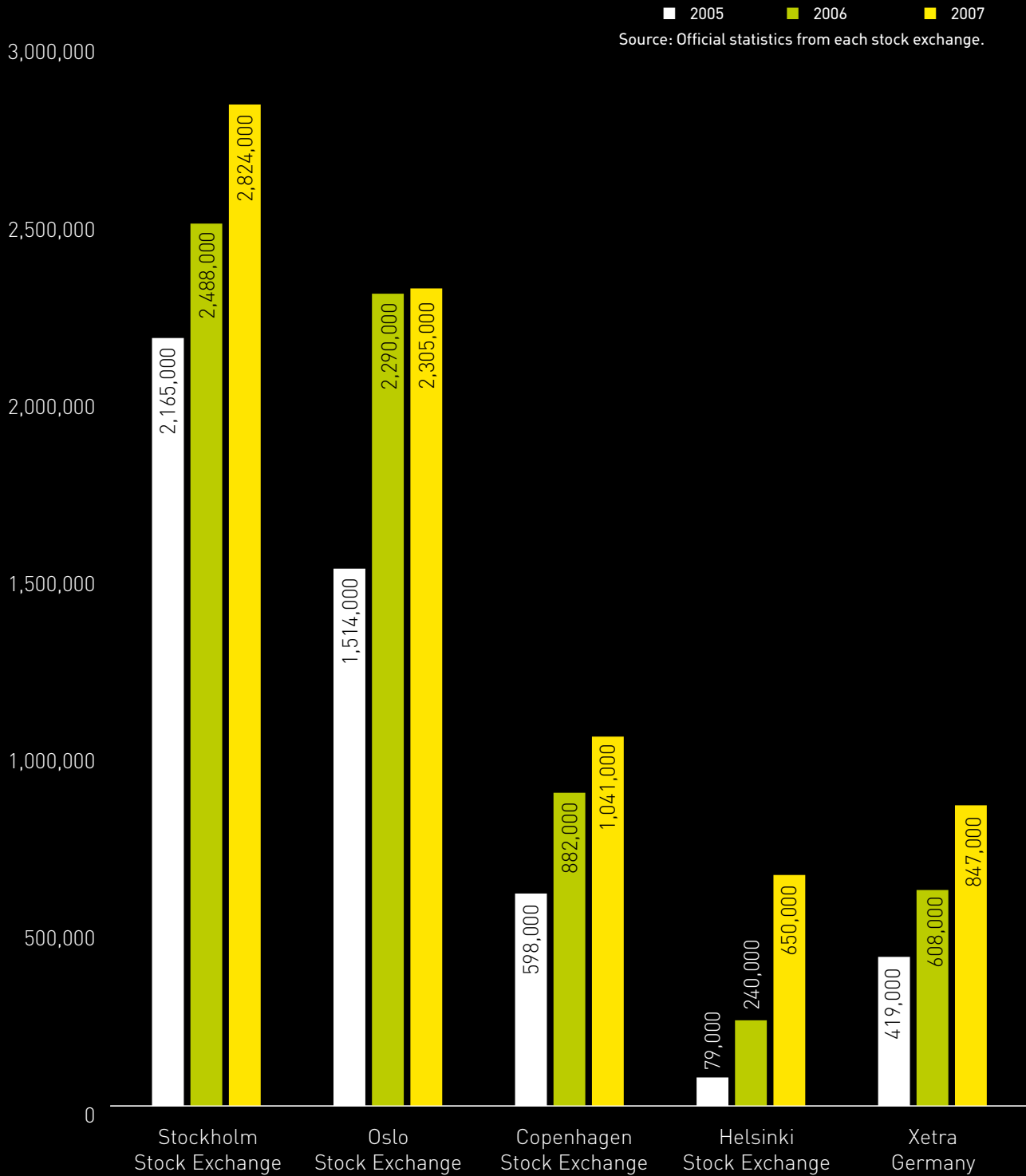
Throughout the year, Nordnet actively lobbied for the introduction of the right to freely transfer funds in all pension savings, such as via the information website www.faktaomflyttratt.nu. Here, for example, you can enter your pension details in a calculator and see how much more pension you would receive by changing to a company with lower fees.

Nordic market shares, number of trades – the major players

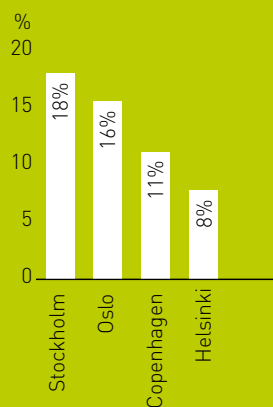
Stockholm, Oslo, Helsinki, and Copenhagen stock exchanges	Share		Number of trades	
	2007	2006	2007	2006
Morgan Stanley	6.6%	5.5%	8,140,000	4,594,000
Lehman Brothers	6.0%	4.4%	7,361,000	3,693,000
Glitnir	6.0%	5.0%	7,361,000	4,187,000
SEB	5.8%	5.7%	7,109,000	4,745,000
Nordnet	5.5%	7.1%	6,819,000	5,900,000
Nordea	4.1%	5.3%	5,082,000	4,452,000
Danske Bank	3.8%	3.4%	4,752,000	2,829,000
Handelsbanken	3.8%	4.6%	4,677,000	3,792,000
Deutsche Bank	3.8%	4.2%	4,666,000	3,517,000
Credit Suisse	3.7%	2.7%	4,569,000	2,225,000
Total, Nordic stock exchanges	100%	100%	123,706,000	83,313,000

The ten largest brokers in the Nordic region by number of trades on the Stockholm, Oslo, Helsinki, and Copenhagen stock exchanges in 2007, together with figures for 2006. Source: Official statistics from each stock exchange.

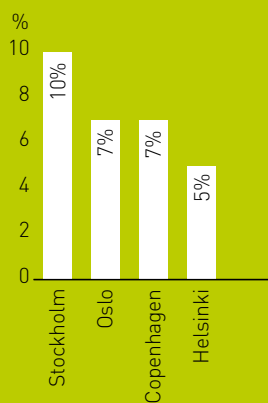
Nordnet's trades on the Nordic stock exchanges and Germany's Xetra exchange.



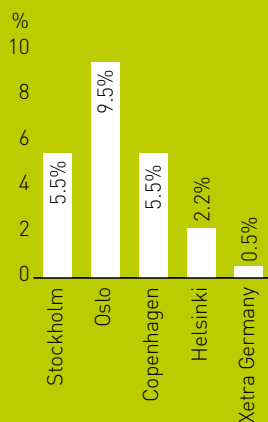
Online brokers' share of the number of trades Q4 2007 per stock exchange



Online brokers' share of the traded volume Q4 2007 per stock exchange



Nordnet's market share of the number of trades 2007 per stock exchange



A market with great potential

As the savings market matures and more people manage their savings over the Internet, Nordnet's growth potential is strengthened.

Growing interest in saving over the Internet

Nordnet's growth potential is strengthened as the investment market matures and more people realize the advantages and efficiency of managing their savings over the Internet. This leads to Nordnet gaining more investor types as clients.

Expanded services

The client groups also broaden as we expand our service offering. One example is the new banking services Nordnet launched in Sweden during the year. This means, for instance, that clients can have wages, study grants, pensions, or tax refunds deposited in their accounts, as well as transfer money and pay bills.

Increased knowledge among savers

Increasingly more responsibility for private savings falls to the individual, such as pension savings. This increases consumers' need for knowledge about savings and personal finance. In the fall of 2007, the Swedish minister for the financial market, Mats Odell, initiated a campaign to educate the public in personal finance. This is something Nordnet encourages – we want everyone to save wisely. With the NordnetSchool, we offer education in savings in shares, mutual funds, and pension. Increased knowledge among private investors increases Nordnet's growth potential.

The Nordic region is our domestic market

Nordnet's domestic market is the Nordic countries. Some 25 million people live in this region and about 10 million of them save in shares and/or mutual funds. They are all potential Nordnet clients. Considering the 185,000 active accounts we currently have, we have only scratched the surface of our possible client base.



Nordnet's potential client base
 ■ 25 million inhabitants in the Nordic region
 ■ 10 million save in shares and mutual funds
 ■ Nordnet's existing clients 2007

Declining effect of share trading volumes on performance

Share trading volumes still have a relatively large effect on Nordnet's performance, though their importance is decreasing as a greater share of income is sourced from activities with no direct connection to the exchanges.

Trading volumes

Nordnet's costs are mostly fixed. This means that the marginal costs for a larger number of clients and trades are low. Consequently, high trading volumes have direct and positive effects on Nordnet's performance.

The effect of trading volumes on Nordnet's performance is decreasing as an increasingly larger share of Nordnet's income stems from sources with no direct connection to trading activities on the exchanges. This applies, for example, to investments in mutual funds and pensions. In the development of such forms of saving, continued long-term confidence in the stock exchange as an investment alternative is of greater importance.

Parallel to this, we can experience a reverse effect, though somewhat weaker, as some savers and investors are frightened off by a volatile market.

Static share prices result in reduced activity and lower commission income, and after a time also cause a decline in other income as clients use fewer services and cut back on margin lending.

Interest rates

Low interest rates are favorable as they increase risk propensity along with client activity and margin lending. In general, Nordnet's interest margin is not significantly affected by interest rates. However, very low interest rates reduce the interest margin and thereby net interest income.

Another example is the introduction of a new tax on shares in Germany on January 1, 2009, which will tighten taxation on securities. This change requires the adaptation of Nordnet's services and may even influence trading activity. In general, however, amended laws and regulations tend to open new doors. A current example from Sweden is the right to freely transfer certain pension funds, a law that will come into force in the spring of 2008. This is a change Nordnet considers very positive.

Technical development

Technical development is of benefit to Nordnet as rapidly adopting new technology can provide us with a competitive edge. There is, however, also a risk that our competitors could succeed in gaining technical advantages. As increasingly more players adopt the new technology, price cutting will increase.

Risks

See Note 7 on page 55 for a description of the different types of risk to which Nordnet's business is exposed.

” The right to freely transfer pension funds would benefit both pension investors and Nordnet.

Stock market trend

Nordnet is favored by increasing share prices as these attract new investors and increase risk propensity and margin lending among existing clients. Falling share prices, on the other hand, tend to scare off investors and reduce risk propensity among those who remain.

In the short term, Nordnet benefits from a volatile stock market. Short-term trading increases and the options market thrives. Active investors become even more active.

Laws and regulations

New laws and regulations can both simplify and complicate Nordnet's operations.

November 1, 2007 saw the introduction of the Markets in Financial Instruments Directive, or MiFID, a set of common regulations for the EU member states. The purpose of the MiFID is to facilitate cross-border operations and provide better consumer protection.

Broadened client offering

During the year we improved our services for both the most active clients and those who require more guidance in their saving.

Two important trends among our clients continued during the year: they increased in numbers and were more satisfied.

By year-end, the number of active accounts had risen to 185,000, an increase of 24 percent. The increasing number of clients means we have more types of clients. As a result, during the year we focused on improving our services, for both the most active clients and those who require more guidance in their saving.

Active Trader

For the most active clients we launched Active Trader, where we tailor a personal offering on the best terms: no fixed fees, high deposit rate and low lending rate, access to information sources, trading applications, credit services, and more.

Nordnet Top 3 and PPM management

In recent years, private individuals have been given greater responsibility for their long-term savings, such as through changes to the pension systems. However, investment knowledge has not grown at the same rate and not everyone has the time or desire to study the broad offering. Many clients are looking for guidance in their saving. Products launched during the year included Nordnet Top 3 and PPM management, services that aim to fulfill this need. Nordnet Top 3 makes saving in mutual funds even easier by allowing some of Sweden's foremost mutual fund experts to choose their three favorite funds from the 24 most common fund categories. With PPM management, Nordnet's investment advisors have created five different portfolios for PPM savers (PPM is part of the Swedish state pension system). The fund portfolios have different risk profiles: Low, Medium, High, and Max. In addition to these, we offer Cheap, which is focused on mutual funds with low fees.

New web service

Our new web service, launched during the year, is designed to suit different client groups and to meet their needs. As such, it offers even more information, but also more support and help than before.

NordnetSchool

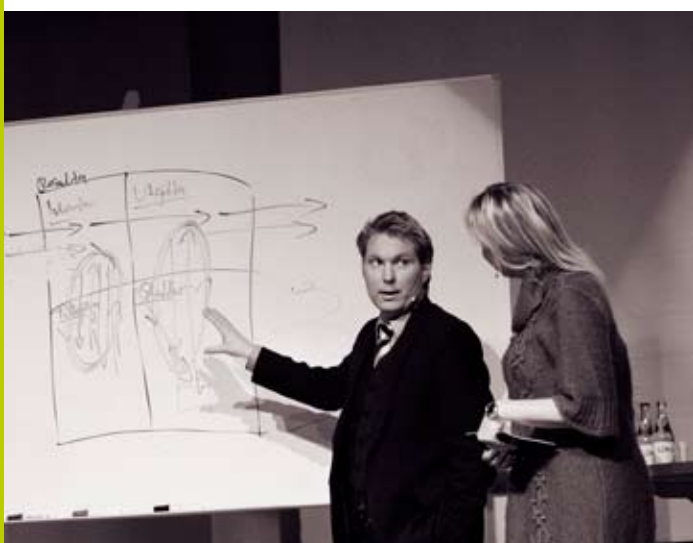
The need for education was seen clearly in the great interest in NordnetSchool's courses in Norway and Sweden. During the year, the school was also started in Denmark.



The increased interest in personal finance was reflected in the good attendances at Nordnet's client events throughout the year.



In December, An Evening with Nordnet attracted 850 people to Folkets Hus in Stockholm, Sweden. Among other things, a few of Nordnet's Experts provided stock tips in a panel discussion.



An Evening with Nordnet also featured interviews with fund managers and a lecture by Charlie Söderberg, who appears in a Swedish TV show that helps people clear their debts and sort out their personal finances.

” Nordnet is a professional business partner.

Increased share of women

One sign of the broadening to new client groups was the continued increase in the share of women to 19 percent (18). The average client age was 42 years (42). The average AUM at year-end was SEK 298,000.

Satisfied clients

Satisfied clients are a must for growth and success. Each year, we conduct a survey to find out what our clients think of Nordnet. The client survey conducted in December 2007 showed that the percentage of satisfied clients is increasing (83 percent were satisfied or very satisfied) and that 86 percent would recommend Nordnet to friends and acquaintances.

Foreign instruments increasing

OMX introduced its Nordic stock list in October 2006, and since then the share of trades made on markets other than the home market increased from 8 to 10 per-

cent among our clients. Increasing interest in considering the entire Nordic region the home market for investing in shares favors Nordnet as we offer trading in all Nordic markets.

More collaborative partners

During the year, our partner ICA Banken launched share, mutual fund, and pension saving via Nordnet’s system. The strong influx of clients soon exceeded all expectations. The Swedish private finance periodical Privata Affärer named ICA Banken Bank of the Year, with the motivating factors including collaborations with carefully selected and professional partners.

Our collaborative partners include insurance brokers, financial advisors, and asset managers, such as Säkra SFS, Strand Kapitalförvaltning, and Söderberg & Partners. Our partner initiatives will continue in 2008.

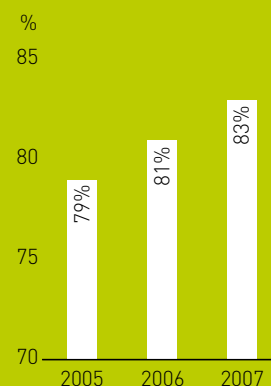
Security

Security is the most central issue for clients trading in securities over the Internet. We closely follow developments in IT security and continually make improvements to offer the safest and most user-friendly solutions.

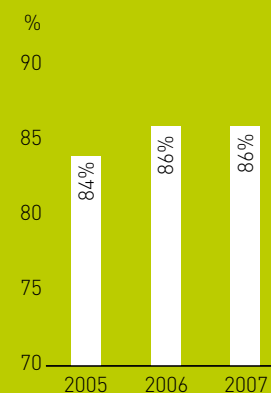
Foreign instruments

Country	Share of foreign instruments	Most traded foreign instruments
Sweden	9%	Vestas Wind Systems, Denmark
Norway	8%	Ericsson, Sweden
Denmark	25%	XACT Bear, Sweden
Finland	5%	XACT Bear, Sweden
Germany	4%	Adv Micro Devices, USA
Total	10%	

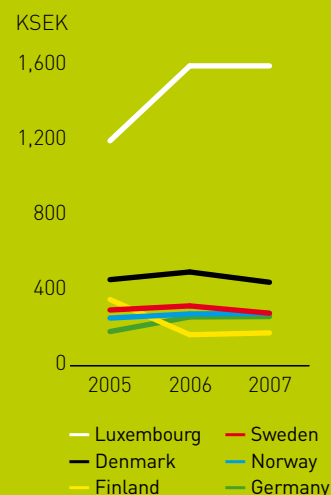
Share of clients who are satisfied or very satisfied with Nordnet



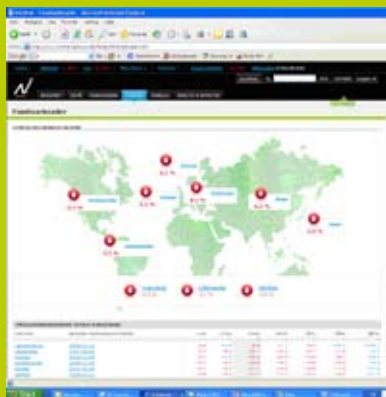
Share of clients who would recommend Nordnet



Average AUM per market



Nordnet's web service includes all the information you could want



A clear overview of trends seen on the world's stock exchanges.



Our mutual fund experts have put together a number of portfolios with different risk profiles.



The web service provides a good overview of your holdings and how they have developed.

A complete service offering

We continued to develop our service offering in 2007. Major new products included banking services, a new web service, same-day asset transfers between mutual funds, and the opportunity to swap PPM funds through Nordnet.

Nordnet offers a complete range of services for saving in shares, mutual funds, and pensions. In order to help our clients save wisely, we offer great freedom of choice and low fees. We package and mediate the market's broadest offering. In addition to trading in securities and financial instruments, we offer market information and other services to make it easier to save smartly.

We strive to offer all these services on the best possible terms. We can do this because we make sure we keep our own costs down.

Normally, Nordnet's services are initially launched in Sweden and then successively introduced in the other markets, with some deviations due to local conditions, laws, and regulations.

We continued to develop our service offering in 2007

A few of the most important new products:

- Banking services launched in Sweden, which means clients can, for example, have wages, study grants, pensions, and tax refunds deposited in their accounts, as well as transfer money and pay bills.
- Our web service was made even better and easier to use. It's now easier to get a good overview of your savings, while the service presents even more information in an easily digested format. The web service must suit several different client groups and, as such, features more support and help than before.
- Mutual fund markets were launched in Norway and Denmark, while pensions were also launched in Norway.
- In April, Nordnet was the first Swedish bank to remove the so-called float day, which means clients receive interest on their money from the day the deposit is made.

- We introduced the opportunity for our Swedish clients to swap mutual funds the same day. This means the client need not wait for the proceeds from a sale to then buy a new fund a couple of days later. The Swedish private finance periodical *Privata Affärer* named this News of the Year, motivating its decision as follows: "To the benefit of individual mutual fund investors, with this service the bank shows that it is possible to develop and improve terms and conditions for such saving with the help of technology with good intentions."

” Nordnet shows that it is possible to develop and improve the terms of saving in mutual funds.

- Our PPM service makes it easy to switch PPM funds directly using Nordnet's web service. We've even put together a number of mutual fund portfolios for those wanting to take advantage of our fund experts' knowledge.
- The year saw more Experts join our much appreciated Experts analyst service, where we have gathered fifteen of the best analysts from the Nordic countries and Germany. The Experts manage portfolios that our clients can follow, with buys, sales, and commentaries in real time.

Our entire broad service offering is described at www.nordnet.se

Launch of guidance services

The launch of banking services in Sweden means we can now provide a comprehensive offering in savings. During the year, we also launched a number of services to provide guidance in the large offering.

The number of accounts in Sweden increased by 24 percent and the number of trades increased by 12 percent. Nordnet's market share of the number of trades on the Stockholm Stock Exchange was 5.5 percent, falling from 6.9 percent in 2006.

The Stockholm Stock Exchange OMXS30 index fell by 6 percent. This means that 2007 was the worst stock market year since 2002. Long periods of market turbulence resulted in high activity among our clients. Market uncertainty did, however, lead to some caution.

Interest in mutual funds increased and the number of Swedish clients with mutual funds in their accounts increased by 62 percent to 39,000 accounts. The capital invested in mutual funds increased by 13 percent to SEK 6 billion. Nordnet's mutual fund market, which offers about 900 funds managed by 70 investment companies, is much appreciated. The capital invested in Nordnet Pension increased by 78 percent and the number of accounts increased by 85 percent. The influx of clients to Nordnet's endowment insurance product Kapitalförsäkring continued to be very good. During the year, Nordnet lobbied for the right to freely transfer pension plan assets; more information about this can be found at www.faktaomflyttratt.nu.

The NordnetSchool, started in Sweden at the end of 2006, was much appreciated

and well attended. In Sweden, 56 courses with 1,700 participants were held during the year.

The website www.derivatinfo.com was acquired in steps to strengthen our client offering in derivative instruments.

The number of accounts at Aktiedirekt increased by 18 percent during the year. Aktiedirekt mostly targets clients that make smaller stock deals and therefore appreciate the low minimum commission of SEK 9.

New services

During the year, we launched our new web service, which is designed to meet the needs of even more client groups.

Nordnet launched banking services during the year, services that enable our clients to, for example, have wages paid into their Nordnet accounts, transfer money, and pay bills. This complements Nordnet AssetCard, our debit card that enables clients to withdraw cash from ATMs and pay for purchases throughout the world.

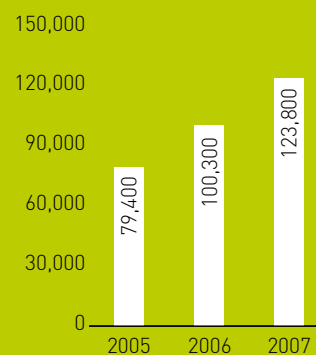
Last year, Nordnet increased its focus on the most active clients and introduced the Active Trader service in the fall. This service includes access to a larger number



Johan Tidestad
Country General
Manager, Sweden

Pre-packaged services provide guidance in our extensive offering.

Number of accounts

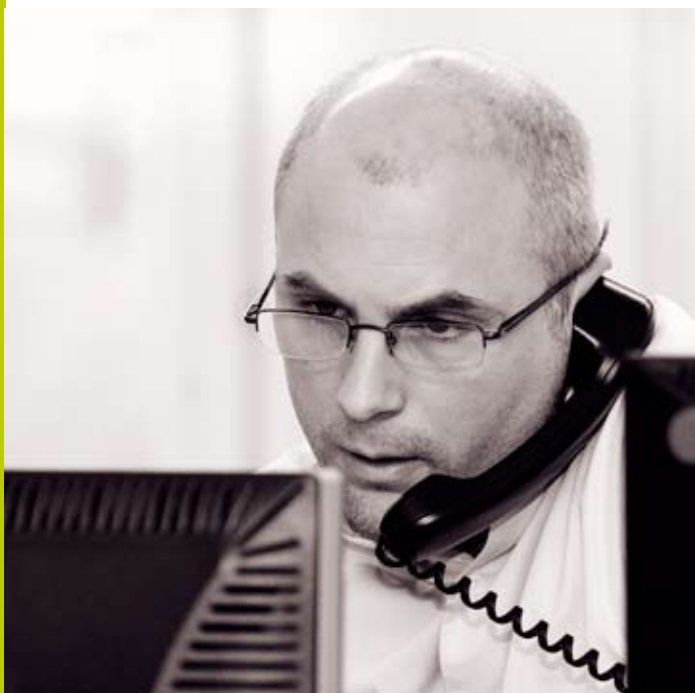


The number of accounts increased by 24 percent in 2007.

62%

The number of clients with mutual funds in their accounts increased by 62 percent in 2007.

Sweden	2007	2006	change
Income, SEK M	417.1	341.9	22%
Profit before goodwill and tax, SEK M	161.3	151.6	6%
Operating margin	39%	44%	
Number of trades	3,819,000	3,404,000	12%
Invested capital as of Dec. 31, 2007, SEK M	34,600	32,000	8%
Number of active accounts	123,800	100,300	24%



of trading applications and tailor-made commission and interest packages. The offering in margin lending was strengthened with increased margin levels and the numbers of eligible and shortable securities were increased.

In the fall, we launched a PPM service enabling clients to manage their PPM savings directly from their Nordnet accounts. We also offer PPM management at very competitive rates.

During the year, we launched a number of services that package and provide guidance in the broad offering for clients who lack the desire or time to involve themselves. One example is Nordnet Top 3, a service where our mutual fund experts list their three favorite funds from a number of different fund categories.

During the year we re-launched Börsbrevet, a daily newsletter that provides current share prices and a summary of events at the Stockholm Stock Exchange by e-mail.

” Active Trader offers tailored packages for the most active clients.

Future outlook

We continue to develop our services for the most active clients and the Active Trader initiative is moving forward. In the spring, a trading room will open in central Stockholm.

Parallel to this, clients requiring help in managing their savings will receive further guidance when our asset management services and Nordnet's Private Banking concept are further refined.

The importance of private savings and managing one's personal finances will gain in weight. Knowledge plays an important role in this. With the NordnetSchool, we offer education in saving in shares, mutual funds, and pension plans. Nordnet will further develop the school under the motto "more schooling for more people".

Launch of mutual funds and pensions

The service offering in Norway was broadened considerably with the launch of mutual funds and pensions. Growth potential is judged to be large in both these areas.

The year was marked by fervent activity on the Oslo Stock Exchange and the index climbed 11 percent, driven by factors that included continually climbing oil prices and much interest in oil and other commodities.

The number of active accounts at Nordnet Norway increased by 16 percent to 34,200 and the number of trades increased by 5 percent.

Despite this, our market share fell to 9.5 percent. This is explained by proactive initiatives by Norwegian banks and foreign players, combined with a number of major international investment banks introducing automated and computerized trading. The increased number of players also led to more competitive pricing.

The online brokers' share of the number of trades fell during the year from 21 to 16 percent. However, Nordnet retained its position as the largest broker on the Oslo exchange measured in the number of trades.

Attendances at the NordnetSchool, which started in Norway in March 2006, remained strong, reflecting the great interest in shares and mutual funds among Norwegian consumers. The number of clients saving in mutual funds grew rapidly.

New services

The service offering was broadened considerably with the launch of mutual funds and pensions. The initial steps have now been taken in these areas in a market with much potential. In Norway, we now have a comprehensive offering for saving in shares, mutual funds, and pensions.

Moreover, during the year we launched the new web service, a new version of WinTrade, and a new Norwegian Expert.

Future outlook

The launch of mutual funds and pensions opens new markets with major growth potential and a broader target group. In 2008, much focus will be placed on utilizing this potential by further developing our mutual fund and pension services.

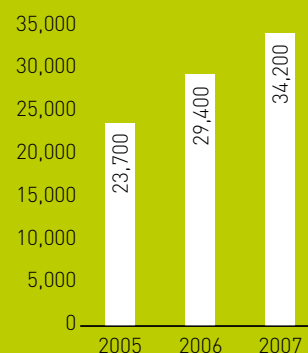
Parallel to this, service for the most active clients will be further improved.



Anders Skar
Country General
Manager, Norway

” Pension market with great potential.

Number of accounts



The number of accounts increased by 16 percent in 2007.

1st

Nordnet is the broker that made the most trades on the Oslo Stock Exchange during the year.

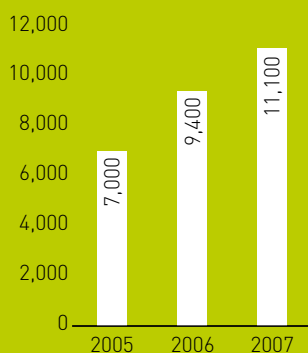
Norway	2007	2006	change
Income, SEK M	208.4	191.2	9%
Profit before goodwill and tax, SEK M	103.5	102.0	1%
Operating margin	50%	53%	
Number of trades	2,357,200	2,247,800	5%
Invested capital as of Dec. 31, 2007, SEK M	9,500	8,100	18%
Number of active accounts	34,200	29,400	16%



Max Gandrup
Country General
Manager, Denmark

Unique mutual fund market and broader service offering.

Number of accounts



The number of accounts increased by 18 percent in 2007.

17%

The number of trades increased by 17 percent in 2007.

Online broker of the year despite tough competition

Nordnet was named Bank/Broker of the Year 2007 in Denmark. Tough competition resulted in considerable cuts in fees for securities trading.

Nordnet Denmark developed positively in 2007, in terms of both trading activity and financial performance. The number of trades increased by 17 percent and the number of active accounts increased by 18 percent to 11,100.

The Copenhagen Stock Exchange C20 index climbed by 5 percent. The second half of the year in particular was affected by the credit crisis, though trading activity increased as share prices fell.

Measured in the number of trades, Nordnet's market share of trading on the Copenhagen Stock Exchange fell from 7.0 percent in 2006 to 5.5 percent in 2007. The drop was much due to foreign players such as Morgan Stanley and SEB gaining larger market shares.

A price war broke out in November 2006 when Saxo Bank introduced free trading in Danish shares. This resulted in considerable cuts in market prices in 2007. Nordnet, however, still has a major advantage with the trading tools and investment opportunities we offer. Northern Rock established operations in Denmark during the year, increasing pricing competition on deposit rates.

The Danish shareholders association Dansk Aktionærforening named Nordnet Bank/Broker of the Year 2007. The decision was based on a survey among the association's members, who answered

questions on areas such as client service, offering, and trading opportunities.

New services

The summer saw the introduction of the new web service, which received a warm welcome. Active Trader was launched to provide the most active investors with the very best tools and investment opportunities. In November we opened the Mutual Fund Market. This is a unique service in Denmark where mutual funds are traded directly on the exchange in the same manner as regular shares.

Future outlook

A significant event in 2008 will be the launch of pensions. Pension products have long been in strong demand from our Danish clients. However, until January 1, 2008, after a judicial ruling by the EU, it was not possible for a Swedish bank to sell pension products in Denmark.

The Danish pension market is extensive, with some DKK 2,200 billion in managed assets. This offers Nordnet good opportunities for continued strong growth. All in all, the mutual fund market and the pensions launch will give Nordnet an essentially complete offering in Denmark.

A sales office will be established in Copenhagen in 2008.

Denmark	2007	2006	change
Income, SEK M	91.5	82.4	11%
Profit before goodwill and tax, SEK M	48.6	47.2	3%
Operating margin	53%	57%	
Number of trades	1,354,300	1,152,700	17%
Invested capital as of Dec. 31, SEK M	4,900	4,700	5%
Number of active accounts	11,100	9,400	18%

Fastest growing online broker

Nordnet was the fastest growing online broker in Finland in 2007. The Experts service was launched during the year.

The Helsinki Stock Exchange index climbed by 21 percent and turnover increased by 38 percent in 2007.

Nordnet was favored by increased activity on the exchange and our market share increased to 2.2 percent measured in trades. The number of trades rose by 165 percent. Nordnet's market share of the trade in warrants, in terms of the number of trades, rose from 1.3 percent to 4.9 percent.

Finland's two largest online brokers, EQ and FIM, underwent a change of ownership during the year. EQ was acquired by the Icelandic investment bank Straumur while FIM was acquired by Glitnir. Nordnet was the fastest growing online broker.

Several of the major banks improved their web services during the year, though their consumer price levels were still higher than those of the online brokers. The online brokers' total market share of the number of trades increased somewhat.

Nordnet received the highest rating in the periodical Arvopaperi's extensive online broker survey and was named the online broker offering the best value for money.

New services

The year saw the launch of the new web service, a new version of WinTrade, and the Experts with two portfolios, managed by Kim and Tom Lindström and Karo Hämäläinen.

In addition, the warrant and ETF (Exchange Traded Funds) trading services were improved. We also launched online trading in Canada.

Future outlook

In 2008, we will place a greater focus on our most active clients. In conjunction with the launch of Active Trader, we will also open a trading room in Helsinki.

A sales office will be established in Helsinki during the year.

Improvements to the warrant and certificate trading services continue, as well as to the ETF and ETC services.

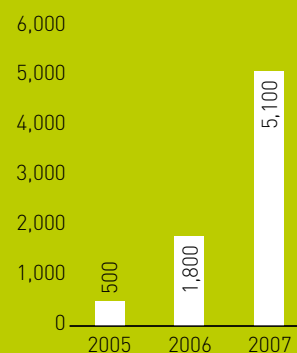
The NordnetSchool was started in Finland in February 2008.



Taru Rantala
Country General
Manager, Finland

” Best value for money online broker with strongly increasing market share.

Number of accounts



The number of accounts increased by 179 percent in 2007.

138%

Income increased by 138 percent in Finland during the year.

Finland	2007	2006	change
Income, SEK M	13.3	5.6	138%
Profit before goodwill and tax, SEK M	-8.9	-6.3	-41%
Operating margin	neg	neg	
Number of trades	654,800	247,100	165%
Invested capital as of Dec. 31, SEK M	1,300	500	181%
Number of active accounts	5,100	1,800	179%



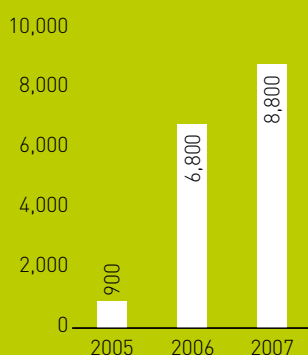
Markus Muth
Country General
Manager, Germany

Price leader on the Xetra exchange

Nordnet retained its position as price leader on Xetra and was named one of Germany's best brokers. Several of our competitors improved their trading services and raised their deposit rates.

“The Experts are now on location in Germany, too.”

Number of accounts



The number of accounts increased by 30 percent in 2007.

37%

The capital invested by German clients increased by 37 percent in 2007.

The index on Xetra, the largest electronic stock exchange in Germany, rose by 22 percent in 2007, despite two periods of decline in March and July/August respectively. The number of active accounts rose by 30 percent to 8,800. The number of trades rose by 31 percent.

The market shares on Xetra remained low, as Nordnet is a relatively small player in Germany. The share of trades and the share of turnover were essentially unchanged. Our activity increased during the year, though this was also the case among our competitors and some of them reported even stronger growth in client numbers.

Competition toughened during the year, in part due to more players reporting strong growth in OTC trading, a service that Nordnet did not offer in 2007. Our larger competitors offer trading on more exchanges while the smaller online brokers have offerings that are similar to or smaller than Nordnet's. Nordnet was the price leader on Xetra. Some of the larger players attracted clients with relatively high deposit rates and improved trading services. A number of competitors increased their investments in marketing considerably.

Nordnet was ranked second in a review of Germany's best brokers conducted by

Euro Finanzen. In January 2008, Nordnet was named best online broker in the Price & Interest category in the German periodical *Börse Online*.

New services

The new web service and a new version of WinTrade were launched, WinTrade Mobil was developed to function with more cellphone models. The Experts analysis service was introduced at the end of the year with two experts.

In December, Nordnet launched trading via XetraBest, which is a new way to place orders on Xetra. The order goes via an intermediary and XetraBest guarantees that the client gets the best price.

Future outlook

The focus of our German operations will be on profitability and a new business plan will be drawn up in the first part of 2008.

As of January 1, 2009, taxation on securities will be tightened. This amendment requires changes to Nordnet's services, which will be made in 2008. The new taxation may also affect trading activity.

Germany	2007	2006	change
Income, SEK M	27.9	18.1	54%
Profit before goodwill and tax, SEK M	-12.8	-15.7	18%
Operating margin	neg	neg	
Number of trades	1,092,200	834,600	31%
Invested capital as of Dec. 31, SEK M	1,500	1,100	37%
Number of active accounts	8,800	6,800	30%

Good financial performance with greater activity

Operations in Luxembourg developed well financially during the year and client activity was high.

Nordnet Luxembourg's offering is mainly aimed at Nordic citizens living abroad. Clients mostly trade on the Swedish stock exchanges, followed by Canada where twelve percent of trades are made. During the year, we saw increased interest in the Nordic stock exchanges from clients originating from outside the Scandinavian countries.

The number of active accounts increased by 3 percent to 1,900 accounts. The number of trades rose by 6 percent. In Luxembourg, Nordnet has four main competitors: Internaxx, Cortal-Consors, HMS, and Keytrade. In addition to these, there is some competition from the major banks that offer limited services for share trading over the Internet.

Operations in Luxembourg developed well in terms of financial performance during the year, and existing client activity increased, resulting in larger profits. In 2007, clients continued to invest new funds through Nordnet Luxembourg. Unfortunately, growth in the number of clients did not match expectations from the beginning of the year.

New services

The new web service was launched in September and was very well received by clients. During the spring, we also launched Prime Services, where clients pay lower commission on trades if their account holdings exceed SEK 2.5 million.

Future outlook

In 2008, will we focus on further improving the quality of our day-to-day work, concentrate on sales, expand existing partnerships, and seek out new partners.

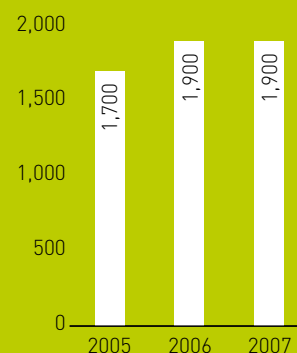
Nordnet will also apply for a bank charter in Luxembourg, which will enable us to offer more of our services. The aim of this initiative is mostly to reach more German clients.



Anders Thonning
Country General
Manager, Luxembourg

” Investing in German clients by establishing a bank.

Number of accounts



The number of accounts increased by 3 percent in 2007.

1.6 MSEK

The average capital invested by a Nordnet client in Luxembourg is SEK 1.6 million.

Luxembourg	2007	2006	change
Income, SEK M	27.4	21.8	26%
Profit before goodwill and tax, SEK M	18.5	14.5	28%
Operating margin	68%	67%	
Number of trades	124,400	117,100	6%
Invested capital as of Dec. 31, SEK M	3,100	3,000	3%
Number of active accounts	1,900	1,900	3%



Many new colleagues

Employee numbers continued to increase rapidly. The recruitment process was further improved, which contributed to a high recruitment success rate.



Nordnet aims to be a workplace where personnel can have fun while developing both intellectually and professionally.

At year-end, the number of employees was 323 (238). Of these, 46 percent were women. The average age was 33 years.

Employee numbers increased by 36 percent during the year. Such a high recruitment rate makes it especially important that new employees are quickly and effectively integrated into our operations. In order for each new colleague to be taken care of in the best possible way, an approximately three-week long individual induction program is provided.

Recruitment

Our recruitment process was further improved during the year with the addition of a culture profile in the form of a structured in-depth interview. The profile offers guidance in how well a new employee fits in with the corporate culture and the four core values: honest, dedicated, unconventional, and considerate. The process runs both ways, as it also gives the applicant good grounds on which to decide whether he or she would enjoy working at Nordnet. Experience so far has been very positive and the process contributed to a high recruitment success rate.

Nordnet seeks to attain a high level of diversity among its employees. Many different personalities and backgrounds are required. We have no desire to make all employees fit the same mold. Nordnet needs a wide range of expertise in the different areas of its operation. Language skills and cultural understanding relevant to the markets in which we operate are also important. We believe that diversity promotes innovation, creativity, and quality.

Employee turnover was 17 percent for the year. High employee turnover is a natural result of the young age of many of our colleagues.

Skills development

During the year, all managers with responsibility for personnel, some 40 people, attended a management training course on the special demands placed on managers in a rapidly growing organization. Moreover, work continued in the regular Leadership Forums, which address different management issues.

Throughout the year, employees attended courses in areas such as derivative instruments, presentation technique, and service.

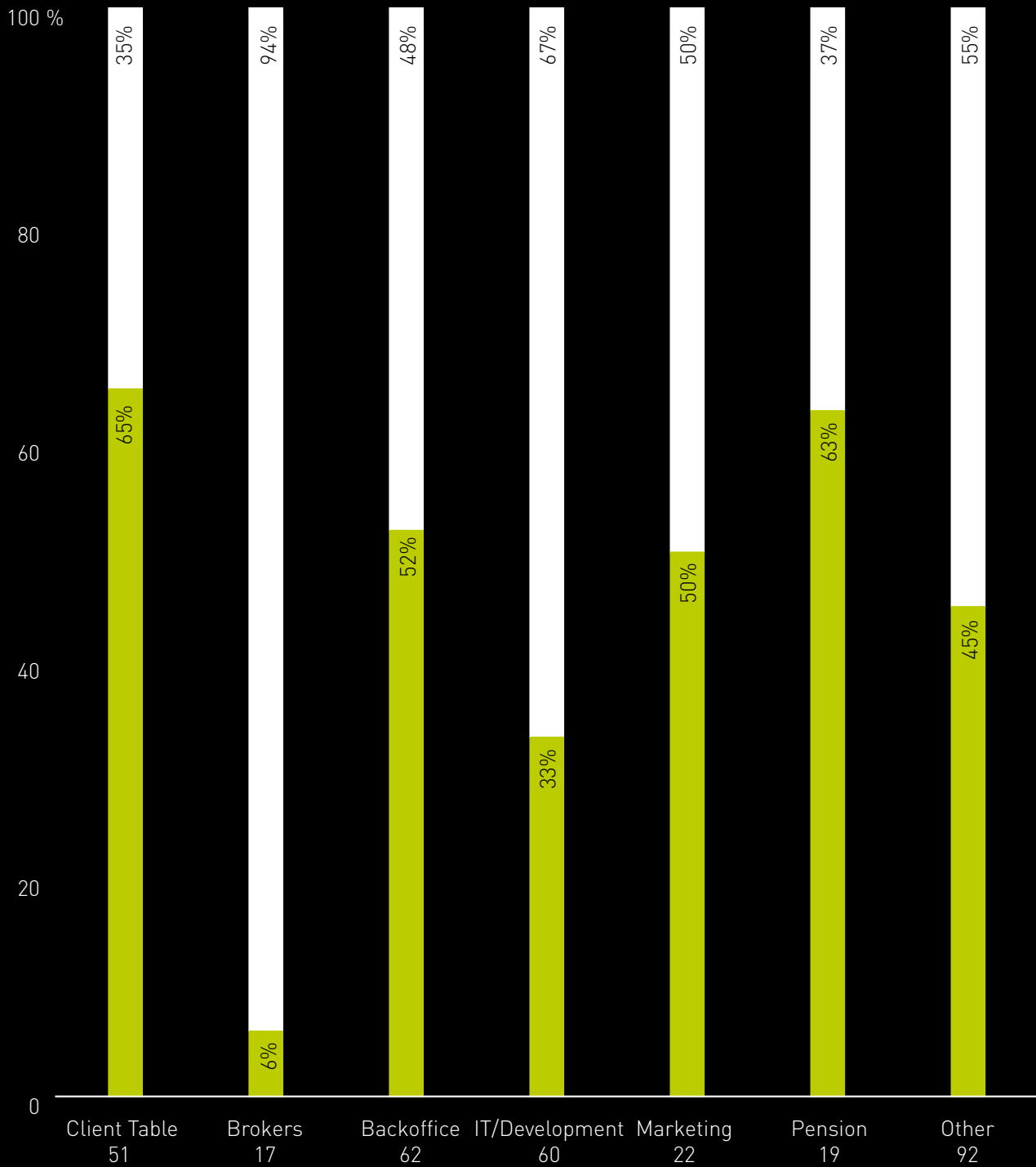
About 40 employees attended a SwedSec course, which results in a license to work in the Swedish securities market. At year-end, 62 (47) employees were licensed by SwedSec.



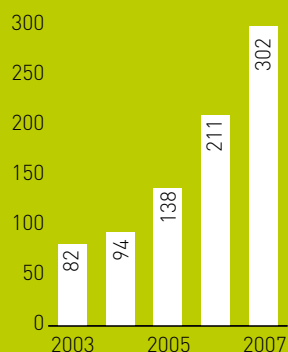
Gender distribution by department

Total: 323, of whom 46% are women and 54% are men.

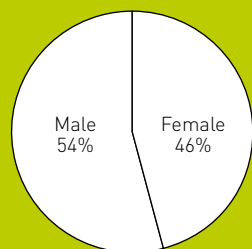
■ Women ■ Men



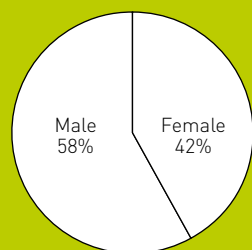
Average number of employees



Gender distribution



Gender distribution, managers



Equality opportunities

Nordnet is a company of equal opportunities. The gender breakdown among managers, including group management, is 42 percent women and 58 percent men. Among management outside group management, 46 percent are women.

Since the average age is just over 30, many of our employees are parents with small children. Nordnet actively strives to create a work environment where both men and women can combine their careers with parenthood. Use of parental leave is more evenly split among the sexes than in most companies, but women take more leave than men.

Incentives and bonuses

The group's bonus program means that all employees who have been employed for at least one year can receive a bonus of up to one month's salary, provided the company has, in the board's opinion, performed well in the following five areas: earnings trend, market share and market position, client growth, cost control, and business development.

Due to the good development seen in 2007, a bonus of 85 percent of monthly salary was paid. Management and key personnel received bonuses based on individual assessments.

Health and fitness

2007 was the Year of Healthy Living at Nordnet. This meant a range of different activities to stimulate healthier lifestyles, including better eating habits and more exercise. Examples of the activities conducted include a step counter competition, a weight watchers course, paddling, rowing, swimming, and group training, such as spinning and body pump. World Class gym membership cards have been collected by 60 percent of employees.

Employee surveys

During the year, two employee surveys were conducted to gather opinions and identify areas in need of improvement.

The first survey was conducted in May and covered the areas Mission & Business Concept, Corporate Culture, Fun at Work, and Leadership. In addition to the above areas, the December survey also covered Equal Opportunities, Work Environment, and Work & Parenthood.

Both surveys had good response rates (92 and 94 percent respectively), with very good participation by all departments. All areas received high average ratings, which can be interpreted as strong indicators that our employees are very committed to their work tasks, that they understand the benefits we provide our clients, that they are well acquainted with our core values, and that they enjoy their work and feel secure in their employment. Equal opportunities is an area in which we consistently receive very good ratings, a result with which we are very pleased. Employee surveys also provide an indication of which areas we can improve, such as more information and increased clarity regarding responsibility and authority.

The next employee survey is planned for the fall of 2008.

Personnel statistics	2007	2006
Operating income per employee, SEK thousands	2,601	3,133
Training cost per employee, SEK thousands	17.6	7.5
Number of employees at year-end	323	238
SwedSec-licensed employees	62	47
Employee turnover	17%	13%
Average age	33	31.5
Sick leave	2.6%	2.1%

The share

Nordnet's share has been listed on OMX Nordic Exchange Stockholm since October 2, 2006 under the ticker symbol NN B. Nordnet is included in the Finance and Real Estate sector under the Nordic MidCap segment. The share had previously been listed on the Stockholm Stock Exchange O-list since April 2000.

Share capital

On December 31, 2007 Nordnet's share capital totaled SEK 165 (165) million, split between 165,018,878 (165,018,878) shares at a par value of SEK 1. All shares are Series B and carry equal voting rights and share equally in the company's capital and profit.

Long-term incentive program

The 2007 AGM decided on a long-term incentive program for employees. The aim is to provide company employees with a long-term interest in a positive Nordnet share price trend, in order to stimulate increased interest in operations and financial performance. A total of 1,350,000 warrants have been issued to the subsidiary Go4us Nordic AB, for later transfer to employees. Thirty-nine employees have subscribed to 419,700 warrants with the right to subscribe to the same number of shares in the period September 3, 2007 to July 1, 2010 at an offered price of SEK 28.20.

The board will not propose a similar program for 2008. The existing program from 2007 will, however, continue to run. The aim is for the warrants issued over a three-year period, together with outstanding employee convertible loans (see below), to at no point comprise dilution of more than five percent. Total dilution in the event of full subscription and redemption of outstanding programs would be about 3.6 percent.

Employee convertible loans

In 2005, a convertible program was issued to the subsidiary Go4us Nordic AB for later transfer to employees with a nominal value of SEK 55 million (corresponding to 5,472,636 shares). The conversion price is SEK 10.05 and the conversion period runs from July 1, 2009 to November 30, 2010. The convertible loan carries interest at a rate

The largest shareholders as of December 31, 2007

Shareholder	Number of shares	Votes and capital
E. Öhman J:or AB	50,974,150	30.9%
Premiefinans AB ¹⁾	17,663,878	10.7%
SIS Segaintersettle AG	8,966,343	5.4%
Dinkelspiel, Ulf	5,906,177	3.6%
Versteegh, Catharina	5,886,550	3.6%
Bredberg, Micaela	5,886,550	3.6%
Dinkelspiel, Tom C-Son	4,886,550	3.0%
Dinkelspiel, Claes	4,800,338	2.9%
UBS AG	4,000,060	2.4%
Åhlgren, Per	2,828,000	1.7%
Danske Fonder Sverige	2,520,100	1.5%
Skagen AS	2,283,500	1.4%
Fjärde AP-Fonden	2,179,363	1.3%
Sydbank A/S	2,014,190	1.2%
Isberg, Olle	2,010,500	1.2%
Total, 15 largest shareholders	122,806,249	74.4%
Total, other shareholders	42,212,629	25.6%
Total	165,018,878	100.0%

¹⁾ Controlled equally by Ulf and Claes Dinkelspiel.

Shareholding by size, Dec. 31, 2007

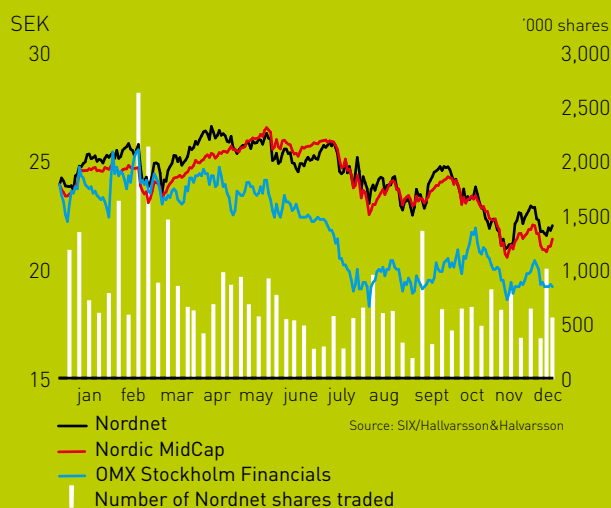
Shareholding size	Shareholders	Number of shares	Average shares per shareholder	Share of votes and capital
1 - 5,000	5,029	5,518,768	1,097	3.3%
5,001 - 50,000	516	7,859,643	15,232	4.8%
50,001 - 500,000	80	11,831,951	147,899	7.2%
500,001 - 5,000,000	26	50,431,045	1,939,656	30.6%
5,000,001 - 50,000,000	4	38,403,321	9,600,830	23.3%
50,000,001 -	1	50,974,150	50,974,150	30.9%
Total	5,656	165,018,878	29,176	100.0%

Share data, SEK

	2007	2006	2005	2004	2003
Profit before tax	1.69	1.77	1.21	0.64	0.26
Profit after tax	1.19	1.25	0.88	0.49	0.19
Dividend per share	0.50 ¹⁾	0.50	0.10	-	-
P/E ratio	16	19	24	16	20
Equity per share	4.92	4.19	3.12	2.03	1.22
Share price at year-end	19.20	23.90	21.10	7.75	3.85
Average number of shares before dilution	165,018,878	165,018,878	165,018,878	158,063,701	155,745,308
Average number of shares after dilution	169,938,944	170,491,514	170,491,514	158,063,701	155,745,308
Number of shares at year end	165,018,878	165,018,878	165,018,878	165,018,878	155,745,308

¹⁾ Proposed dividend

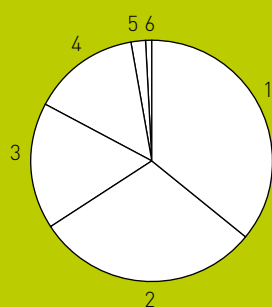
Share price trend and trading volume 2007



Total return and trading volume 2003-2007



Shareholding per owner group



1. Financial and institutional owners	36.0%
2. Private owners	30.0%
3. Overseas owners	17.0%
4. Non-financial companies	14.4%
5. Public sector	1.9%
6. Relief and interest organizations	0.7%

corresponding to the 7-day STIBOR plus 1.20 percentage points. Consequently, the interest rate at the end of 2007 was 5.58 percent. The 2007 AGM decided to buy back from Go4us Nordic AB and cancel the remaining unsubscribed convertibles in this employee program. The buyback and cancellation corresponded to a nominal amount of SEK 9,500,000 (945,273 shares) and took place in 2007. The remaining nominal amount totals SEK 45.5 million, corresponding to 4,527,363 shares. With full conversion, this program corresponds to a dilution of 2.7 percent.

Share turnover

In 2007, 38,768,615 (103,563,231) shares were traded in a total of 19,212 (53,434) transactions to a value of SEK 874 (2,302) million. On average, this meant 154,457 (395,262) shares in 77 (213) transactions at a value of SEK 3.5 (9.2) million each trading day. Seen over the year, Nordnet shares were traded at a turnover rate of 24 (60) percent. During the same period, Nordic Mid Cap Stockholm had a turnover rate of 70 (98) percent.

Share price trend and total return

In 2007, Nordnet's share price fell by 19.7 percent, from SEK 23.90 per share at the close of 2006 to SEK 19.20 at the close of 2007. During the same period, the Nordic Mid Cap Stockholm and OMX Financials indexes fell by 10.5 percent and 7.9 percent respectively. Nordnet shares sold for SEK 25.50 (February 26) per share at the most and SEK 18.30 (August 16) per share at the least. At the close of 2007, Nordnet had a market capitalization of SEK 3,168 (3,944) million. The average annual total return for the past five years on Nordnet shares was 59 percent and for the SIX Return Index 22 percent.

Share buyback

Nordnet strives to improve its capital structure and to generate returns for the shareholders if other alternatives, such as organic growth, are judged to be less favorable. Consequently, the 2007 AGM authorized the board, for the period running until the 2008 AGM, to buy back up to 10 percent of the company's shares. Such acquisitions are made on the OMX Nordic Exchange or through purchase offers directed at all shareholders. Ownership of reacquired shares may also be transferred in conjunction with the acquisition of a company or parts thereof. This mandate was not utilized in 2007. The board has proposed that the 2008 AGM issue a new mandate for the period running until the 2009 AGM.

Shareholders

On December 31, 2007, Nordnet had 5,656 (7,745) shareholders, a drop of 27 (+9) percent over the previous year. E. Öhman J:or AB is the largest shareholder with 30.9 (30.9) percent of the capital. The ten largest shareholders control 67.7 (66.2) percent of the votes and capital. Shareholders living in Sweden own 83 (85) percent of the capital. At the end of the year, the largest shareholder categories were financial and institutional investors, with 36 (36) percent, and private investors, with 30 (33) percent.

Dividend

Nordnet's dividend policy stipulates that profits that are not needed to finance the development and consolidation of the business shall be transferred to the shareholders. In the long term, the dividend shall comprise no less than 40 percent of the profit. For 2007, the board proposes a dividend of SEK 0.50 (0.50) per share, corresponding to 42 (40) percent of net profit.

Corporate governance



” From small beginnings!
As of July 1, 2007
Nordnet falls under
the Swedish Code of
Corporate Governance.

Claes Dinkelspiel,
Chair of the Board

Corporate governance 2007

Nordnet is a Swedish limited liability company headquartered in Stockholm, Sweden. In 2007, the group had operations in the Nordic countries (except Iceland), Germany, and Luxembourg. Nordnet's share is listed on OMX Nordic Exchange Stockholm (Stockholm Stock Exchange). Governance of the company and group is based on, among other things, the Articles of Incorporation, the Swedish Companies Act, and the Stockholm Stock Exchange's regulations, which in Nordnet's case includes the Swedish Code of Corporate Governance as of July 1, 2007.

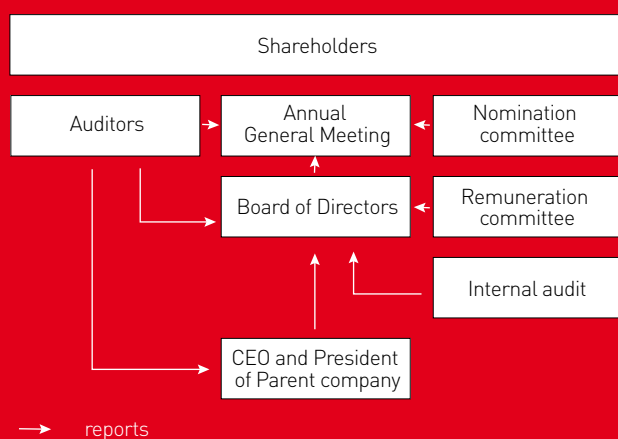
Nordnet applies the Swedish Code of Corporate Governance, but deviates from the rules concerning the following points for the following reasons:

Corporate governance 2007 has not been examined by Nordnet's auditors.

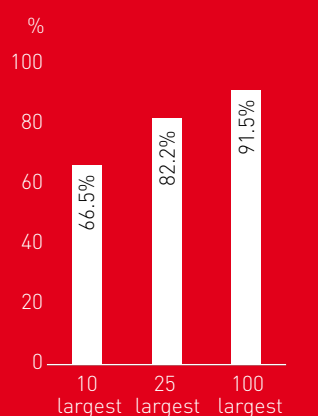
Deviation from	Explanation	Deviation from	Explanation
3.8.2 The board shall establish an audit committee. In companies with smaller boards, the entire board may carry out the tasks of the audit committee.	After the 2007 AGM, Nordnet's board had eight members (previously six), but has still chosen to permit the entire board to carry out the tasks of the audit committee. This is because the scope of Nordnet's operations can still be handled by all board members and the control of financial reporting and information on audits and risk management in a financial company are of the highest priority.	4.2.1 The members of the remuneration committee shall be independent in relation to the company and company management.	Claes Dinkelspiel and Ulf Dinkelspiel, who are members of the remuneration committee, are considered dependent in relation to the company and company management due to a subordinated loan from E. Öhman J:or AB to Nordnet in 2007. Despite this business relation, due to their expertise it is important that Claes and Ulf Dinkelspiel participate in the preparation of matters of remuneration to attract and retain capable employees.

Nordnet's Articles of Incorporation are available at www.org.nordnet.se.

Reporting structure for Nordnet's governing bodies



Ownership concentration



Proportion of shares owned by the largest shareholders.

DECISION-MAKING BODIES AND REGULATIONS Shareholders

At the close of 2007, Nordnet had 5,656 shareholders, 17 percent of whom resided outside Sweden. The largest shareholder is E. Öhman J:or AB with 30.9 percent of the votes and capital. At year-end, financial and institutional players held 36 percent and private investors 30 percent of the shares. For more information, see the share section on pages 25-26 and the chart on the previous page.

Annual General Meeting

The shareholders' right to decide on Nordnet's affairs is exercised at the annual general meeting, which is the company's highest decision-making body. Among the AGM's mandatory tasks are adopting the company's balance sheet and income statement, deciding on the appropriation of profits and remuneration principles for the company's senior executives, and discharging the members of the board and the CEO from liability.

The AGM elects the board members based on the the nomination committee's proposal and appoints the board until the end of the next AGM. The AGM also appoints a nomination committee. Prior to the 2008 AGM, the company's shareholders have been informed via www.org.nordnet.se of their right to have issues added to the AGM agenda.

Nomination committee

The nomination committee nominates members to Nordnet's board, who are then proposed at the AGM. The nomination committee's work begins with an assessment of the incumbent board. In its nominations for the future board, the nomination committee considers the potential members' strategic skills, education, and any previous board experience. The nomination committee also canvasses the principal shareholders for opinions. At the AGM, the nomination committee presents its proposed remuneration to the board members.

The nomination committee also presents proposals for remuneration to the auditors and, in applicable cases, for the election of auditors.

Prior to the 2007 AGM, as well as the 2008 AGM, the nomination committee

Member	Number of shares
Fred Wennerholm, Chair	10,000
Olle Isberg	2,010,500
Claes Dinkelspiel ¹⁾	64,606,427

¹⁾ Representing E. Öhman J:or AB, holding in Premiefinans AB (50%), and private shareholding. See the share section on pages 25-26.

Board

Board responsibilities

Nordnet's board has ultimate responsibility for the company's organization and management, as well as for ensuring that the guidelines used to govern the company's assets are suitably formulated. The board is also responsible for the development and review of the company's strategies relative to plans and goals, decisions to acquire or divest operations, major investments, the appointment and remuneration of group management, and regular business reviews throughout the year. The board approves business plans and the annual financial statements and also supervises the work of the CEO.

Chair of the board

The chair of the board supervises the board's work to ensure it is conducted in accordance with laws and regulations. The chair monitors the business through a dialogue with the CEO and is responsible for ensuring that the other board members receive the information necessary to maintain the requisite level in discussions and decisions. The chair also participates in the assessment and development of the group's senior executives.

Members of the board

Since the 2007 AGM, Nordnet's board has eight members. The CEO is not a member of the board, but does participate in meetings. Normally, one of the company lawyers acts as secretary at board meetings. If necessary, other company officers participate to present business. The table below presents, among other things, the board members and the board's assessment of dependence in relation to the company and its shareholders.

Board members

Name	Elected	Position	Dependence in relation to the company	Dependence in relation to the shareholders	Remuneration committee	Share- holding
Claes Dinkelspiel, Chair	2001	Chair of the board of E. Öhman J:or AB, and others	□	□	Member	4,800,338 ¹⁾
Annica Axelsson	2006	Head of Division Svenska Spel				-
Bengt Baron	2007	CEO Vin & Sprit				-
Tom Dinkelspiel	2007	CEO E. Öhman J:or AB	□	□		4,886,550
Ulf Dinkelspiel	2001	Board member of E. Öhman J:or AB, and others	□	□	Chair	5,906,177
Bo Mattsson	2003	CEO CINT AB			Member	15,012
Nils Nilsson	2005	Chair of the board of Russian Real Estate Investment Company AB				-
Sven Skarendahl (deceased)	2001-2008				Member	-

□ = Dependent in relation to the company and company management due to a subordinated loan from E. Öhman J:or that Nordnet repaid during the second quarter of 2007, as well as in relation to the shareholders according to the definition in the Swedish Code of Corporate Governance.

¹⁾ Only private shareholding. For other shareholdings, see the nomination committee table above or the share section on pages 25-26.

Regarding the members of the remuneration committee, Nordnet deviates from the Swedish Code of Corporate Governance in that two members are considered dependent in relation to the company and company management.

Board procedures

The board procedures are established annually at the board's statutory meeting. Thereafter, the board procedures are revised as necessary. The board procedures include, for example, the board's responsibilities and tasks, audit issues, and specify which reports and financial information the board shall receive prior to each regular board meeting. Further, the board procedures include instructions for the CEO. The board procedures prescribe the establishment of a remuneration committee and its tasks. The latest board procedures were adopted in April 2007.

Assessment of the board's work

The board procedures also specify an annual assessment of the board's work in the form of a systematic and structured process.

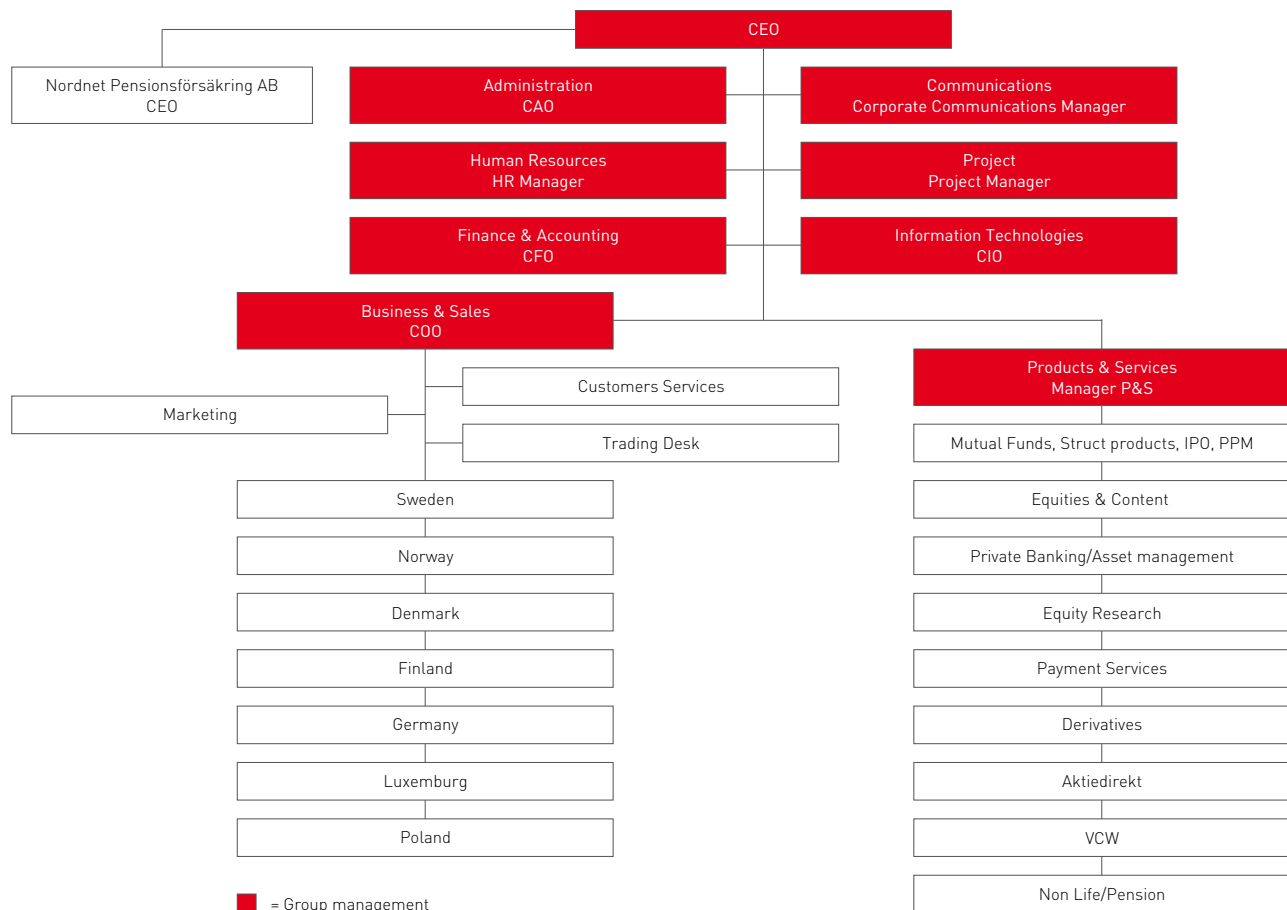
For 2007, the chair saw to that an assessment of the board's work was made, and that the chair of the nomination committee, attorney Fred Wennerholm, has been informed of the result of the assessment prior to the nomination committee's nomination work for the 2008 AGM.

Committees

The board's ultimate responsibility cannot be delegated, though the board has established a remuneration committee tasked with preparing issues concerning salary, benefits, and other employment conditions for the CEO and group management, as well as bonuses to the group's key personnel. Regular reports are made to the board.

Nordnet has no audit committee, deviating from the Swedish Code of Corporate Governance in that all board members conduct the work of the audit committee. The board procedures do however state that the board shall regularly reconsider the need to establish a separate audit committee.

Nordnet's organization



CEO and group management

The CEO runs the business within the limits established by the board. The latest instructions for the CEO were adopted by the board on April 24, 2007. The CEO compiles the information required for board meetings, presenting business and motivating proposed decisions. The chair of the board holds an annual performance review with the CEO in line with the CEO instructions and requirements.

The CEO heads the management group's activities and makes decisions in consultation with other members of management. Group management has weekly meetings to discuss business issues. Moreover, each year group management prepares a business plan that is followed up with monthly reports that focus on growth and cost control.

In addition to the weekly meetings, most members of group management meet on a daily basis. The company's rapid development makes daily contact essential for effective management and control.

Group management comprises the heads of the Nordnet Group's principal business areas.

Auditors

The 2004 AGM elected auditing firm Ernst & Young auditors of Nordnet AB and all its subsidiaries until the time of the 2008 AGM. The auditors' role is to examine the annual report, the consolidated financial statements, the bookkeeping, and the administration of the board and the CEO. The auditors report their observations on a number of occasions throughout the year and attend the board meeting that addresses the annual accounts.

Internal auditing

In accordance with the board procedures, the board procedures of the subsidiary Nordnet Bank AB, and the Swedish Financial Supervisory Authority's guidelines, the board has appointed an independent audit group/internal auditor directly answerable to the board. The independent audit group's work is based on an audit plan established by the board each year. The audit entails an evaluation of the internal control system used by the company and an assessment of the suitability of said internal control system. Auditing firm Deloitte took over the role of independent auditor in September 2007.

In 2006, Nordnet introduced a risk control unit and employed a risk manager to examine and control identified risks and control procedures. The risk manager reports to the administrative manager who coordinates internal audits with the board, which in turn assesses the result.

Board control over financial reporting

The board supervises the quality of the company's financial reporting in several ways. One way is through instructions to the CEO. According to the instructions, the CEO is responsible for reviewing and ensuring the quality of all financial reporting, as well as for ensuring that the board receives the reports it requires in order to regularly assess the group's financial position.

The internal reporting and control system is based on annual financial planning, monthly reports, and daily checks of all financial key ratios. The CEO is also responsible for ensuring that all other financial information, such as press releases and presentation material, is correct and of good quality.

The CEO instructions stipulate the matters in which the CEO is only permitted to exercise the right to represent the company after receiving the board's authorization or approval.

The group's risk units, the independent auditor, and a compliance officer check and monitor risks, reporting, and adherence to internal and external regulations.

Since the board has no audit committee, the entire board ensures that all financial reporting is of the requisite quality. The board follows up and evaluates quality assurance work with monthly reports on the company's earnings trend, credit and risk exposure, and relevant industry data, while the group's financial situation is on the agenda of every regular board meeting.

The interim reports for the first, second, and third quarters of 2007 were examined by the company's auditors. The group's auditors present an annual report of their observations to the entire board in conjunction with the annual accounts. Further, the board meets the company auditors at least once a year, without company management in attendance, to learn of the focus and scope of the audit, as well as to discuss coordination of the external audit and internal controls and to obtain an opinion on the company's risks. The auditors present the focus and scope to the board for feedback.

WORK DURING THE YEAR

Annual General Meeting 2007

Nordnet's 2007 AGM was held on April 24, 2007. Claes Dinkelspiel was elected to chair the meeting.

AGM decisions included:

- distribution of a dividend to the shareholders of SEK 0.50 per share for 2006
- expanding the board with two new members: Bengt Baron, CEO of Vin & Sprit, and Tom C:son Dinkelspiel, CEO of E. Öhman J:or AB
- establishing a long-term incentive program – see the share section, pages 25–26
- buy back and cancel the convertible loans issued in 2005 employee program and authorize the board to make any necessary smaller adjustments in conjunction with the cancelation of these convertibles
- authorize the board to decide on the acquisition or transfer of shares
- amend the Articles of Incorporation to also include the AGM deciding on guidelines for remuneration to the CEO and group management.

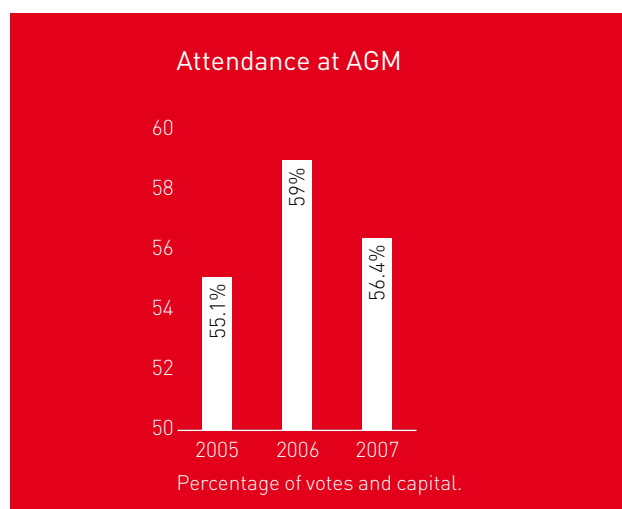
See the minutes of the AGM at www.org.nordnet.se

Nomination committee

In 2007, the nomination committee held three minuted meetings and a large number of conference calls. The work concerned proposals for new board members prior to the 2007 AGM.

Remuneration to the nomination committee for the work leading up to the 2007 AGM has only been paid to the chair of the nomination committee, attorney Fred Wennerholm, in the amount of SEK 25,000. For the nomination committee's work leading up to the 2008 AGM, the 2007 AGM decided to increase the remuneration paid to the chair of the nomination committee, attorney Fred Wennerholm, to SEK 30,000.

For the nomination committee's proposal for the 2008 AGM, see the invitation at www.org.nordnet.se. There you will also find information about how shareholders can submit proposals to the nomination committee.



Board

The board held twelve meetings during the year, excluding those held per capsulam. Two of the meetings were held as conference calls with previously distributed material. In addition to these, thirteen meetings were held per capsulam. The average attendance was 83 percent and on average the board meetings lasted about 2 hours and 20 minutes. The attendance of each board member is presented below.

The large number of board meetings is typical for a growth company such as Nordnet. The board works intensively as a means to support the CEO and group management. At each meeting, the board addressed a number of strategic issues and items important to business.

During the year, other Nordnet company officers presented business at board meetings.

Each month, the board receives a report on the company's earnings trend, credit and risk exposure, and relevant industry data. Our successful growth is the result of factors such as very active cooperation between the board and management.

In 2007, the board decided to appoint Carl-Viggo Östlund the new CEO and Group President. See the table below for other decisions made during the year.

For information on the board members, see page 35.

Remuneration committee

The members of the remuneration committee were Ulf Dinkelspiel (chair), Claes Dinkelspiel, Bo Mattsson, and the late Sven Skarendahl. The committee prepared in the customary manner matters relating to the CEO's salary and other terms of employment and guidelines for remuneration to other members of group management. The committee also paid special attention to the matter of incentive programs in the group. The committee had three meetings during the year.

CEO

In November, the board decided to appoint Carl-Viggo Östlund, former group president of SalusAnsvar, the new CEO and Group President of Nordnet. On November 15, 2007, Mr. Östlund succeeded Klas Danielsson, who left the company after ten successful years as CEO and Group President.

Group management

During the year, group management comprised eight senior executives: Klas Danielsson (until November 14), Carl-Viggo Östlund (from November 15), Anders Råge, Victoria Thore, Lars Thorstensen (until October 10), Jessica von Otter, Torbjörn Östman, Maria Zalams, and Juan Segura. As of November 26, Fredrik Svederman is a member of group management. Group management as of January 16, 2008 is presented on page 37. Group management held twelve minuted meetings chaired by the CEO.

Auditing and auditors

Authorized public accountant Björn Fernström, born 1950, Ernst & Young, has been chief auditor of Nordnet AB since the 2004 AGM. Mr. Fernström is also auditor of AMF Pension, Elektronikgruppen, If, Munters, Ruric, and Varyag.

REMUNERATION

Board remuneration

The 2007 AGM decided on total remuneration to the members of the board for the current year of SEK 1,350,000, with SEK 300,000 to the chair and SEK 150,000 to each of the other members. In addition, further remuneration of SEK 30,000 is paid to each member of the remuneration committee for the work that involves.

Remuneration of the CEO and group management

Remuneration of the CEO and the other members of group management consists of basic salaries, bonuses, other benefits, and pension plans. The relation between basic salary and bonus shall be in proportion to each executive's responsibility and authority.

The CEO's bonus for 2007 was limited to a maximum of SEK 1,800,000, corresponding to 60 percent of basic salary. For 2007, a bonus of SEK 900,000 will be paid to former CEO Klas Danielsson. The CEO's remuneration for 2008 is SEK 275,000 a month plus a maximum bonus of 50 percent of basic salary.

The bonuses received by the other executives were limited to 30-40 percent of basic salary for 2007. Bonuses totaling SEK 1,391,000 for 2007 will be paid to the other senior executives in 2008. For 2008, the bonuses are limited to 30-40 percent of basic salary. Bonuses are based on the group's business development and individual performance.

In the case of the CEO, the pension was on a level equal to 30 percent of pensionable income in 2007. Pensionable income comprises basic salary including vacation pay.

In addition to a mutual period of notice of six months, the CEO is entitled to 18 months' severance pay at the same rate as the salary paid during the period of notice. If the CEO takes up a new position or starts a business during the period of notice, any income from such employment or business shall be deducted from the severance pay.

Other senior executives have mutual periods of notice of three to six months. Should notice be given by the company to the VP of Nordnet Bank AB, he or she will be entitled to severance pay corresponding to six months basic monthly salary. There are no other severance pay agreements.

There are no special benefits for executive management apart from company cars arranged to be neutral in terms of costs to the employer.

Long-term incentive program

The 2007 AGM decided on a long-term incentive program for employees. The aim is to provide company employees with a long-term interest in a positive Nordnet share price trend, in order to stimulate increased interest in operations and financial performance. A total of 1,350,000 warrants have been issued to the subsidiary Go4us Nordic for later transfer to interested employees.

Thirty-nine employees have subscribed to 419,700 warrants at a subscription price of SEK 28.20 with the right to subscribe to the same number of shares in the period September 3, 2007 to July 1, 2010.

The board will not propose a similar program for 2008. The existing program from 2007 will, however, continue to run. The aim is for the warrants issued over a three-year period, together with outstanding employee convertible loans (see below), to at no point comprise dilution of more than five percent. Total dilution in the event of full subscription and redemption of the outstanding programs would be about 3,6 percent.

Attendance 2007

Name	Attendance	
	Board meetings	Remuneration committee
Claes Dinkelspiel	12/12	3/3
Annica Axelsson	10/12	
Bengt Baron	7/12 ¹⁾	
Tom Dinkelspiel	7/12 ¹⁾	
Ulf Dinkelspiel	12/12	3/3
Bo Mattsson	11/12	3/3
Nils Nilsson	8/12	
Sven Skarendahl	6/12	3/3

¹⁾ Elected at the AGM on April 24, 2007.

Board meetings in 2007

Meeting	Agenda
February	Year-end report for the previous year. Decision on proposed dividend. Report from the auditors.
March	Annual report for the previous year. Invitation to AGM.
April (before and after AGM)	Q1 results, customary decisions on authorized signatories and other formalities, such as board procedures. Moreover, members were appointed to the remuneration committee.
June	Decision on allocations in the warrants program for group employees.
July	Q2 results.
September	Decision to appoint Deloitte to the independent audit group/internal auditor and, among other things, to adopt the "Internal Capital Adequacy Assessment Process" (ICAAP).
October	Q3 results.
November	Decision to appoint new CEO.
December	Preparations for the annual financial statements.

Employee convertible loans

In 2005, a convertible program was issued to the subsidiary Go4us Nordic AB for later transfer to employees with a nominal value of SEK 55 million (corresponding to 5,472,636 shares). The conversion price is SEK 10.05 and the conversion period runs from July 1, 2009 to November 30, 2010. The 2007 AGM decided to buy back and cancel the unsubscribed convertibles in this employee program. Buybacks and cancellations corresponding to a nominal amount of SEK 9,500,000 (945,273 shares) have been made. The remaining nominal amount is SEK 45.5 million, corresponding to 4,527,363 shares or dilution of about 2.7 percent.

In conjunction with former CEO Klas Danielsson leaving his position, he transferred his convertible debentures to Go4us Nordic AB

in accordance with the subscription terms of the debentures. The purchase price amounted to SEK 20 million, corresponding to the market value estimated by an external party.

Remuneration to auditors

In total, auditors and auditing firms were remunerated in the amount of SEK 3,592,000 in 2007. This amount was for audits, consultations, and other examinations in conjunction with audits. Remuneration was also paid for other consultations, most of which were related to audits and concerned accounting and tax issues.

Remuneration of the CEO and group management						
SEK		Basic salary	Bonus	Benefits	Pension costs	Total
CEO, Klas Danielsson ¹⁾	2007	2,952,000	900,000	30,000	953,000	11,285,000 ²⁾
	2006	2,585,000	1,155,000	33,000	502,000	4,275,000
CEO, Carl-Viggo Östlund ³⁾	2007	420,000	-	-	90,000	510,000
	2006	-	-	-	-	-
Other group management	2007	7,028,000	1,391,000	87,000	1,301,000	9,807,000
	2006	6,054,000	1,398,000	92,000	1,054,000	8,598,000

¹⁾ CEO from January 1, 2007 to November 14, 2007.

²⁾ Also includes severance pay of SEK 6,450,000.

³⁾ CEO from November 15, 2007.

Remuneration to auditors						
SEK	Group			Parent company		
	2007	2006	2005	2007	2006	2005
Remuneration for audits	2,680,000	2,809,000	2,803,000	743,000	893,000	600,000
Remuneration for other audit work	912,000	580,000	982,000	-	300,000	-

INTERNAL CONTROL

According to the Swedish Code of Corporate Governance, the board's report on internal control shall describe how internal control is organized within the company and be limited to a description of the internal control of financial reporting.

The board's report on internal control has not been examined by the company's auditors.

Control environment

Good internal control is based on a well designed and structured control environment. Nordnet's ambition is for the company's control environment to reflect the company's ethics and corporate culture. The ethical guidelines are established by the board and communicated to all employees, as are other governing documents in the form of policies, guidelines, and procedures. To heighten the level of ambition and awareness surrounding ethics at work, as well as to increase the quality of our work, all employees are offered the opportunity to get a SwedSec license.

The company has an independent unit, Risk & Internal Control, charged with continually monitoring the risks to which the company is exposed and to create control procedures to manage these risks. In 2007, Nordnet also appointed a risk control unit that is to specifically monitor and control risks stemming from IT availability and operation. Legal risks and legal compliance are handled by the company's Compliance unit.

Risk assessment

Each year, an Internal Capital Adequacy Assessment Process (ICAAP) is conducted in which the company, in its role as a credit institution, is obliged to conduct a comprehensive review of the company's financial position and future capital requirements with a focus on identifying financial risks, such as liquidity, market, and credit risks.

In addition to these risks, the company is primarily faced with managing operational and legal risks, which could cause the company financial losses as well as loss of face. Within the group there is also reason to monitor insurance risk, as one of the subsidiaries conducts insurance operations.

The annual accounts process is the critical process coupled to financial reporting. Other critical processes within the company are processes coupled to lending and the availability of reliable IT support, as the company's services are completely Internet-based.

Control Activities

A control structure is built up based on the company's most critical processes with the aid of several control activities. These aim to prevent, detect, and rectify any errors or deviations arising in the financial reporting, as well as to prevent embezzlement and different types of incidents that would harm the company. Assessment items and unique transactions demand decisions by the board.

A new business system will be implemented in the coming year. Among other things, this will entail more effective follow-ups on financial transactions and thereby contribute to further improvement of internal control.

Information and communication

To secure the financial reporting, Nordnet has established policies, guidelines, and procedures for this express purpose. These are made available and kept up to date on Nordnet's intranet. Knowledge and awareness of these are gained through regular in-service training and information for the different departments and units with responsibility for the internal reporting of financial statistics and information.

Control activity follow-ups and monitoring

The content of policies, guidelines, and procedures are updated and evaluated as necessary, but always at least once a year. Responsibility for maintaining current documents and communicating said documents falls to the board in the case of general governing documents and to department heads in the case of other documents. Recommendations from external and internal auditors are reported to management and the board. At each review, recommendations from previous years are followed up and measures and alternative explanations for measures that have not been taken are examined.

The board is of the opinion that Nordnet is not large enough to introduce an internal audit department, though an annual assessment is made as to whether such a department is necessary to guarantee continued good internal control within the company. As a credit institution/securities company, Nordnet must, as a part of its internal audit work, conduct an independent audit of the internal control system and compliance with guidelines and processes. For the independent audit, the company has chosen to engage an external party (since September 2007 Deloitte) to conduct the audit and report to management and the board. The 2007 audit focused on IT security, back office management, and contract management. The board has decided on an audit plan for the next two financial years.



BOARD OF DIRECTORS

1. Claes Dinkelspiel, Chair

Born 1941, BSc (Econ), Stockholm School of Economics, Sweden, MBA, Insead, France. Chair of the boards of E. Öhman J:or AB, Gummesson Gruppen AB, MPS Holding AB, Premiefinans AB, Småföretagsinvest AB, and Stockholms Köpmansklubb. Board member of Intellecta AB, Prevas AB, FBN Sweden Service AB, and Stiftelsen Silviahemmet. Board member since 2001, member of the nomination and remuneration committees. Shareholding: 4,800,338

2. Bo Mattsson

Born 1960, BSc (Econ), Stockholm School of Economics, Sweden. Founder of Eurotrade, former CEO of Nordnet Holding AB. Founder and CEO of CINT AB (Cint.com). Board member of Room328 AB and Robust AB. Board member since 2003, member of remuneration committee. Shareholding: 15,012

3. Nils Nilsson

Born 1961, studied at Stockholm School of Economics, Sweden. Founder and chair of Russian Real Estate Investment Company AB. Board member of Invest Real Asset Fund AB and Malka Oil. Board member since 2005. Shareholding: -

4. Ulf Dinkelspiel

Born 1939, BSc (Econ), Stockholm School of Economics, Sweden. Board chair of Landshypotek AB, Sveriges Allmänna Hypoteksbank, Springtime AB, AB Ångpanneföreningen, ICC Sverige, Stiftelsen Sverige i Europa, and Föreningen Svenskar i Världen. Vice-chair of The Royal Institute (Kungliga Tekniska Högskolan), Stockholm. Board member of E. Öhman J:or AB, Premiefinans AB, and Bockholmen Hav och Restaurang AB. Member of IVA. Board member since 2001, member of remuneration committee. Shareholding: 5,906,177

5. Bengt Baron

Born 1962, MBA, University of California, Berkeley. CEO Vin & Sprit AB. Board member since 2007. Shareholding: -

6. Tom Dinkelspiel

Born 1967, studied at Stockholm School of Economics, Sweden. CEO E. Öhman J:or AB and member of associated boards. Board member of Nexum Capital AB, KOGMOT AB, Konsumentkredit i Sverige AB, MPS Holding AB, 4 ever invest AB, 11 Real Asset Fund AB, Russian Real Estate Investment Company AB, Svenska Fondhandlareföreningen, and Young Presidents' Organization YPO Service AB. Board member since 2007. Shareholding: 4,886,550

7. Annica Axelsson

Born 1970, BSc Högskolan Dalarna, MBA, University of Colorado. Division Manager Svenska Spel, honorary appointment Advertisers' Committee, Sweden's Advertisers' Organization. Board member since 2006. Shareholding: -

Dear Shareholder,

In January 2008, fellow board member Sven Skarendahl passed away. For about a year, Sven had bravely fought a malignant cancer, which despite all efforts proved incurable.

In those seven years, his clarity of vision, analytical skills, and sound judgment greatly benefited the work of the board and actively contributed to Nordnet's success.

Sven was a well-respected colleague and a dear friend. His passing is a great loss for Nordnet.

On behalf of the board,

Claes Dinkelspiel
Chair of the Board

GROUP MANAGEMENT

1. Carl-Viggo Östlund

Chief Executive Officer. Born 1955, BSc (Econ), employed since 2007. Board member of Green Cargo and Bindomatic AB, chair of HHS Kamratförening. Previously worked at SalusAnsvar AB, TNT, and Tetra Pak. Convertible debenture loan/warrants: -/150,000. Shareholding: -

2. David Craelius

Chief Information Officer. Born 1974, studied at The Royal Institute, Stockholm, employed since 1999. Convertible debenture loan/warrants: 298,507/- Shareholding: -

3. Torbjörn Östman

Project Manager. Born 1964, studied economics, employed since 1997. Previously worked at the Stockholm Stock Exchange. Convertible debenture loan/warrants: 298,507/- Shareholding: -

4. Maria Zalamans

HR Manager. Born 1964, behavioral science and BSc (Econ), employed since 2005. Previously worked at Scandic Hotels AB, Cell Network, Svenska Torget AB, and PostNet. Convertible debenture loan/warrants: -/- Shareholding: 2,000

5. Fredrik Svederman

Chief Financial Officer. Born 1970, BSc (Econ), employed since 2002. Previously worked at Saab Aircraft Leasing AB, Brunswick Emerging Markets AB, M2S AB. Convertible debenture loan/warrants: 199,004/- Shareholding: -

6. Jessica von Otter

Corporate Communications Manager. Born 1974, BSc (Econ), employed since 1998. Convertible debenture loan/warrants: 99,502/- Shareholding: 34,000

7. Anders Råge

Chief Administration Officer. Born 1957, MSc (Eng), employed since 1999. Previously worked at Aragon Fondkommission AB and Götabanken. Convertible debenture loan/warrants: 497,512/60,000. Shareholding: 25,000

8. Arturo Arques

Manager Products & Services. Born 1965, MSc (Fin Econ), BE, employed since 2007. Juror at Attunda District Court. Previously worked at SEB, SHB, and Richard Hägglöf Fondkommission. Convertible debenture loan/warrants: -/- Shareholding: -

9. Victoria Thore

Chief Operations Officer. Born 1967, BSc (Econ), MBA, employed since 2005. Previously worked at BGC AB, Borneo Internet Management, Lexivision/ins, Östgöta Enskilda Bank AB, and H&M. Convertible debenture loan/warrants: -/- Shareholding: -



Annual Report

” Operating income increased by 19 percent in 2007.

Fredrik Svederman,
Chief Financial Officer



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Administration report

Introduction

The Board and Chief Executive Officer of Nordnet AB (publ), (Nordnet), Swedish corporate identity number 556249-1687, hereby present the annual report and the consolidated financial statements for the 2007 financial year. Nordnet's share has been listed on the OMX Nordic Exchange Midcap list since October 2, 2006.

Business

Nordnet offers savings and securities trading services through its subsidiary Nordnet Bank AB. Parallel to this, the company offers a large number of account and information services. Business is primarily conducted over the Internet. The subsidiary, under the name Aktiedirekt, offers basic online brokerage services for the lowest commission on the market. Cross-border business is conducted in Denmark, Finland, and Germany. Business in Norway is handled through a branch. Nordnet Securities Luxembourg S.A., a wholly owned subsidiary in Luxembourg, offers an online brokerage service primarily aimed at Nordic citizens living abroad. The Nordnet subsidiary Nordnet Pensionsförsäkring AB offers life insurance, with a focus on pension products. Nordnet's other operations include Nordnet Försäkringsförmedling AB, which brokers property insurance, the stock trading chat site VCW Internet Services AB, and the derivative instruments information site Deriva Financial Services AB.

Significant events during the year

For the stock market, 2007 was characterized by much turbulence that led to fervent activity among Nordnet's clients. Account growth for the year was good in all markets, with an increase of 24 percent. Several new services were launched during the year, including a new web service, banking services in Sweden, and mutual funds and pensions in Norway. Moreover, we introduced a number of services to guide clients in Nordnet's broad offering, including PPM management (PPM is part of the Swedish state pension system). Our collaboration with ICA Banken, which enables ICA to offer saving in shares and mutual funds through Nordnet, has developed very well.

The financial uncertainty triggered by problems afflicting the sub-prime market in the USA has not affected Nordnet to any noticeable extent. Nordnet has not been exposed to home loan markets or other segments that have recently suffered hard times.

Results and financial summary

Group

Operating income for the financial year increased by 19 percent to SEK 785.6 (661.1) million. Operating income included net commission of SEK 460.8 (421.5) million, net interest of SEK 272.1 (201.6) million, fees and other income of SEK 29.1 (32.1) million, and net income from financial transactions of SEK 23.7 (5.8) million. Operating costs before credit losses rose by 37 percent to SEK 505.9 (368.8) million. This includes non-recurring items of SEK 31.5 million, comprised of scrapping and the reassessment of the depreciation period for intangible and tangible fixed assets totaling SEK 20.1 million, severance pay totaling SEK 9.2 million, the write-down of acquired goodwill totaling SEK 0.2 million, and other items totaling SEK 2.0 million. Of the SEK 9.2 million in severance pay, SEK 8.5 million is severance pay to the former CEO. Operating profit for the financial year totaled SEK 278.7 (292.1) million. The operating margin was

35 (44) percent. Profit after tax totaled SEK 196.3 (206.7) million. The profit margin was 25 (31) percent. Basic earnings per share were SEK 1.19 (1.25), and after dilution SEK 1.17 (1.22). The group's goodwill totaled SEK 158.2 million at year-end. On December 31, 2007, the group's liquid funds totaled SEK 3,597.1 million, SEK 703.9 million of which were blocked. On December 31, 2007, the group's equity totaled SEK 812.3 million split between 165,018,878 shares, corresponding to SEK 4.92 per share. The group's capital adequacy ratio was 1.3. Fixed capital expenditure for the year amounted to SEK 25.3 (59.8) million. Investments in intangible assets, such as capitalized development expenditure, amounted to SEK 62.3 (33.4) million for the year, SEK 17.4 (12.2) million of which was internally capitalized development expenditure. Marketing costs amounted to SEK 93.3 (89.4) million. The consolidated five-year summary and key ratios are presented on pages 78–80.

Parent company

The parent company's net interest expenses for the financial year totaled SEK -4.2 million. This sum includes intra-group interest expenses of SEK 1.1 million. The parent company's profit before tax was SEK 163.4 million for the year. The above amount includes anticipated dividends from subsidiaries totaling SEK 200 million. The parent company is a holding company with no business activities. The parent company's liquid funds totaled SEK 13.4 million and its equity SEK 669 million at year-end. The shareholders received dividends totaling SEK 82.5 million for the 2006 financial year.

Goal

Nordnet's goal is to double income over a period of three to five years while retaining a high operating margin. To achieve this, we will focus on the following areas:

- Prioritize client access to our systems
- The Nordic region is our domestic market, so we must further strengthen our position here
- A business plan with clear goals for our international venture
- Focusing and streamlining wherein operations and products that do not contribute to profitability are rectified
- Cost awareness
- Sales focus, with the establishment of sales offices in Copenhagen and Helsinki.

Much emphasis will be placed on the continued development of revenues other than commission. Our objective is to within two years reach 100 percent cost coverage from non-commission related revenues.

Future prospects

The financial unrest that characterized securities trading at the end of 2007 has continued in the first part of 2008. Large price movements and high turnover rates benefit Nordnet's revenues in the short term. In the long term, however, a continued volatile market situation has a negative effect as clients reduce their activity and await more stable and favorable circumstances before investing new capital. The assessment is that current uncertainty in the financial markets will remain for a fair part of the year. The work underway at

Nordnet to optimize processes, improve cost-efficiency, and increase control and security will result in good opportunities to retain long-term strong growth and good profitability over the coming years.

All of Nordnet's markets are expected to exhibit good growth. The continued development of asset management services will comprise an important tool for clients who lack either the time or the knowledge to actively manage their savings. Our venture into the pensions market is expected to show continued strong growth. Despite current favorable circumstances, it is important to keep in mind that we need to be able to adapt costs quickly should market conditions deteriorate.

Risks and uncertainty factors

Nordnet's business is influenced by a number of external factors, the effects of which on the group's profit and financial position can be controlled to varying degrees. When assessing the group's future potential, it is important to consider the risk factors alongside the potential earnings growth. The foremost risks in Nordnet's operations are credit risk, market risk, liquidity risk, and operational risk. In its risk management, Nordnet aims to identify, measure, control, and limit its business risks. See Note 7 for a comprehensive description of the risks and their management.

Regulatory supervision

Introduction

Several of Nordnet's business activities are subject to regulatory supervision. These activities are largely regulated by laws, regulations, general guidelines, and business sector agreements. The group's compliance with such rules is therefore of the utmost importance and is subject to regular controls and audits by bodies such as the board and the independent audit unit appointed by the board. The compliance manager appointed by the board is charged with ensuring that group employees and the board are kept informed of the rules applicable to the company's business operations.

Licenses held

Nordnet Bank AB is licensed by the Swedish Financial Supervisory Authority to engage in the activities referred to in the Swedish Act on Banking and Financing Activities (2004:297). This license was received on June 19, 2002. The company is also licensed to pursue securities operations in accordance with Chapter 1, Section 3, Paragraphs 1–5 of the Swedish Act on Securities Activities (1991:981). These licenses were received on May 26, 2000, January 19, 2004, and December 16, 2004. The company also received a license to engage in pension activities in accordance with the Swedish Act on Individual Pension Saving (1993:931) on November 26, 2004. Nordnet Pensionsförsäkring AB has been licensed by the Swedish Financial Supervisory Authority to engage in insurance activities in accordance with the Swedish Act on Insurance Activities (1982:713). This license was received on May 31, 2005. Nordnet Securities Luxembourg S.A. in Luxembourg is licensed by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg to operate as a broker for the receipt and transfer of financial instruments for execution in client accounts. Nordnet Försäkringsförmedling AB acts as an agent in the brokering of property insurance.

Dividend policy

Nordnet's dividend policy stipulates that profits that are not needed to finance the development and consolidation of the business shall be transferred to the shareholders. In the long term, the dividend shall comprise no less than 40 percent of the profit. For 2007, the

board proposes a dividend of SEK 0.50 (0.50) per share, corresponding to 42 [40] percent of net profit.

Nordnet shares

The total number of shares is 165,018,878. There is only one class of share and the share capital totals SEK 165,019 thousand with a par value of SEK 1 per share. One share gives equal rights to a single vote at the AGM and any extraordinary general meetings. As of December 31, 2007, E. Öhman J:or AB was the largest Nordnet shareholder with a holding of 30.9 percent of the share capital and votes. Further information on Nordnet shares is presented on pages 25–26.

The board's proposed guidelines for remuneration to the CEO and other senior executives

Nordnet AB (publ) has a remuneration committee, the members of which in 2007 were Chair of the Board Claes Dinkelspiel and board members Ulf Dinkelspiel, Bo Mattsson, and Sven Skarendahl. The committee's task is to review and submit to the board recommendations for the remuneration principles to apply to the group's senior executives.

The board proposes to the 2008 AGM the following guidelines for determining salary and other remuneration to the CEO and other members of company management, which includes the company's CEO and group management, a total of nine people.

The aim is for the company to offer the level of remuneration and terms of employment required to recruit and retain senior executives with the expertise and capacity to reach agreed goals.

Basic salary shall be set individually and reviewed annually. The bonus shall be limited, in the case of the CEO, to a maximum of 50 percent of basic salary and, in the case of other company management, to a maximum of 30–40 percent of basic salary. The bonus shall also be reviewed annually. With the exception of the CEO, the same pension policy shall apply to members of company management as applies to other employees.

Members of company management were offered the opportunity to subscribe to convertibles issued in the 2005 convertibles program for employees. The members of company management who fulfilled the conditions for participation in the issue utilized this right to subscribe to convertibles on market terms.

The 2007 AGM decided to introduce an incentive program in the form of warrants, providing employees who fulfilled certain conditions with the right to subscribe. The board will not propose a similar program for 2008. The existing program from 2007 will, however, continue to run.

Other, non-monetary benefits to members of company management shall facilitate said members work tasks and correspond to that which can be considered reasonable in relation to general market practice. The board may deviate from the guidelines should an individual case warrants such exception.

The board's proposal to the AGM of April 24, 2008 is in agreement with the remuneration principles of previous years with the exception of the CEO's bonus being limited to a maximum of 50 percent of basic salary, instead of the previous 60 percent, with an increase in pension plan premiums from 30 to 35 percent of basic salary.

The subsidiary Go4us Nordic AB has repurchased the former CEO's convertible debenture loans at a market value of SEK 20 million. Further information is provided in Note 13.

Consolidated income statements

Group, SEK thousands	Note	2007	2006
Interest income	9	434,468	269,276
Interest expense	9	-162,412	-67,647
Commission income	10	744,625	691,189
Commission expenses	10	-283,800	-269,749
Net income from financial transactions	11	23,682	5,836
Other operating income	12	29,055	32,152
Total operating income		785,618	661,057
General administrative expenses	13	-352,233	-240,549
Depreciation, amortization, and impairments of tangible and intangible fixed assets	14	-58,388	-36,340
Other operating expenses	15	-95,239	-91,926
Total expenses before credit losses		-505,860	-368,815
Profit before credit losses		279,758	292,242
Net credit losses	16	-1,056	-113
Operating profit		278,702	292,129
Tax on profit for the year	17	-82,395	-85,410
Net profit for the year		196,307	206,719
Basic, earnings, per, share, SEK	18	1.19	1.25
Diluted, earnings, per, share, SEK	18	1.17	1.22
Proposed, dividend, per, share, SEK	34	0.50	0.50

Consolidated balance sheets

Group, SEK thousands	Note	Dec 31, 2007	Dec 31, 2006
Assets			
Eligible government securities etc.	19	1,291,614	2,391,789
Lending to credit institutions	20	2,305,513	276,503
Lending to the public	21	3,827,969	3,282,384
Financial assets at fair value through profit and loss	22	20,215	18,141
Financial assets held for sale	23	2,852	3,061
Assets in insurance business	24	6,041,963	3,376,278
Intangible fixed assets	25	309,540	278,326
Tangible assets	26	66,387	67,472
Deferred tax claims	17	81	20,216
Other assets	27	757,078	340,470
Prepaid expenses and accrued income	28	28,989	23,196
Total assets		14,652,201	10,077,835
Liabilities			
Liabilities to credit institutions	29	8,331	15,000
Deposits and borrowing from the public	30	7,286,152	5,271,879
Liabilities in insurance business	24	6,043,592	3,376,771
Other liabilities	31	276,083	438,394
Current tax liabilities	17	96,931	109,680
Deferred tax liabilities	17	12,167	11,281
Accrued expenses and deferred income	32	68,033	49,943
Subordinated liabilities	33	48,674	113,474
Total liabilities		13,839,963	9,386,422
Equity			
	34		
Share capital		165,019	165,019
Paid-up capital		308,313	319,525
Other reserves		20,649	2,409
Earned profits including profit for the year		318,257	204,460
Total equity		812,238	691,413
Total liabilities and equity		14,652,201	10,077,835
Pledged assets	35		
Contingent liabilities	35		

Consolidated changes in equity

Group, SEK thousands	Share capital ¹⁾	Paid-up capital	Other reserves ¹⁾	Earned profits	Total ²⁾
Opening balance, January 1, 2006	165,019	319,525	15,644	14,243	514,431
Items charged directly to equity					
Translation difference from translation of foreign operations	-	-	-13,096	-	-13,096
Change in value of financial assets held for sale	-	-	-139	-	-139
Net sum of items charged directly to equity	-	-	-13,235	-	-13,235
Net profit for the year	-	-	-	206,719	206,719
Total income and expenses for the period	-	-	-13,235	206,719	193,484
Transactions with shareholders					
Dividend paid out	-	-	-	-16,502	-16,502
Closing balance, December 31, 2006	165,019	319,525	2,409	204,460	691,413
Items charged directly to equity					
Change in value of financial assets held for sale	-	-	249	-	249
Translation difference from translation of foreign operations	-	-	17,991	-	17,991
Net sum of items charged directly to equity	-	-	18,240	-	18,240
Net profit for the year	-	-	-	196,307	196,307
Total income and expenses for the period	-	-	18,240	196,307	214,547
Transactions with shareholders					
Option component of repurchased convertible debenture loan	-	-2,200	-	-	-2,200
Repurchased convertible debenture loan	-	-10,000	-	-	-10,000
Received warrant premiums	-	988	-	-	988
Dividend paid out	-	-	-	-82,510	-82,510
Closing balance, December 31, 2007	165,019	308,313	20,649	318,257	812,238

¹⁾ See Note 34 for further information.

²⁾ Equity is fully attributable to the parent company's shareholders.

Consolidated cash flow statements

Group, SEK thousands	Note	2007	2006
Operating activities			
Interest and commission received		1,179,093	967,042
Interest and commission paid		-446,119	-336,105
Payments to suppliers and employees		-394,828	-302,555
		338,146	328,582
Increase/decrease in operating assets			
Increase (-) / Decrease (+) in lending to the public		-545,585	-685,095
Increase (-) / Decrease (+) in other assets		-463,665	-89,429
Increase/Decrease in operating liabilities			
Increase (+) / Decrease (-) in deposits and borrowing from the public		2,014,273	1,539,440
Increase (+) / Decrease (-) in liabilities		-56,964	181,175
Income tax paid		-116,239	-70,202
Cash flow from operating activities		1,169,966	1,204,472
Investment activities			
Acquisitions of intangible fixed assets		-53,119	-33,444
Acquisitions of tangible fixed assets		-25,277	-59,758
Net investments in securities		-2,114	-,7384
Acquisitions of subsidiaries		-5,728	-
Cash flow from investment activities		-86,238	-100,586
Financing activities			
Loan amortization		-71,469	-12,000
Dividend paid out		-82,510	-16,502
Cash flow from financing activities		-153,979	-28,502
Exchange rate differences in cash and cash equivalents		-914	-696
Cash flow for the year		928,835	1,074,688
Cash and cash equivalents at beginning of year		2,668,292	1,593,604
Cash and cash equivalents at year-end		3,597,127	2,668,292
Cash and cash equivalents include: ³⁾			
Eligible government securities ⁴⁾		1,291,614	2,391,789
Lending to credit institutions (bank deposits)		2,305,513	276,503
		3,597,127	2,668,292

³⁾ This amount includes SEK 703,879 (740,280) thousand in blocked funds. See Note 35.

⁴⁾ This amount includes eligible government securities maturing in less than 90 days.

Parent company income statements

Parent company, SEK thousands	Note	2007	2006
Other operating income	36	10,277	9,487
Total operating income		10,277	9,487
Other external costs	37	-6,954	-5,415
Personnel costs	38	-17,879	-7,923
Depreciation, amortization, and impairments of tangible and intangible fixed assets	39	-27	-54
Other operating expenses		-1,654	-1,048
Operating profit		-16,237	-4,953
Profit from financial investments			
Income from participations in affiliated companies	40	200,000	138,000
Other interest and similar income	41	2,967	541
Write-downs of financial fixed assets and current investments	44	-16,161	-
Interest expense and similar expenses	41	-7,186	-10,461
Profit after financial items		163,383	123,127
Tax on profit for the year	42	5,452	4,165
Net profit for the year		168,835	127,292

Changes in parent company equity

Parent company, SEK thousands	Share capital	Statutory reserve	Other restricted reserves	Retained earnings	Net profit for the year	Total
	165,019	262,111	12,100	31,056	-	470,286
Opening balance, January 1, 2006						
Items charged directly to equity						
Group contributions	-	-	-	14,875	-	14,875
Tax on group contributions	-	-	-	-4,165	-	-4,165
Taxed profit transfer paid	-	-	-	-8,407	-	-8,407
Net sum of items charged directly to equity	-	-	-	2,303	-	2,303
Income and expenses for the period						
Net profit for the year					127,292	127,292
Total income and expenses for the period	-	-	-	-	127,292	127,292
Transactions with shareholders						
Dividend paid out	-	-	-	-16,502	-	-16,502
Equity, December 31, 2006	165,019	262,111	12,100	16,857	127,292	583,379
Opening balance, January 1, 2007	165,019	262,111	12,100	144,149	-	583,379
Items charged directly to equity						
Group contributions	-	-	-	31,497	-	31,497
Tax on group contributions	-	-	-	-8,819	-	-8,819
Taxed profit transfer paid	-	-	-	-22,678	-	-22,678
Net sum of items charged directly to equity	-	-	-	0	-	0
Income and expenses for the period						
Net profit for the year	-	-	-	-	168,835	168,835
Total income and expenses for the period	-	-	-	-	168,835	168,835
Transactions with shareholders						
Warrants issue	-	-	989	-	-	989
Repurchase of convertible debenture loan	-	-	-2,094	-	-	-2,094
Dividend paid out	-	-	-	-82,510	-	-82,510
Equity, December 31, 2007	165,019	262,111	10,995	61,639	168,835	668,599

See Note 47 for further information.

Parent company balance sheets

Parent company, SEK thousands	Note	Dec 31, 2007	Dec 31, 2006
Assets			
Fixed assets			
Tangible fixed assets			
Equipment	43	0	38
		0	38
Financial fixed assets			
Participations in affiliated companies	44	663,878	665,843
Other investments held as fixed assets		50	422
Deferred tax claims	42	81	3,367
		664,009	669,632
Total fixed assets		664,009	669,670
Current assets			
Receivables from affiliated companies		233,148	171,223
Other receivables	45	1,161	211
Prepaid expenses and accrued income	46	882	1,805
		235,191	173,239
Cash and bank balances		13,385	5,762
Total current assets		248,576	179,001
Total assets		912,585	848,671
Equity			
	47		
Restricted equity			
Share capital		165,019	165,019
Statutory reserve		262,111	262,111
Other reserves		10,995	12,100
		438,125	439,230
Non-restricted equity			
Retained earnings		61,639	16,857
Net profit for the year		168,835	127,292
		230,474	144,149
Total equity		668,599	583,379
Liabilities			
Current liabilities			
Liabilities to group companies		163,065	124,093
Other liabilities	48	65,333	136,249
Accrued expenses and deferred income	49	15,588	4,950
Total liabilities		243,986	265,292
Total liabilities and equity		912,585	848,671
Memorandum items			
Pledged assets		None	None
Contingent liabilities		None	None

Parent company cash flow statements

Parent company, SEK thousands	2007	2006
Operating activities		
Profit after financial items	163,383	123,127
Adjustments for items not included in cash flow etc.	-183,801	-137,946
	-20,418	-14,819
Tax paid		-
Cash flow from operating activities before changes in working capital	-20,418	-14,819
Cash flow from changes in working capital		
Decrease (+) / Increase (-) in other receivables	145,064	10,704
Increase (+) / Decrease (-) in liabilities	49,789	40,559
	194,853	51,263
Cash flow from operating activities	174,435	36,444
Investment activities		
Shareholder contribution	-14,196	-10,000
Cash flow from investment activities	-14,196	-10,000
Financing activities		
Dividend paid out	-82,510	-16,502
Received warrants	989	-
Loan amortization	-71,095	-12,000
Cash flow from financing activities	-152,616	-28,502
Cash flow for the year	7,623	-2,058
Cash and cash equivalents at beginning of year	5,762	7,820
Cash and cash equivalents at year-end	13,385	5,762
Cash and cash equivalents comprise the company's cash and bank balances		
Adjustments for non-cash items comprise the following:		
Anticipated dividend	-200,000	-138,000
Write-down of shareholding in subsidiary	16,161	-
Depreciation of fixed assets	27	54
	-183,801	-137,946

Notes

Note 1. Company information

The consolidated financial statements of Nordnet AB (the parent company) for the financial year ending December 31, 2007 were approved for publication by the board and Chief Executive Officer on March 26, 2008 and will be presented to the AGM on April 24, 2008 for adoption. The parent company is a Swedish limited liability company headquartered in Stockholm, Sweden. The company's share has been listed on the OMX Nordic Exchange Midcap list since October 2, 2006. Prior to this, the share had been listed on the Stockholm Stock Exchange O-list since April 2000. The group's primary business is described in the Administration report on page 40.

Note 2. Accounting principles applied in the report

The consolidated financial statements are based on historic acquisition values, with the exception of derivative financial instruments, financial assets held for sale, and financial assets at fair value through profit and loss, which are valued at fair value. All amounts are stated in thousands of Swedish kronor (SEK), unless otherwise indicated.

Statement on compliance with applicable accounting standards

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). As the parent company is registered in the EU, only IFRS adopted by the EU are applied.

The consolidated financial statements are prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL 1995:1559) since Nordnet AB is considered a financial holding company, which means the group must also comply with the provisions of this law when preparing the consolidated financial statements. Further, the consolidated financial statements are prepared in accordance with the Swedish Financial Supervisory Authority's instructions and general guidelines for the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (FFFS 2006:16), as well as the Swedish Financial Accounting Standards Council's recommendation RR 30:06 on complementary accounting rules for groups and the Council's Emerging Issues Task Force's recommendations.

The parent company's annual accounts are prepared in accordance with the Swedish Annual Accounts Act (ÅRL 1995:1554) and in compliance with the Swedish Financial Accounting Standards Council's recommendation RR 32:06 on the reporting of legal entities. Consequently, IFRS valuation and disclosure policies are applied with the exceptions and amendments detailed in the section entitled Parent company accounting principles.

Principles of consolidation

The consolidated financial statements encompass the parent company and its subsidiaries as of December 31 each year. The financial reports of the parent company and its subsidiaries included in the consoli-

dated financial statements relate to the same period and are prepared in accordance with the accounting principles applied to the group.

All intra-group business – income, expenses, profits, or losses arising in transactions between companies included in the consolidated financial statements – is eliminated in its entirety.

A subsidiary is included in the consolidated financial statements from the date of acquisition, which is the date when the parent company gains a determining influence, and remains included in the consolidated financial statements until the day when the parent company ceases to have a determining influence. The parent company has a determining influence when it holds more than half the votes in a company, either directly or indirectly through a subsidiary.

Assets and liabilities in the consolidated balance sheet are generally presented in the order of liquidity, as this classification is more relevant to the operations pursued by the group.

Note 3. Changed accounting principles

2007

Since January 1, 2007, IFRS 7 Financial Instruments: Disclosures and Supplement to IAS 1 Presentation of Financial Statements are applied. IFRS 7 was already implemented voluntarily the previous year. In addition to changes to the above-mentioned recommendations, four new IFRIC interpretations, IFRIC 7, 8, 9, and 10, apply. Among other things, the current disclosure requirements for risk exposure and risk management relating to financial instruments are improved. Descriptions shall now be provided for, among other items, the capital base, external capital requirements, and whether these have been fulfilled. IFRS 7, the additions to IAS 1, and IFRIC 7, 8, 9, and 10 have no effect on the Nordnet Group's income statements, balance sheets, cash flow statements, and equity. Aside from this, the group's accounting principles are unchanged.

2008

As of January 1, 2008, the three IFRIC interpretations IFRIC 11, 12, and 14 apply. These interpretations have no effect on the Nordnet Group's income statements, balance sheets, cash flow statements, and equity. Nordnet does not apply the interpretations that come into effect in 2008 in advance.

Note 4. Important estimates and assessments

Certain assumptions about the future and certain estimates and assessments on closing day are of particular importance in valuing assets and liabilities in the balance sheet. Areas with the greatest risk of changes during the coming year due to the possible need to alter assumptions or estimates are discussed below.

Impairment test of goodwill

Reported goodwill is tested for impairment at least once a year to de-

termine whether any write-downs are needed. This test requires an assessment of the utility value of the cash-generating unit, or groups of cash-generating units, to which the goodwill value is attributed. This in turn requires an estimate of the expected future cash flow from the cash-generating unit and the determination of a relevant discount rate for computing the present value of the cash flow. The assessments made on December 31, 2007 are specified in Note 25.

Note 5. Applied accounting principles

Business combinations

IFRS 3 has been applied to corporate acquisitions conducted since January 1, 2004, in line with IFRS 1 and consequently an exception to the main rule for the retroactive application of IFRS.

IFRS 3 states that the actual value of the acquired unit's identifiable assets and liabilities is established at the time of acquisition. These fair values also include the proportion of the assets and liabilities attributable to any remaining minority shareholders of the acquired business. Identifiable assets and liabilities also include assets, liabilities, and provisions, including commitments from and claims made by outside parties, that are not reported in the acquired company's balance sheet.

Provisions are not made for expenditure relating to restructuring planned as a result of the acquisition. The difference between the acquisition value and the acquired proportion of the net assets of the acquired business is classified as goodwill and reported as an intangible asset in the balance sheet.

The utility period of each individual intangible asset is determined and the asset amortized over this period. If the utility period is considered to be indeterminable, no amortization is made. An assessment that returns an indeterminable utility period for an intangible asset takes into account all relevant circumstances and is based on there not being any foreseeable final time limit for the net cash flow that the asset generates. The utility period of goodwill is generally deemed to be indeterminate.

Foreign currency effects and translation of foreign subsidiaries

The consolidated financial statements are presented in Swedish kronor, which is the functional and reporting currency of both the parent company and Nordnet Bank AB. All group companies determine their own functional currency, and each item in the financial reports is valued based on the functional currency. Transactions in foreign currencies are originally reported in the functional currency after translation using transaction date exchange rates. Monetary assets and liabilities denominated in foreign currencies are translated into the group's functional currency using closing day exchange rates. All exchange gains and losses are reported in the income statement. Non-monetary items in foreign currencies, which are valued at historic acquisition value, are translated into the functional currency using the exchange rate at the time of the original transaction.

Translation differences, foreign subsidiaries

Translation involves all assets, provisions, and liabilities being translated at closing day rates and all income statement items being translated at average rates for the reporting period. Any exchange rate differences arising are posted directly to equity. If a foreign subsidiary is divested, the accumulated exchange rate difference is reported in the income statement.

Financial assets and financial liabilities

Financial instruments reported in the balance sheet include, among assets, interest-bearing receivables, other receivables, accounts receivable, and cash and cash equivalents. Liabilities include accounts payable and loans. Foreign currency derivatives are reported as assets or liabilities depending on whether the fair value is positive or negative.

The group's financial assets are classified as financial assets at fair value through profit and loss, loans receivable and accounts receivable, or financial assets held for sale. When a financial asset is reported for the first time, it is valued at fair value plus, in the case of financial assets not in the category of financial assets at fair value through profit and loss, transaction costs directly attributable to the acquisition or issue of the financial asset. When a financial asset is valued after the first reporting occasion, it is reported in accordance with one of the following three categories under which the financial asset was classified at the time of acquisition.

Acquisitions and divestments of financial assets are reported on the transaction date, which is the day when the company undertakes to acquire or divest the asset.

The fair value of a financial asset that is listed on an active market is determined as the closing price on closing day. In the few cases where there is no active market, fair value is determined based on recently executed transactions between informed parties who are independent of each other.

A financial asset and a financial liability are set off and reported at a net value in the balance sheet when there is a legal right to set off the reported amounts and an intention to settle the items with a net amount or simultaneously realize the asset and settle the liability.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss fall into two subcategories.

The first subcategory, financial assets classified as being held for trading, is reported as a financial asset at fair value through profit and loss. A financial asset is classified as being held for trading if: it was acquired or arose with the main object of being sold or repurchased in the short term; it is part of a portfolio of identified and collectively managed financial instruments for which there is a demonstrated, recent, and actual pattern of short-term profit realization; or the financial instrument is a derivative, aside from those cases where the derivative is held as a hedge. Profits and losses from assets held for trading are reported in the income statement. Assets in the insurance business are classified in this category.

The second subcategory comprises financial assets that on the first reporting occasion are identified as items valued at fair value through profit and loss.

Loans receivable and accounts receivable

Loans receivable and accounts receivable are financial assets that are not derivatives, have determined or determinable payments, and are not listed on an active market. These are valued at accrued acquisition value after the deduction of write-downs and specific provisions for credit losses. Profits and losses are reported in the income statement when the financial asset is removed from the balance sheet or written down, or else through accrual accounting. Settlements receivable and settlements payable are reported at net value in the balance sheet under other assets in accordance with IAS 32. Accounts receivable are entered in the balance sheet once invoiced. Accounts receivable have a short expected duration, which is why the value is

reported at the nominal amount without discounting. A financial asset is removed from the balance sheet when the contractual rights have been realized or expired or when the company has lost control over said asset. The same applies to part of a financial asset.

If there is objective evidence showing that a need has arisen to write down the value of a financial asset in the category loans receivable and accounts receivable, the write-down is computed as the difference between the asset's book value and the present value of estimated future cash flows (excluding future credit losses that have not yet occurred) discounted to the financial asset's original effective yield. The write-down is entered in the income statement. Credit losses are reported as confirmed credit losses during the year, or as a provision for probable credit losses. All or part of a receivable that is not considered collectable or obtainable by realization of the collateral is reported as a confirmed loss. Confirmed losses are written down when there is no realistic possibility of recovery. An amount corresponding to the difference between the loan receivable's book value and its estimated recovery value is entered in the accounts as a provision for probable losses.

Provisions for probable credit losses are made if a receivable is uncertain, that is:

- if on the basis of past events and prevailing circumstances on closing day it is probable that payments will not be made in accordance with the contract terms and conditions; and
- there is no collateral that covers with an adequate margin both the loan amount and the interest, including any compensation for delayed payment.

Loans receivable are valued individually when determining the need for provisions for probable credit losses.

Restructured loans receivable, such as in the form of reduced interest rates due to borrowers' financial difficulties, are not deemed uncertain if it is considered likely that payments will be made in accordance with the contract terms after restructuring.

Recovered credit losses are reported as a reduction in the net cost of credit losses for the year.

Financial assets held for sale

Financial assets held for sale are assets that are not derivatives, have been identified as being available for sale, and have not been classified as belonging to any of the three categories mentioned above. The change in value is reported directly under equity, under changes in equity, with the exception of write-downs and currency gains and losses, until the financial asset is removed from the balance sheet, at which point the accumulated profit or loss previously reported under equity is entered in the income statement.

If there is objective evidence for a need to write down the value of a financial asset in the category assets held for sale, the accumulated negative change in value reported directly to equity is removed from equity and entered in the income statement, even if the financial asset has not been removed from the balance sheet. The amount of the accumulated negative change in value that can be removed from equity and reported in the income statement is the difference between the acquisition cost and the fair value, less any write-down in the value of the financial asset previously reported in the income statement.

Write-downs reported in the income statement for an investment in an equity instrument classified as a financial asset held for sale are not reversed in the income statement.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet consist of lending to credit institutions and eligible treasury securities maturing within 90 days of the acquisition date. Cash equivalents can readily be converted into cash of a known amount and are not exposed to any significant value fluctuation risk.

Cash and cash equivalents in the cash flow statement are defined as above. The consolidated cash flow statements are prepared using the direct method, while the parent company's cash flow statements are prepared using the indirect method. The consolidated cash flow statements are prepared using the direct method since this method best reflects the character of the business.

Convertible debenture loan

The convertible debenture loan is reported partly as a financial liability and partly as equity. The division between the two categories is based on the valuation made in conjunction with the issue. The original division is not changed over the duration of the loan, but upon maturity if required. Interest costs are distributed over the duration of the loan.

Financial liabilities

When a financial liability is reported for the first time, it is valued at fair value plus, in the case of a financial liability that does not belong to the category financial liabilities at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

After the first reporting occasion, all financial liabilities are valued at accrued acquisition value using the effective interest method.

A liability is entered in the balance sheet when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Accounts payable are entered in the balance sheet when invoices have been received. Accounts receivable have a short expected duration and are valued at the nominal amount without discounting.

A financial liability is removed from the balance sheet when the contractual obligations have been fulfilled or otherwise expired. The same applies to part of a financial liability.

Financial liabilities in the insurance business, where clients carry the investment risk, are categorized in the same manner as the corresponding assets, that is, as financial assets and liabilities at fair value through profit and loss.

Tangible fixed assets

Tangible fixed assets are reported as assets in the balance sheet when it is likely that the future financial benefits will fall to the company and the acquisition value of the assets can be reliably estimated.

Tangible fixed assets are reported at acquisition value, less accumulated depreciation and any accumulated write-downs. Assets are depreciated in a straight line over the utility period to an estimated residual value. If there is any indication of a loss of value, an impairment test is used to determine a recovery value. If this falls short of the book value, a write-down is made.

The book value of a tangible asset is removed from the balance sheet in conjunction with scrapping or disposal or when no future financial benefit can be expected. Profits and losses arising when a tangible fixed asset is removed from the balance sheet are determined as the difference between any net sales income, in the event of a sale, and the asset's book value.

The utility periods of tangible fixed assets are examined at least

once a year (at the end of each financial year) and, if necessary, the depreciation period is adjusted.

Equipment, computers, and other hardware are normally depreciated over three to four years. Expenditure on improvements to third-party property is depreciated in a straight line over the shorter of the remaining duration of the tenancy agreement and the useful life of the improvements.

Intangible assets

Intangible fixed assets are reported as assets in the balance sheet when it is likely that the future financial benefits will fall to the company and the acquisition value of the assets can be reliably estimated. An intangible asset is valued at acquisition value the first time it is entered in the balance sheet. After the first reporting occasion, an intangible asset is entered in the balance sheet at acquisition value, less any accumulated amortization and accumulated write-downs. Internally-generated intangible assets, apart from capitalized development expenditure, are not capitalized, but entered in the income statement for the period the expenditure was incurred. The asset is amortized linearly throughout its utility period to an estimated residual value and amortization is not begun until the asset is ready to be used. Amortization is normally spread over three to five years. The residual values and utility periods of intangible assets are examined, regardless of whether there is any indication of loss of value, at least once a year (at the end of each financial year) and if necessary the amortization period is adjusted and/or a write-down is made. If there is an indication of a loss of value, the asset is impairment tested and a recovery value estimated. If this falls short of the book value, this value is written down. Intangible assets that have not yet been utilized are also impairment tested annually, even if there is no indication that write-downs may be necessary.

Capitalized development expenditure

Capitalized development expenditure consists partly of externally purchased services and partly of capitalized personnel costs. Capitalized expenditure relates to the development of trading systems and other applications that will generate long-term financial benefits for the group in the form of higher income or lower costs. Expenditure is reported as an asset when incurred. Capitalized development expenditure is reported in the balance sheet at acquisition value less amortization and write-downs. Once an asset has been completed, the capitalized development expenditure is amortized over the estimated utility period.

Capitalized development expenditure is amortized over three to five years, depending on the estimated utility period.

Goodwill

At the time of acquisition, the goodwill arising from a corporate acquisition is reported as an asset, valued at acquisition value, and corresponds to the proportion of the acquisition value that exceeds the net fair value of the acquired proportion of the acquired unit's identifiable assets, liabilities, and contingent liabilities. After the first reporting occasion, the goodwill arising is valued at acquisition value after deduction of any accumulated write-downs. Accrued goodwill is impairment tested at least once a year to determine any need for write-downs. Impairment tests may be made more frequently if events or circumstances indicate that a write-down may be needed.

When reviewing the need to write down the value of acquired goodwill, it is allocated among the group's cash-generating units or

groups of cash-generating units that are expected to benefit from the synergies associated with the acquisition, regardless of whether other assets or liabilities of the acquired company are allocated to these units or groups of units. Each unit or group of units to which goodwill is allocated shall:

- correspond to the lowest level in the company at which the goodwill in question is monitored by the company's internal control routines and
- shall be larger than a segment, based on the criteria for the company's primary and secondary segments as defined in IAS 14 Segment Reporting.

The goodwill value of a cash-generating unit (group of units) is written down when the associated recovery value is less than the associated book value.

Impairment of assets

On each closing day, the company determines whether there is any indication that an asset may have declined in value. If this is the case, the asset's recovery value is calculated. The recovery value of an asset or cash-generating unit is the higher of the fair value less selling costs and the utility value. If the book value is less than the recovery value, the value shall be written down to the recovery value. When computing the recovery value, future cash flow is estimated and then discounted to present value using a discount factor before tax, taking into account the time value of money and the risks specifically related to the asset for which future cash flow estimates have not been adjusted. Write-downs are entered in the income statement under the specific income statement items and for the period to which the write-downs relate.

Each closing day the company also determines whether there is any indication that an earlier write-down in the value of an asset, apart from goodwill, is no longer justified, whether in part or in full. If there are such indications, the asset's recovery value is computed. Any previous write-down of an asset, apart from goodwill, is only reversed if there has been a change in the assumptions used to determine the asset's recovery value when it was last written down. If this is the case, the asset's book value shall be increased to the recovery value. The increase is reported in the income statement as a reversed write-down. An increase in the book value of an asset, other than goodwill, as a consequence of the reversal of an earlier write-down may not result in the book value exceeding the amount the company would have reported had it not written down the value of the asset. A reversal of a write-down in the value of an asset, other than goodwill, is reported immediately in the income statement, unless the asset is reported at a reappraised value, in which case it is treated as an increase in value instead. When a write-down is reversed, future depreciation or amortization is adjusted so that the new book value, after deducting any residual value, is distributed over the asset's remaining utility period.

Leasing

Leasing contract classifications are determined by the extent to which the financial risks and benefits associated with ownership of each leasing object are borne by/fall to the lessor or the lessee. A leasing contract is classified as a financial leasing contract if the financial benefits and risks associated with ownership of the leasing object are transferred, in all essentials, from the lessor to the lessee. A leasing contract is classified as operational if these benefits and risks are not transferred, in all essentials, to the lessee.

Objects held on the basis of financial leasing contracts are reported in the balance sheet as fixed assets while obligations to pay future leasing charges are reported as liabilities. Depreciation of and interest on such liabilities are charged to the accounts over the duration of the contract on the basis of utility.

Objects held on the basis of operational leasing contracts are not reported in the balance sheet. The leasing fees associated with an operational leasing contract are charged to the accounts over the duration of the contract on the basis of utility. The group only has operational leasing contracts.

Insurance contracts and investment contracts

Nordnet's insurance policies are either mutual fund or conventional policies. With conventional insurance, the policy value is simply the contingent dividends, which means the insurance has no guaranteed insurance capital. The policyholders carry the investment risk of investments.

Upon payment, the Kapitalpension, Tjänstepension, and Privat Pension products can be converted into mutual fund insurance. If the insurance remains a conventional policy, a fixed annual amount of three percent, based on the value of the policy on the date of the first payment, will be paid out during the first five years. This amount is guaranteed for the first five years.

The value of a mutual fund policy depends on the investments made by the policyholder. The policyholders carry the investment risk of investments.

IFRS differentiates between insurance contracts and investment contracts. Insurance contracts are contracts wherein the group accepts a significant insurance risk on behalf of the policyholder by agreeing to compensate the policyholder or another beneficiary should a predetermined insured event occur. Investment contracts are financial instruments that cannot be defined as insurance contracts since they do not transfer any significant insurance risk from the policyholder to the group. Risk products that include health insurance, premium waivers, sums payable at death, or survivor annuities are classified as insurance contracts. Other products are classified as investment contracts.

Assets in insurance business

Assets in the insurance business comprise the policyholders' investments in securities in the Kapitalförsäkring, Kapitalpension, Privat Pension, and Tjänstepension products. The policyholders carry the investment risk of these investments, with the exception of any guaranteed amount in a conventional paying insurance policy. The assets in the insurance business are valued at fair value through profit and loss. The fair values of the investments are based on the most recent bid prices. The amounts received from and paid to policyholders are reported in the balance sheet as deposits and withdrawals respectively.

Investment contract commitments

The commitments of contracts classified as investment contracts are reported as a liability to the policyholders. The size of this liability is directly proportional to changes in the value of the underlying securities, as well as deposits and withdrawals. The liability is reported under liabilities valued at fair value through profit and loss.

Changes in the value of the assets in the insurance business and the corresponding changes in the commitments of investment contracts are reported net in the income statement. The reason for this is that the changes in value are fully attributable to the policyholders. Reporting these changes as a net value simplifies matters

for the policyholders and other interested parties in understanding the transactions and assessing the company's earnings and future cash flow.

Insurance contract commitments

Contracts classified as insurance contracts are reported as a liability to the policyholders. The liability comprises provisions for unknown damages. The liability for unknown damages is calculated on an actuarial basis.

Employee benefits

Short-term benefits

Short-term benefits, including salaries, social security expenses, paid short-term leave, bonuses, and certain non-monetary benefits, are reported in the income statement for the period during which the employee earned the benefits. Provisions for bonuses are reported when the company has a legal or informal obligation to make such payments when the concerned services have been performed by the employees and the amount of the provision can be reliably estimated.

Benefits post-employment

Benefits post-employment comprise pensions. The group only has defined contribution pension plans, which are included in the income statement for the period during which the employee worked for the group. A defined contribution pension plan entails paying a defined contribution based on a certain percentage of the employee's salary into said employee's pension account, which the company opens with an insurance company. The final size of the employee's pension depends on how much money has been paid in and what return the money has earned. This contrasts with a defined benefit pension plan where the employer guarantees the employee a certain predetermined pension.

Severance pay

Severance pay in the case of termination of employment is reported immediately as a cost as the group will not receive any future financial benefits.

Provisions and contingent liabilities

Provisions

A provision is reported in the balance sheet when a formal or informal commitment exists as a consequence of a past event and it is likely that an outflow of resources will be needed to fulfill the commitment and a reliable estimate of the amount can be made. In cases where it is expected that all or part of the amount required to cover a provision will be settled by a third party, the payment is reported when – and only when – it is almost certain that it will be received if the commitment is fulfilled. The settlement is reported as a separate asset in the balance sheet. The reported settlement cannot exceed the provision. The cost of a provision is reported net in the income statement after deducting any payment from a third party.

A provision for restructuring is reported only when a detailed restructuring plan has been drawn up and the restructuring process has either begun or been announced to the parties concerned.

Contingent liabilities

A contingent liability is reported when: there is a possible commitment originating in past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more

uncertain future events not entirely within the company's control; or when there is a commitment originating in past events and it has not been reported as a liability or provision as it is not likely that an outflow of resources will be needed to fulfill the commitment or the amount of the commitment cannot be estimated with sufficient accuracy.

Income recognition

Income is recognized at the fair value of what has been or will be received. Income is recognized when the financial outcome can be reliably estimated, significant risks have been transferred to the buyer, and it is likely that the financial benefits associated with the transaction will fall to the group.

The group's most important income sources are described below.

Interest income

Interest income attributable to loans to credit institutions and loans to the public is recognized as income when earned, which means interest income is distributed over the period to which it belongs using the effective interest method. The effective interest method is a method for calculating the accrued acquisition value of a financial asset and for distributing interest income over time.

Commission income

Commission income, which mainly comprises the commission charged in conjunction with the buying and selling of securities, is recognized as income when the transaction is completed. Commission for mediating securities in conjunction with new share issues, the sale of products, and underwritten share issues is recognized as income in the period when the service is rendered. Commission from mutual fund operations mainly comprises account opening commission, which is recognized as income in conjunction with the buying of mutual funds, and commission based on mutual fund volumes, which is recognized as income monthly and based on actual volumes.

Net income from financial transactions

Realized and unrealized changes in value attributable to financial transactions classified as financial assets at fair value through profit and loss are reported under this item. Such income also comprises dividends received, foreign exchange fees, and currency gains and losses on financial assets held for sale.

Other operating income

Other operating income includes income from account-related services, information services, software, service and support fees from partners, and fees for certain insurance and pension products. This income is recognized in the period in which the service is rendered and provided to the client.

Borrowing costs

Borrowing costs are charged to profit for the period to which the costs relate, regardless of how the borrowed funds are used.

Income taxes

The group's total tax consists of current tax and deferred tax.

Current tax

Current tax is tax to be paid or received for the current year. This also includes adjustments to current tax attributable to previous periods.

Current tax liabilities and current tax claims attributable to the current or earlier periods are valued at the amounts which, in the company's assessment, are to be paid to or received from the tax authorities. The amounts are calculated using the tax rates and regulations that have been decided on – or in practice decided on – as of closing day.

Current tax is charged directly to equity if the tax is attributable to items charged directly to equity in the same period.

Deferred tax

Deferred tax liabilities for all taxable temporary differences are reported in the balance sheet with the exception of tax liabilities attributable to the first entry of goodwill or the first entry of an asset or a liability originating from a transaction that is not a corporate acquisition and that at the time of the transaction affected neither reported nor taxable profit. Deferred tax liabilities attributable to taxable temporary differences due to interests in subsidiaries, branches, associated companies, or joint ventures are reported unless the following two conditions are satisfied:

- the parent company, investor, or joint owner can determine when the temporary differences will be reversed; and
- it is probable that the reversal will not be made within the immediate foreseeable future.

Deferred tax claims for all deductible temporary differences are reported in the balance sheet to the extent it is probable that the amounts can be set off against future taxable surpluses, with the exception of tax claims attributable to the first entry of an asset or a liability in a transaction that is not a corporate acquisition, and that, at the time of the transaction, affects neither reported nor taxable profit.

Deferred tax claims attributable to deductible temporary differences attributable to interests in subsidiaries, branches, associated companies, and joint ventures are reported only to the extent it is probable that the temporary difference will result in a tax deduction in the foreseeable future and that there are sufficient taxable surpluses against which the deduction can be set off.

The book value of a deferred tax claim is examined at the end of each financial year. The value is reduced to the extent it is no longer probable that sufficient taxable surpluses will be available. The reduction is reversed to the extent it is later considered to be probable that sufficient taxable surpluses will be available.

Deferred tax claims and deferred tax liabilities are valued at the tax rates expected to be applicable for the period the asset was realized or the liability was settled using the tax rates and tax regulations that had been decided or announced as of closing day.

Deferred tax is charged directly to equity if the tax is attributable to items that in the same period or another period are charged directly to equity.

Deferred tax claims and deferred tax liabilities are reported net only if there is a legal right to set off the current tax claims against current tax liabilities and if they relate to taxes debited by the same tax authority and for the same tax subject.

Segment reporting

A segment is a line of business or a geographic region. A line of business is part of a company that is identifiable in accounting terms, that provides an individual product or service or a group of similar products or services, and that is exposed to risks and opportunities that differ from those that apply to other lines of busi-

ness. A geographic region is part of a company that is identifiable in accounting terms and that provides products or services within an economic environment that is exposed to risks and opportunities that differ from those that apply to other economic environments.

The group has identified lines of business as its primary segments and geographic regions as its secondary segments.

The group is considered to have two lines of business: securities trading and insurance brokerage. The securities business includes the services provided by Nordnet Bank AB and Nordnet Pensionsförsäkring AB. As insurance brokerage represents less than 10 percent of the group's income, profit, and assets, there is no obligation to report this segment separately. In the group's opinion, there is only one geographic region since the countries in which the group operates do not differ significantly in terms of risks or opportunities. Consequently, no segments are reported.

Parent company's accounting principles

The parent company's annual accounts are prepared in accordance with the Swedish Annual Accounts Act (ÅRL 1995:1554) and in compliance with the Swedish Financial Accounting Standards Council's recommendation RR 32:06 on the reporting of legal entities. Consequently, IFRS valuation and disclosure policies are applied with certain exceptions and amendments depending on the legislation, mostly that of the Swedish Annual Accounts Act, and the relation between reporting and taxation. The differences between the accounting principles of the parent company and the group are presented below.

Classification

Fixed assets, long-term liabilities, and provisions consist, in all essentials, of amounts that are expected to be realized (recovered) or paid more than 12 months after closing day. Current assets and current liabilities consist, in all essentials, solely of amounts that are expected to be realized (recovered) or paid within 12 months of closing day.

Group contributions and shareholder contributions

Group contributions and shareholder contributions are reported in the accounts of legal entities in accordance with the recommendation of the Swedish Financial Accounting Standards Council's Emerging Issues Task Force. Shareholder contributions are charged directly to equity by the recipient and capitalized in shares and participations by the provider to the extent write-downs are not required. Group contributions are reported in accordance with their financial purpose. Group contributions provided and received in order to minimize the group's tax burden are reported by the parent company as a decrease or an increase respectively in non-restricted equity adjusted for estimated tax.

Financial fixed assets

Financial fixed assets refer to participations in subsidiaries and are reported by the parent company in accordance with the acquisition value method. Only dividends received are reported as income on the condition that they are attributable to profits earned after the acquisition. Dividends in excess of such earned profits are deemed to be repayment of the investment and reduce the reported value of the participations.

Untaxed reserves

Swedish tax legislation permits companies to make provisions to special reserves. In this way, within certain limits companies can

control and retain reported business profits without immediate taxation. Untaxed reserves later become liable to taxation when released. In the consolidated accounts, on the other hand, untaxed reserves are split between deferred tax liability and equity.

Goodwill amortization

Goodwill is regularly amortized over the utility period from the original acquisition value to a residual value. Amortization periods are 5-20 years.

Note 6. Transactions with affiliates

The group conducts certain transactions with affiliates, which are described below. No provisions for doubtful receivables or expenses for doubtful receivables were reported during the financial year.

Agreements with E. Öhman J:or AB

E. Öhman J:or AB is affiliated with Nordnet AB (publ) because the company has a direct shareholding in Nordnet AB (publ) and because relatives of the owners E. Öhman J:or AB have a direct shareholding in Nordnet AB (publ). Nordnet AB (publ) has previously had two perpetual subordinated loans of SEK 20 million and SEK 30 million respectively from the parent company E. Öhman J:or AB. The loans, which had market interest rates, were repaid during the year at the group's initiative.

Ongoing business relations with E. Öhman J:or Fondkommission AB

E. Öhman J:or Fondkommission AB is a subsidiary of the aforementioned E. Öhman J:or AB.

Nordnet Bank AB regularly enters into a variety of business relations with E. Öhman J:or Fondkommission AB in the same way that it regularly does so with other stockbrokers and banks. According to Nordnet's board, these business relations have been entered on market terms. On occasion during the year, certain internal audit services were purchased from the E. Öhman J:or group on market terms. During the year, Nordnet Bank AB received commission income and other income totaling SEK 1,351 (724) thousand. As of December 31, 2007, overdue accounts receivable totaled SEK 138 (-) thousand and accounts receivable not yet due totaled SEK 58 (41) thousand.

Other transactions with affiliates

For information on salaries and other remuneration, costs, and commitments, such as pensions and similar benefits, as well as contractual severance pay, of the board, CEO, and other senior executives, see Note 13.

No other group company has granted loans, guarantees, or sureties to any other senior executive.

Note 7. Risks

Risk exposure is a fundamental part of the financial operations Nordnet pursues. It is of great importance that this risk exposure is of a determined form and limited in nature. Nordnet's ambition is for the company's control environment to reflect the company's ethics and corporate culture. The ethical guidelines are established by the board and communicated to all employees, as are other governing documents in the form of policies, guidelines, and procedures.

Nordnet's board has ultimate responsibility for Nordnet's operations and for ensuring that these operations include satisfactory internal controls. The board issues central policy documents stipulating how risks are to be managed. The CEO is responsible for the day-to-day running of the business by implementing the board's policies for different risks as described below. Additionally, the company has an independent unit, Risk & Internal Control, charged with examining and controlling identified risks and control procedures. The Risk & Internal Control unit reports weekly and, if necessary, to the CEO and the board directly. Business risks are managed on several levels at Nordnet. Individual departments and groups are delegated responsibility through various procedures and instructions for reconciliations and other control measures in their own areas, and identified risks are reported to Risk & Internal Control. The company also has an independent audit unit, appointed by the board, as required by the Swedish Financial Supervisory Authority. This unit is charged with auditing operations and reporting its findings directly to the board. Responsibility for ensuring that information about laws, regulations, and internal instructions is disseminated within Nordnet rests with the compliance unit. All Nordnet employees encompassed by SwedSec's licensing requirements have undergone training and received their licenses. In addition to this, many employees not formally encompassed by licensing requirements have received equivalent training and passed tests arranged by SwedSec.

Nordnet's business faces various types of risk, such as credit risk, market risk, liquidity risk, and operational risk. In order to limit and control these risks and the company's risk exposure, Nordnet's board, which has ultimate responsibility for Nordnet's internal control systems, has established policies and instructions for lending and other financing activities. Nordnet's business concept does not include direct exposure to market risks, which means Nordnet does not partake in trading or otherwise directly expose itself to financial risks. More detailed information is provided in the market risks description below. See Note 55 for a breakdown of credit risk exposure associated with different types of counterparty.

Credit risks

Credit risk is the risk that Nordnet will not receive agreed payment and/or will incur a loss as a result of a counterparty's inability to fulfill its obligations and where the available collateral does not cover Nordnet's claims. The underlying transaction could comprise a loan, a security, a derivative contract, or a currency transaction. Nordnet's credit risk primarily comprises loans granted with listed shares and mutual funds (primarily Nordic, German, and American securities) as collateral (margin lending).

Nordnet also carries a counterparty risk in the currency swaps Nordnet conducts to even any currency exposure arising as a result of clients trading in securities listed in different currencies. If the banks acting as counterparties in these swaps are unable to fulfill their obligations, Nordnet faces the risk that settlement of the position will prove more expensive than originally agreed due to

unfavorable exchange rate fluctuations. Nordnet's risk in a scenario such as the above with a movement in SEK of 10 percent would amount to SEK 43.1 million.

The investment of surplus liquid funds involves a certain amount of credit risk, though such surpluses are mostly invested in government securities, which entail negligible risk exposure.

Nordnet's lending is subject to rigorous demands as regards ethics, quality, and control. The deciding factors in Nordnet's decision to lend are the collateral for the loan in the form of eligible securities, account balances in various currencies, and the client's creditworthiness. In order to limit the credit risk, the pledged securities portfolio shall, depending on the size of the loan, normally be well diversified in terms of risk. Otherwise, the permitted margin lending is limited. Margin lending is granted within the framework of a special credit policy and margin levels based on an internally developed model. This model is based primarily on the liquidity and volatility of individual shares and is regularly updated with new information. Margin levels for shares currently vary between 0 and 85 percent of the current market value, while for fund units they lie between 0 and 95 percent of the current market value. The margin levels are updated at least every quarter, or when individual circumstances warrant it.

In order to maintain good control over lending, clients are assigned credit limits. This limit is based on the client's requirements, the quality of the collateral, and the client's creditworthiness. The credit policy stipulates which Nordnet personnel are entitled to approve an increased credit limit. Nordnet's credit committee, staffed by senior executives, decides on matters concerning larger credit limits while the board decides on the very largest credit issues. Nordnet's credit department continually monitors lending at aggregate and individual levels and deals with clients who have exceeded their credit limits. The credit department reports to management weekly, and at other times when there is reason, providing a summary of the current credit situation. Nordnet's assessment is that there is no concentration of credit risks. The group's lending exhibits a good spread in the geographic markets.

Market	Total utilized credit, SEK M	Share of total credit volume, %	Number of accounts with utilized credit	Average credit, SEK
SE	1,623	46	6100	266,066
NO	1,351	38	2200	614,091
DK	444	13	700	634,286
FI	47	1	200	235,000
DE	39	1	300	130,000
LUX	19	1	100	190,000
Total	3,523	100	9600	366,979

The table below shows the credit volume for set credit intervals and the share of total outstanding credit.

Interval	Number	Net total, SEK M	Share of total, %
<SEK 10 thousand	2,200	8	0.2
SEK 10 - 500 thousand	5,800	877	24.9
SEK 500 - 2,000 thousand	1,300	1,169	33.2
>2000	300	1,469	41.7
Total	9,600	3,523	100.0

Nordnet also offers lending without collateral with two standard products named Kredit50 and Kredit 250. These are unsecured credit facilities granted after credit checks by Nordnet's credit department and comprise an account service. Kredit50 always provides SEK 50,000 in credit and Kredit250, which is only offered to Private Banking clients, always provides SEK 250,000 in credit. Other terms for Kredit 50/250, with the exception of the collateral requirement, are the same as for margin lending. About 700 clients have been granted unsecured credit facilities to a total approved line of credit of about SEK 56 million.

Despite the fact that Nordnet regularly monitors clients' exposure, dramatic price movements, for example, can put individual clients in a situation where the value of the collateral no longer covers Nordnet's claims. Nordnet has established procedures for handling such situations. Nordnet initially examines the possibility of a solution in the form of direct settlement of the debt or a payment plan. If the claim exceeds a certain amount, the matter is escalated to Nordnet's credit committee. Provisions shall be made in accordance with the stipulations of Nordnet's credit policy. See Note 16 for a description of Nordnet's credit losses.

As year-end, Nordnet's margin lending totaled SEK 3.8 billion including lending in foreign currencies. The value of the total collateral in the form of eligible securities in the accounts that were pledged totaled SEK 10.6 billion. Consequently, the average margin level of all clients utilizing margin lending was about 36 percent.

Nordnet's total credit risk exposure is comprised of the principal that corresponds to receivables in the balance sheet or contingent liabilities to clients and counterparties. The largest exposure is thus lending to the public, which amounts to SEK 3,828 million including lending in foreign currencies, which as with the above is secured with pledged securities. Normally, the collateral value of listed shares does not exceed 85 percent of their market value. Before a definite credit loss can arise when settling a debt, the pledged shares would have to be sold on the market at a price lower than after a 15 percent drop. Lending to credit institutions, comprised of account balances in other banks, totaled SEK 2,306 million. Nordnet invests surplus liquid funds in a smaller number of commercial banks with very high credit ratings. Further, holdings in government securities totaled SEK 1,292 million. The board of Nordnet has established instructions for the investment of clients' net deposits. These instructions stipulate that these funds shall be invested in bank accounts, government securities, or other interest-bearing assets with good credit ratings and a fixed rate term of no more than 15 months, unless the assets are immediately realizable, in which case they are considered at call.

Market risks

The most important market risks in financing activities are interest rate risks, currency risks, and equity price risks. Interest rate risk is defined as the risk that the market value of the bank's fixed interest assets will fall when market interest rates rise. The level of interest rate risk, or interest price risk, increases the longer the duration of the commitment. Another kind of interest rate risk is net interest income risk, that is, the risk that net interest income will drop when interest rates rise since the fixed rate term for deposits is generally shorter than for lending.

In Nordnet's case, the fixed rate term is the same for deposits as for lending, which is why this risk does not arise. On the other hand, net interest income will gradually deteriorate as a result of continually falling market interest rates, as there is a limit to how much deposit rates can be reduced as they cannot be negative. The same applies when interest rates rise, as the deposit rate need not be increased to the same extent as the lending rate. In the case of a 1 percent change in market interest rates, the net interest income risk would amount to about SEK 31.4 million. Subordinated liabilities amount to SEK 46.5 million, the interest rates of which are adjusted quarterly. If market interest rates fall, a risk estimated at about SEK 0.5 million arises.

Nordnet's interest rate risk is low since the company's investment policy stipulates that liquid funds must not be invested in fixed-income securities or otherwise invested such that the average duration exceeds fifteen months. Further, investments are to prioritize government securities. Note 52 includes the fixed rate terms. At year-end, the interest rate risk on interest-bearing positions was about SEK 2.1 million for a change in market interest rates of 1 percentage point.

Currency risks stem from assets and liabilities of differing amounts in the same foreign currency and client positions in different currencies, since exchange rates can fluctuate wildly and result in negative net assets. In those cases where clients do not have a currency account, Nordnet hedges any currency exposure by buying and selling currencies several times a day. Only small flow-related currency positions can normally remain open for longer than one banking day. The net assets of foreign operations are not hedged against currency fluctuations, as this is not group policy. At year-end, net exposure was SEK 126.6 million. An unfavorable exchange rate movement of 10 percent would subsequently entail a risk of about SEK 12.7 million. A more detailed description of assets and liabilities in foreign currencies is found in Note 53.

The equity price risk is the risk that the market value of an equity investment will fall as a result of changes in market assessments. For Nordnet, this is an indirect risk as loans are granted with eligible securities as collateral, as described above. Nordnet's own exposure to equity price risk is considered to be low since the group does not normally have any major positions because operations are focused on brokering, with the exception of the Experts service described on page 14. Nordnet does, however, maintain a small trading stock to facilitate trade in certain shares and mutual funds. At year-end, Nordnet's total exposure to equity price risk totaled SEK 20.2 million. A short-term unfavorable movement in share prices of 10 percent would entail a risk of about SEK 2 million. In conjunction with Nordnet's participation as a distributor in new share issues and diversification offerings, Nordnet can also choose to participate as an underwriter for part of the issue in IPOs. Nordnet's board has determined the limits of such underwriting in its policy.

Liquidity risk

Liquidity risk is the risk that Nordnet is unable to fulfill its obligations to pay on due dates without considerably increasing its means of payment costs. By investing surplus liquid funds in short duration government securities, accepting deposits from the public, and raising bank credit facilities, Nordnet is in a good position to meet this risk. Nordnet's board has a policy requiring the availability of a buffer of at least SEK 100 million to meet any such unexpected liquid fund requirements.

Operational risk

Operational risk is the risk of financial losses or loss of face as a result of flaws or shortcomings in internal procedures and controls, disruptions in internal and external systems, human error, or external events such as embezzlement, fire, or sabotage. Operational risk also includes legal risks and IT risks. Operational risks are found throughout Nordnet's operations and maintaining good internal control over them demands effective systems and procedures, staff training, and good management. Individual departments have primary responsibility for handling operational risks. Risk & Internal Control works with identifying, controlling, and measuring operational risks and supports the business in these areas. In an important step, an IT security unit has been established and works with identifying, preventing, and controlling risks related to Nordnet's IT systems. This unit cooperates with Risk & Internal Control and Legal and Compliance to create a high level of compliance with regulations and increased awareness of operational risks. In light of the increasing threat against Internet banks, intensive security work has been initiated in which the level of protection is to be adapted to current threats using a flexible risk-based model.

Risks in the insurance business

Insurance risks

Risks in the insurance business mainly comprise mortality risks, ill health risks, and operating cost risks. Business performance is regularly followed up at product level and this provides a basis for determining current premiums and fees. The company has a reinsurance policy with fixed levels of maximum self-retention. The reinsurance policy held by the company limits its risk at individual level in compliance with the established policy.

Investment risks

The insurance business mainly offers savings insurance wherein the policyholder carries the entire investment risk. Conventional pension insurance policies include a guaranteed payment during the first five years of payments. The guaranteed annual amount is three percent of the policy value.

Note 8. Acquired business operations

On November 8, 2007, the subsidiary VCW Internet Services AB acquired all shares in Deriva Financial Services AB. Deriva runs Sweden's leading information site for warrants and options. This acquisition is part of an increased focus on specialist areas in trading and saving in securities. The purchase price is estimated at SEK 9.4 million, which includes an estimated additional purchase price of SEK 3.2 million. The additional purchase price is based on Deriva's advertising sales in 2008–2010. The entire purchase price has and will be paid in cash.

A goodwill item of SEK 9.2 million has arisen, which mostly comprises expected increased commission income from increased trade in derivative instruments. No identifiable intangible assets have been found. Income and profits after the acquisition amount to SEK 193 thousand and SEK 50 thousand respectively. The book value and fair value of the acquired assets are equal.

The following assets and liabilities were included in the acquisition of Deriva Financial Services AB:

Acquisition of Deriva Financial Services AB

Cash and cash equivalents	472
Tangible assets	40
Other assets	251
Other liabilities	-567
Acquired net assets	196
Goodwill	9,204
Purchase price	9,400
Purchase price	9,400
Less unpaid additional purchase price	-3,200
Less Deriva's cash and cash equivalents	-472
Outflow of cash and cash equivalents	5,728

Note 9. Group – Net interest

Net interest	2007-01-01– 2007-12-31	2006-01-01– 2006-12-31
Interest income		
Interest income on lending to credit institutions	102,097	43,219
Interest income from fixed income securities	56,655	30,856
Interest income on lending to the public	270,723	194,620
Other interest income	4,993	581
	434,468	269,276
Interest expense		
Interest expense for liabilities to credit institutions	-1,005	-1,137
Interest expense for deposits and borrowing from the public	-155,591	-57,655
Interest expense for subordinated liabilities	-5,423	-8,424
Other interest expense	-392	-431
	-162,412	-67,647
Net interest	272,056	201,630

The average interest rate on lending to the public was 7.34% (6.63%) for the year. The average interest rate paid on deposits and borrowing from the public was 1.93% (1.04%).

Net interest by geographic market:	2007-01-01– 2007-12-31	2006-01-01– 2006-12-31
Sweden	167,408	115,833
Norway	66,565	52,122
Denmark	28,568	25,466
Germany	1,007	1,744
Finland	1,616	1,011
Luxembourg	6,892	5,454
	272,056	201,630

Net interest income of SEK 56,655 (30,856) thousand is attributable to fixed-income securities for trading.

Note 10. Group – Net commission

Net commission	2007-01-01– 2007-12-31	2006-01-01– 2006-12-31
Commission income		
Commission on securities	743,233	689,779
Insurance broking commission, Property	1,392	1,410
	744,625	691,189
Commission expenses		
Commission on securities	-283,800	-269,749
Net commission	460,825	421,440
Net commission by geographic market:		
Sweden	226,804	204,422
Norway	126,766	130,298
Denmark	57,511	53,605
Germany	22,134	14,426
Finland	10,367	4,270
Luxembourg	17,243	14,419
	460,825	421,440

Note 11. Group – Net income from financial transactions

Net income from financial transactions	2007-01-01– 2007-12-31	2006-01-01– 2006-12-31
Capital gains/losses from shares and participations	8,942	1,532
Unrealized changes in value of shares and participations	-3,865	-3,183
Capital gains/losses from fixed-income securities	67	119
Unrealized changes in value of fixed-income securities	110	-25
Currency-related	18,430	7,393
	23,682	5,836
Net income from financial transactions by geographic market:		
Sweden	12,696	1,231
Norway	5,746	2,299
Denmark	2,532	963
Germany	1,748	757
Finland	870	173
Luxembourg	90	413
	23,682	5,836

Note 12. Group – Other operating income

Other operating income	2007-01-01– 2007-12-31	2006-01-01– 2006-12-31
Fixed custody account fees	4,225	6,597
Other custody account-related incidental income	12,831	16,918
Portal-related advertising income	1,065	331
Other	10,934	8,306
	29,055	32,152
Other operating income by geographic market:		
Sweden	17,554	20,448
Norway	5,558	6,534
Denmark	1,772	2,356
Germany	1,680	1,194
Finland	440	119
Luxembourg	2,051	1,501
	29,055	32,152

Note 13. Group – General administrative expenses

General administrative expenses	2007-01-01– 2007-12-31	2006-01-01– 2006-12-31	Average number of employees by geographic market:	2007-01-01– 2007-12-31	2006-01-01– 2006-12-31
Personnel costs	-190,385	-128,862	Sweden	280	194
Information costs	-32,527	-33,165	Norway	16	9
System and communications costs	-34,209	-27,646	Luxembourg	6	8
Purchased services (see below for auditing costs specification)	-28,754	-18,123		302	211
Lease and property costs	-19,266	-12,702			
Other operational leasing costs (see specification below)	-2,032	-1,100			
Other general administrative expenses	-45,061	-18,951			
Total general administrative expenses	-352,233	-240,549			
Average number of employees for the year:					
Total	302	211			
- of which women	144	93			
- of which men	158	118			
			Personnel costs breakdown:		
			Wages, salaries, and other remunera- tion	-144,269	-94,219
			Social security contributions	-33,793	-24,819
			Pension costs	-16,863	-11,315
			Other personnel costs	-12,833	-10,701
			Total personnel costs	-207,759	-141,054
			Of which capitalized personnel costs	17,374	12,192
			Total reported personnel costs	-190,385	-128,862

Remuneration to senior and company management

Remuneration to senior management

2007	Basic salary	Bonus	Benefits	Pension costs	Fees	Severance pay	Total
Chair of the Board,							
Claes Dinkelspiel	-	-	-	-	-300	-	-300
Other board members							
Annica Axelsson	-	-	-	-	-150	-	-150
Bengt Baron	-	-	-	-	-150	-	-150
Bo Mattsson	-	-	-	-	-150	-	-150
Nils Nilsson	-	-	-	-	-150	-	-150
Sven Skarendahl	-	-	-	-	-150	-	-150
Tom Dinkelspiel	-	-	-	-	-150	-	-150
Ulf Dinkelspiel	-	-	-	-	-150	-	-150
CEO							
Carl-Viggo Östlund (November 15–December 31)	-420	-	-	-90	-	-	-510
Klas Danielsson (January 1–November 14)	-2,952	-900	-30	-953	-	-6,450	-11,285
	-3,372	-900	-30	-1,043	-1,350	-6,450	-13,145
2006	Basic salary	Bonus	Benefits	Pension costs	Fees	Severance pay	Total
Chair of the Board,							
Claes Dinkelspiel	-	-	-	-	-250	-	-250
Other board members							
Annica Axelsson	-	-	-	-	-125	-	-125
Bo Mattsson	-	-	-	-	-125	-	-125
Nils Nilsson	-	-	-	-	-125	-	-125
Sven Skarendahl	-	-	-	-	-125	-	-125
Ulf Dinkelspiel	-	-	-	-	-125	-	-125
CEO							
Klas Danielsson	-2,585	-1,155	-33	-502	-	-	-4,275
	-2,585	-1,155	-33	-502	-875	-	-5,150

	2007-01-01– 2007-12-31		2006-01-01– 2006-12-31	
	Men	Women	Men	Women
Sick leave				
Sick leave was as follows:				
Age 29 or under				
% of planned normal working hours*	1.89%	4.07%	1.17%	3.23%
Age 30-49				
% of planned normal working hours*	1.56%	3.68%	1.84%	2.60%

* Planned normal working hours are normal working hours less leave of absence and vacation.

As fewer than 10 employees are 50 or over, no information is provided on sick leave for this cohort. Total sick leave is 2.61 [2.12] percent. In 2007, long-term sick leave accounted for 17.71 [15.44] percent of all sick leave. Long-term sick leave is consecutive sick leave of 60 days or more.

CEO

On November 15, 2007, Carl-Viggo Östlund assumed the position of new CEO and Group President, taking over from Klas Danielsson.

Incumbent CEO Carl-Viggo Östlund

The incumbent CEO's basic salary for 2008 is SEK 275,000 a month plus a maximum bonus of 50 percent of basic salary. The final bonus is based on the board's assessment of business developments and the CEO's role as Group President and CEO. Occupational pension provisions for 2008 total 35 percent of pensionable income. Pensionable income comprises basic salary including vacation pay.

The CEO and the company have a mutual period of notice of six months. If the CEO takes up a new position or starts a business during the period of notice, any income from such employment or business shall be deducted from the severance pay.

Should notice be given by the company, the CEO is entitled to severance pay corresponding to 18 months basic monthly salary.

The company car is neutral in terms of costs to the company as a gross salary deduction is made from basic salary to cover the company's costs.

The planning and decision-making process with regard to the remuneration and other benefits of the CEO is a matter for the board, which has appointed a remuneration committee to prepare such matters. The members of the remuneration committee are presented under Corporate governance 2007 on page 28.

Former CEO Klas Danielsson

The basic salary paid to the former CEO for 2007 totaled SEK 250,000 (220,000) a month. According to agreement, the bonus paid to the former CEO for 2007 totals a maximum of SEK 1,800,000, corresponding to 60 percent of basic salary, and is to be decided by the board. The final bonus is based on the board's assessment of business developments and the employee's role as Group President and CEO. For 2007, a bonus of SEK 900,000 was awarded and will be paid in 2008. A provision for the full amount was made on December 31, 2007. In the event of termination of employment, the former CEO has the right to six months dismissal pay including pension premiums and 18 months severance pay corresponding to a total of SEK 6,450,000. The total amount including social security contributions is SEK 8,500,000, for which provisions were made on December 31, 2007.

The subsidiary Go4us Nordic AB has repurchased all of the former CEO's 1,000 promissory notes for the convertible debenture loan 2005/2010 at a market value of SEK 20 million. The cost to the company amounts to SEK 10 million, which is charged as an owner-

ship transaction directly to equity. The market value was estimated by an independent external party.

Board

In addition to the board fee, remuneration of SEK 30,000 was paid to each member of the remuneration committee. See page 29. No other remuneration was paid to the board. There are no other contractual pension or severance pay arrangements.

There were 7 (5) male and 1 (1) female board members in 2007.

The planning and decision-making process for the remuneration of the chair of the board is handled by the board. Board remuneration was distributed in accordance with the decision adopted by the AGM.

Information on the shareholdings of board members is provided on page 29.

Remuneration to company management

	Basic salary	Bonus	Benefits	Pension costs	Total
2007	-7,028	-1,391	-87	-1,301	-9,807
2006	-6,054	-1,398	-92	-1,054	-8,598

Company management underwent changes during the year and as of December 31, 2007 there were eight members other than the CEO, 5 (4) of whom are men and 3 (3) of whom are women. All are employed in Sweden. See also page 37. Remuneration in the above table applies to the period each person was a member of company management.

For 2007, bonuses to company management are limited to 30-40 percent of basic salary. Bonuses for the 2007 financial year totaling SEK 1,364,000 will be paid in 2008. A provision for the full amount was made on December 31, 2007. For 2008, bonuses are limited to 30-40 percent of basic salary.

Proposals for salary adjustments or other remuneration for company management are submitted by the CEO to the remuneration committee, which has been mandated by the board to prepare such matters.

There is a mutual period of notice of three to six months between the company and company management, including subsidiary CEOs and VPs. Should notice be given by the company to the VP of Nordnet Bank AB, he or she will be entitled to severance pay corresponding to six months basic monthly salary. There are no other severance pay agreements.

There are no special benefits for company management apart from company cars arranged to be neutral in terms of costs to the employer.

Convertible debenture loan 2005/2010

In 2005, the employees were offered the opportunity to buy convertible debentures. The purchase price corresponded to the market value and was calculated by an external party. The interest rate is 7-day STIBOR + 1.2 percentage points and the loan matures on December 30, 2010, unless converted prior to this date. Conversion into equity can take place between July 1, 2009 and November 30, 2010 and the conversion price has been set at SEK 10.05. See pages 36-37 for the holdings of senior and company management.

Warrants 2007/2010

In 2007, the employees were offered the opportunity to buy warrants. The purchase price corresponded to the market value and

was calculated by an external party. Subscriptions can be made during the period September 3, 2007 to July 1, 2010. The subscription price is set at SEK 28.20. See pages 36-37 for the holdings of senior and company management.

Pension policy

The group's pension policy is to offer a defined contribution plan that applies to all group personnel, with the exception of the Group President/CEO (see above). The group's pension costs amount to an average of 12 percent depending on age and salary.

Auditing costs

	2007-01-01- 2007-12-31	2006-01-01- 2006-12-31
Ernst & Young		
Auditing	-2,632	-2,529
Other assignments	-475	-580
	-3,107	-3,109
PricewaterhouseCoopers		
Auditing	-48	-280
Other assignments	-	-
	-48	-280
Deloitte		
Auditing	-	-
Other assignments	-437	-519
	-437	-519
Total	-3,592	-3,908

Auditing refers to audits of the annual report and the accounts, as well as the administration of the board of directors and CEO, other assignments falling to the company's auditors to perform, and consulting services and other assistance resulting from observations made in such audits or the implementation of other such assignments. All other tasks fall under Other assignments.

Operational leasing contracts

	2007-01-01- 2007-12-31	2006-01-01- 2006-12-31
Premises	-16,209	-9,615
Equipment	-1,318	-1,100
	-17,527	-10,715

Contracted future charges

	Within one year	
	2007-12-31	2006-12-31
Premises	-16,762	-13,092
Equipment	-1,375	-1,080
	-18,137	-14,172
	One to five years	
	2007-12-31	2006-12-31
Premises	-37,317	-43,901
Equipment	-1,595	-1,715
	-38,912	-45,616
	Over five years	
	2007-12-31	2006-12-31
Premises	-6,543	-14,645
Equipment	-	-
	-6,543	-14,645

Note 14. Group – Depreciation, amortization, and impairments of tangible and intangible fixed assets

Depreciation, amortization, and impairment of tangible and intangible fixed assets	2007-01-01- 2007-12-31	2006-01-01- 2006-12-31
Capitalized development expenditure	-29,941	-18,375
Consolidated goodwill (write-down)	-212	-1,218
Intangible asset, client portfolio	-3,936	-3,931
Equipment	-24,299	-12,816
	-58,388	-36,340

Note 15. Group – Other operating expenses

Other operating expenses	2007-01-01- 2007-12-31	2006-01-01- 2006-12-31
Marketing expenses	-93,280	-89,409
Other	-1,959	-2,517
	-95,239	-91,926

Note 16. Group – Net credit losses

Net credit losses	2007-01-01- 2007-12-31	2006-01-01- 2006-12-31
A. Specific provision for individually valued loans receivable:		
1. Confirmed credit losses written off during the year	-116	-2,553
2. Reversed provisions for previous years for probable credit losses now reported as confirmed losses in the annual accounts	210	2,458
3. Year's provision for probable credit losses	-1,827	-620
4. Recovered confirmed credit losses from previous years	55	-
5. Provisions for probable credit losses reversed as no longer necessary	622	602
6. Net credit costs for the year	-1,056	-113
B. Joint provision for individually valued loans receivable	-	-
C. Jointly valued homogeneous groups of loans receivable of limited value and with similar credit risk	-	-
D. Transfer risk	-	-
E. Contingent liabilities	-	-
Net expense of credit losses for the year	-1,056	-113

All credit losses are attributable to receivables from the public and amount to 0.00% (0.00%) of the closing book value of loans receivable.

Note 17. Group – Taxes

		2007-01-01– 2007-12-31		2006-01-01– 2006-12-31
Tax reported in income statement				
Current tax expense (-) / tax income (+)				
Current tax on net profit for the year		-61,212		-80,798
Deferred tax expense (-) / tax income (+)				
Deferred tax for temporary differences		-967		-4,164
Deferred tax due to utilization of previously capitalized taxable value of deficit deductions		-20,216		-448
		-21,183		-4,612
Tax on profit for the year		-82,395		-85,410
Reconciliation of effective tax				
Profit before tax		278,702		292,129
Tax at current rate of tax for parent company	28.0%	-78,037	28.0%	-81,796
Effect of other tax rates for affiliated companies	0.9%	-2,618	0.7%	-2,002
Effect of non-deductible costs	0.2%	-548	0.3%	-788
Effect of non-taxable income	-0.1%	208	0.0%	68
Effect of write-down of consolidated goodwill	0.0%	-59	0.1%	-341
Effect of corrected tax from previous years	0.2%	-629	0.1%	-206
Effect of other items	0.3%	-712	0.1%	-345
Reported effective tax	29.6%	-82,395	29.2%	-85,410
Deferred tax claims and tax liabilities				
		Deferred tax claims	Deferred tax liabilities	Net 2007
Deficit deductions		-	-	-
Other tax claims		81	-	81
Tangible and intangible fixed assets		-	-12,167	-12,167
Net deferred tax claims and tax liabilities		81	-12,167	-12,086
		Deferred tax claims	Deferred tax liabilities	Net 2006
Deficit deductions		20,216	-	20,216
Tangible and intangible fixed assets		-	-11,281	-11,281
Net deferred tax claims and tax liabilities		20,216	-11,281	8,935
Change in deferred tax component of temporary differences and deficit deductions				
	Opening balance, January 1, 2007	Reported in income statement	Charged to equity	Closing balance, December 31, 2007
Utilization of deficit deductions	20,216	-20,216	-	0
Untaxed reserves	-30,874	-1,672	-	-32,546
Other provisions	19,593	705	81	20,379
Net deferred tax claims and tax liabilities	8,935	-21,183	81	-12,167

During the year, deferred tax claims of SEK 20.2 million were set off against taxable income in the group. As of closing day, no unutilized deferred tax claims remained.

Current tax liabilities of SEK 96,931 thousand are attributable to Nordnet Bank AB, the Norwegian branch Nordnet Bank NUF, TeleTrade Solutions AS, Nordnet Pensionsförsäkring AB, and Nordnet Securities Luxembourg S.A. This tax will be paid in 2008.

Note 18. Group – Earnings per share

	2007-01-01– 2007-12-31	2006-01-01– 2006-12-31
Basic earnings per share		
Net profit for the year	196,307	206,719
Weighted average number of outstanding shares before dilution	165,018,878	165,018,878
Basic earnings per share	1.19	1.25
Diluted earnings per share		
Net profit for the year	196,307	206,719
Reversal of interest expense after tax, convertible debenture loan	1,680	1,225
Adjusted profit	197,987	207,944
Average number of outstanding shares	169,938,944	170,491,514
Diluted earnings per share	1.17	1.22
Weighted average number of outstanding shares before dilution	165,018,878	165,018,878
Weighted average number of additional shares on full conversion	4,920,066	5,472,636
Total weighted average number of shares after dilution	169,938,944	170,491,514

Outstanding warrants are not included in the calculation of the average number of outstanding shares as they do not have any real value. The terms for conversion of the convertible debenture loan and warrant program are presented in Note 33.

Note 19. Group – Eligible government securities

The Swedish Government is the issuer of all government securities, all of which are listed. Since eligible government securities can be converted before maturity and are therefore not intended to be permanently used or owned by the business, they are classified as current assets.

	2007-12-31	2006-12-31
Remaining duration		
- up to one month	299,570	1,497,848
- one to three months	992,044	893,941
- more than three months but less than one year	-	-
Total	1,291,614	2,391,789
Average remaining duration (years)	0.1	0.1

Note 20. Group – Lending to credit institutions

Since loans to credit institutions can be converted before maturity and are therefore not intended to be permanently used or owned by the business, they are classified as current assets. Loans to credit institutions are payable in full on demand.

	2007-12-31	2006-12-31
Remaining duration		
- payable on demand	2,305,513	276,503
- no more than three months	-	-
- more than three months but less than one year	-	-
Total	2,305,513	276,503
Average remaining duration (years)	0.0	0.0

Note 21. Group – Lending to the public

Since loans to the public can be converted before maturity and are therefore not intended to be permanently used or owned by the business, they are classified as current assets.

	2007-12-31	2006-12-31
Remaining duration		
- up to one month	3,827,969	3,282,384
- one to three months	-	-
- more than three months but less than one year	-	-
Total	3,827,969	3,282,384
Average remaining duration (years)	0.1	0.1

On the basis of borrowers' countries of residence, the company's loans receivable are geographically attributable to:

	2007-12-31	2006-12-31
Sweden	45.5%	44.3%
Norway	38.3%	38.1%
Denmark	13.5%	16.5%
Germany	1.4%	0.5%
Finland	1.3%	0.6%

Loans receivable break down as follows:

	2007-12-31	2006-12-31
Business consumers	185,193	243,669
Other consumers	1,252,232	1,008,088
Public outside Sweden	2,087,485	1,841,216
Non-financial corporate sector	301,530	187,203
Other	1,529	2,208
Total	3,827,969	3,282,384

Note 22. Group – Financial assets at fair value through profit and loss

	2007-12-31	2006-12-31
Shares held for trading	13,627	11,620
Other shareholdings	6,588	6,521
	20,215	18,141

Shares held for trading are attributable to the Experts service (see page 14).

Other shareholdings are attributable to temporary holdings held primarily in conjunction with share issues.

Note 23. Group – Financial assets available for sale

	Capital interests	2007-12-31	2006-12-31
Shares and participations, unlisted	-	158	530
Shares and participations, listed	-	2,694	2,531
		2,852	3,061

Listed holdings concern Nordic Growth Market (NGM), which is an authorized stock market under the supervision of the Swedish Financial Supervisory Authority.

NGM offers listing and stock trading on the NGM Official and NGM Equity lists and trading in derivatives on Nordic Derivatives Exchange (NDX).

Note 24. Assets and liabilities in insurance business

Assets and liabilities in insurance business	2007-12-31	2006-12-31
Financial assets where policyholders carry the investment risk		
Shares and participations	4,729,234	2,598,965
Interest-bearing securities	395,818	150,397
Cash and cash equivalents	916,911	626,916
	6,041,963	3,376,278
Liabilities in insurance business		
Life insurance provision	77,769	15,583
Pending damages	1,629	493
Fund insurance obligations	42,665	13,245
Contingent dividends	5,921,529	3,347,450
	6,043,592	3,376,771
of which liabilities for investment contracts	6,041,842	3,376,024
of which liabilities for insurance contracts	1,557	472

All assets of the insurance business are assets for which policyholders directly bear the investment risk. The risk for liabilities in the insurance business associated with investment contracts is borne directly by the policyholders. This means policyholders receive the income, but also bear the risk associated with the assets and liabilities of the insurance business. The group has no right to the cash flow attributable to these invested funds.

These assets and liabilities are valued, as for financial assets and liabilities, at fair value through profit and loss. The net effect on profit of acquired securities, unrealized changes in value, realized changes in value, interest and dividends received, premiums paid, and changes in the value of liabilities is zero.

Note 25. Group – Intangible fixed assets

Intangible fixed assets	Consolidated goodwill		Acquired goodwill		Client portfolio		Capitalized development expenditure		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Accumulated acquisition values										
Opening acquisition value	207,011	214,540	5,821	5,821	74,751	80,317	138,426	105,170	426,009	405,848
Divestitures and scrapping	9,203	-	-	-	-	-	53,119	33,444	62,322	33,444
Translation differences for the year	-	-	-	-	-	-	-63,241	-	-63,241	-
	8,591	-7,529	-	-	6,352	-5,566	130	-188	15,073	-13,283
	224,805	207,011	5,821	5,821	81,103	74,751	128,434	138,426	440,163	426,009
Accumulated amortization and impairment										
Opening balance	-66,591	-65,374	-	-	-8,410	-5,020	-72,682	-54,451	-147,683	-124,845
Depreciation for the year	-	-	-	-	-3,931	-3,931	-29,946	-18,375	-33,877	-22,306
Write-downs for the year	-	-1,218	-212	-	-	-	-	-	-212	-1,218
Divestitures and scrapping	-	-	-	-	-	-	52,100	-	52,100	-
Translation differences for the year	-	1	-	-	-839	541	-111	144	-950	686
	-66,591	-66,591	-212	-	-13,181	-8,410	-50,639	-72,682	-130,623	-147,683
Reported value at year-end	158,214	140,420	5,609	5,821	67,922	66,341	77,795	65,744	309,540	278,326

The most important items of capitalized development expenditure are investments in the administrative system and the web service. The book values of the administrative system and the web service are SEK 27.9 (32.5) million and SEK 13.1 (3.9) million respectively. Development is ongoing and the amortization period for the administrative system is five years and for the web service three years. The average remaining amortization period is about 2.9 years for the administrative system and about 2.2 years for the web service.

The utility period was reassessed in conjunction with the annual accounts and this resulted in an amendment of the amortization period from 60 months to 36 months for certain capitalized development expenditure. The effect of this on profit is SEK 2.1 million. Furthermore, capitalized development expenditure no longer deemed to contribute any value to the group and corresponding to a value of SEK 14.0 million has been scrapped.

Other intangible assets are attributable to Stocknet's client portfolio, which was identified in conjunction with the acquisition of Stocknet Securities AS. The book value is NOK 57.2 (60.6) million. The amortization period is 20 years, reflecting the estimated utility period. The remaining amortization period is 16.8 (17.8) years.

Other intangible assets and capitalized development expenditure are amortized using the straight-line method.

Capitalized development expenditure includes SEK 33,427 (41,895) thousand in personnel costs accumulated since 2000.

Impairment testing of cash-generating units containing goodwill

Businesses and client relations were acquired during the year, which together altered and strengthened the company in terms of size and market position. These acquisitions have been instrumental in shaping the present group and are now an integral part of the business. The book value (in SEK) of the group's remaining goodwill items in cash-generating units are presented below.

Residual consolidated goodwill	2007-12-31	2006-12-31
AD Aktiedirekt AB	29,697	29,697
Deriva Financial Services AB	9,203	-
Nordnet Försäkringsförmedling AB	4,163	4,163
Nordnet Securities Luxembourg S.A.	5,453	5,453
Stocknet Securities AS ¹⁾	109,698	101,107
	158,214	140,420

¹⁾ The consolidated goodwill of Stocknet Securities AS totals NOK 92.4 million.

Write-down needs of the group's cash-generating units are based on estimated utility values. These values are established from cash flow forecasts based on economic forecasts. Cash flow forecasts are converted into current values using a discount rate before tax. The utility value of the cash-generating units comprises the current value of the cash flows. This utility value is compared with the unit's book value in the consolidated accounts to determine the need, if any, of a write-down.

The cash-generating units belonging to the core business of online securities trading, namely AD Aktiedirekt AB, Nordnet Securities Luxembourg S.A., and Stocknet Securities AS, account for some 38 percent of Nordnet's core business. When calculating the utility value of these units, a forecast is made of the future cash flow of the entire core business, after which 38 percent of the current value of this cash flow is allocated proportionally to these three cash-generating units. These figures are then compared to the units' book values. Nordnet Försäkringsförmedling's utility value is calculated by forecasting future cash flow from the business as well as from additional sales to clients who open accounts and the net income of these accounts.

Deriva Financial Services AB's utility value is calculated from a forecast of future cash flow from operations and forecasts of future increases in income due to increased trade in derivatives.

The future cash flows used for the core business are based on the group's strategic plan, which stretches to the end of 2010. Cash

flow forecasts after 2010 assume an annual growth of 5 percent. The discount rate is set at 11.4 percent before tax, corresponding to the estimated required return. Important assumptions, that is, assumptions with a major impact on cash flow forecasts, are those regarding future growth in the number of accounts, assets under management, and net income per account. A sensitivity analysis with the discount rate changed by 5 percentage points did not result in any need to write down.

The closing accumulated consolidated goodwill write-down was SEK 66.6 (66.6) million. The closing accumulated acquired goodwill write-down was SEK 0.2 (-) million.

Note 26. Group – Tangible fixed assets

	2007-12-31	2006-12-31
Accumulated acquisition values		
Opening balance	123,231	70,174
New acquisitions	25,277	59,758
Divestitures and scrapping	-48,870	-6,609
Translation differences for the year	305	-92
	99,943	123,231
Accumulated depreciation/amortization		
Opening balance	-55,759	-49,703
Divestitures and scrapping	46,775	6,740
Depreciation for the year	-24,299	-12,816
Translation differences for the year	-273	20
	-33,556	-55,759
Reported value at year-end	66,387	67,472

The accumulated acquisition value includes expenditure on improvements to third-party real estate of SEK 26,622 (22,416) thousand, attributable to the subsidiary Nordnet Bank AB. The depreciation plan is based on a utility period of 60 months and a planned residual value of SEK 20,467 (20,874) thousand. The straight-line method is used when depreciating tangible fixed assets.

The utility period was reassessed in conjunction with preparing the annual accounts and this resulted in an amendment of the depreciation period from 48 months to 36 months for certain hardware. The effect of this on profit is SEK 1.9 million. Furthermore, hardware no longer deemed to contribute any value to the group and corresponding to a value of SEK 2.1 million has been scrapped.

Note 27. Group – Other assets

Other assets	2007-12-31	2006-12-31
Settlements receivable	648,524	243,042
Other	108,554	97,428
	757,078	340,470

Settlements receivable (gross) amount to SEK 4,464,783 (3,251,836) thousand.

Note 28. Group – Prepaid expenses and accrued income

	2007-12-31	2006-12-31
Prepaid expenses	19,478	15,520
Other accrued income	9,511	7,676
	28,989	23,196

Prepaid expenses and accrued income are entirely current assets.

Note 29. Group – Liabilities to credit institutions

Liabilities to credit institutions are comprised solely of a loan from Danske Bank of SEK 8.3 (15) million. The loan bears a floating interest rate of 7-day STIBOR + 1.5% and full settlement is due on March 31, 2009. The average outstanding duration is 1.4 (2.3) years.

Note 30. Group – Deposits and borrowing from the public

The amounts comprise deposits and are defined as the balance of the accounts encompassed by the deposit guarantee. The amounts comprise the total balance of the accounts with disregard for the deposit guarantee limit. Deposits from the public are payable in full on demand.

Note 31. Group – Other liabilities

	2007-12-31	2006-12-31
Settlements payable	117,788	360,795
Accounts payable	62,036	33,845
Uninvested insurance premiums	7,288	8,047
Other	88,971	35,707
	276,083	438,394

Settlements payable (gross) total SEK 3,980,224 (3,362,132) thousand.

Other liabilities are all current liabilities, that is, payment is due within 12 months of closing day.

Note 32. Group – Accrued expenses and deferred income

	2007-12-31	2006-12-31
Accrued		
- Personnel expenses	26,718	12,597
- Other general administrative expenses	39,738	35,111
- Interest expense	1,484	1,391
Other deferred items	93	844
	68,033	49,943

Accrued expenses and deferred income are current liabilities, that is, payment is due within 12 months of closing day.

Note 33. Group – Subordinated liabilities

	2007-12-31	2006-12-31
Interest-bearing subordinated loan – Aston Holding AS	21,000	28,000
Interest-bearing subordinated loan – E. Öhman J:or AB	-	50,000
Interest-bearing subordinated convertible debenture loan	27,674	35,474
	48,674	113,474

Loan currency is SEK.

E. Öhman J:or AB

The interest-bearing subordinated loan from E. Öhman J:or AB of SEK 50 million was amortized down to SEK 0 during the year.

Aston Holding AS

The interest-bearing subordinated loan from Aston Holding AS was originally in the amount of SEK 35 million. The interest rate is 6-month STIBOR + 5.00% and the loan matures on January 31, 2010. The loan is amortized at SEK 7.0 million per installment.

The lender can declare the capital amount and the accrued interest to be immediately due for payment in the event of any of the following circumstances:

- a) The borrower fails to fulfill its obligations to the lender in accordance with the terms of the loan and the borrower does not rectify the situation within 30 banking days of the lender providing notice of such failure in writing; or
- b) The borrower is declared bankrupt or goes into liquidation.

The agreements do not include terms that enable the loans to be converted into conditional capital injections.

Subordinated convertible debenture loan

Convertible debenture loan 2005/2010 of SEK 55 million. The interest rate is 7-day STIBOR + 1.20% and the loan matures on December 30, 2010, unless converted prior to this date. Conversion into equity can take place between July 1, 2009 and November 30, 2010. The conversion price has been set at SEK 10.05.

The loan may only be repaid before maturity if Nordnet AB (the Company) is declared bankrupt or goes into liquidation. The Company is not entitled to call for early redemption of the loan.

In the event of liquidation or bankruptcy, the debt instruments stipulate that the lender is entitled to payment from the Company's assets after the company's non-subordinated liabilities and on equal grounds (pari passu) to other subordinated liabilities that are not specifically subordinated to this loan.

During the year, promissory notes were repurchased from the former CEO for the nominal amount of SEK 10 million. Furthermore, the promissory notes owned by Go4us Nordic AB corresponding to a nominal amount of SEK 9.5 million with the option of conversion to 945,273 shares were liquidated.

On conversion of the debt instrument into equity, the share capital shall be able to increase by a maximum of SEK 4,527,363 and the number of shares by a maximum of 4,527,363.

Note 34. Group – Equity

A summary of changes in equity is provided in the table on page 44. The company neither acquired nor transferred any of its shares during the year. The company held none of its own shares as of December 31, 2007.

On December 31, 2006, the share capital amounted to SEK 165,018,878, split between 165,018,878 Series B shares. All shares carry equal voting rights and equal rights to the company's profits and capital.

The board proposes that a dividend of SEK 0.50 (0.50) per share be distributed for the 2006 financial year, corresponding to a total of SEK 82.5 (82.5) million.

The proposed dividend corresponds to 42 percent of the profit after tax and the proposal will be submitted to the AGM on April 24, 2008.

Restricted equity totals SEK 580,633 (545,071) thousand and non-restricted equity totals SEK 231,605 (146,342) thousand.

	Reserve for translation differences	Reserve for fair value	Total
Opening balance, January 1, 2005	15,086	558	15,644
Translation difference, foreign subsidiary	-13,096	-	-13,096
Unrealized profit on assets held for sale	-	-139	-139
Closing balance, December 31, 2006	1,990	419	2,409
Translation difference, foreign subsidiary	17,991	-	17,991
Unrealized profit on assets held for sale	-	249	249
Closing balance, December 31, 2007	19,981	668	20,649

Note 35. Group – Pledged assets & contingent liabilities

	2007-12-31	2006-12-31
Assets pledged for the company's liabilities		
Eligible government securities etc.	702,183	730,000
Lending to credit institutions	1,696	10,280
	703,879	740,280
The above pledged assets are attributable to:		
Deposits in credit institutions	351,477	283,725
Deposits in credit clearing organizations	352,402	456,555
	703,879	740,280

The assets pledged for the company's liabilities consist of eligible government securities and the like, pledged as collateral for clients' borrowed securities and for payments to clearing organizations, and liquid funds in the form of lending to credit institutions, provided as collateral for lease agreements and the like. The counterparties in the borrowed securities transactions are other credit institutions.

Contingent liabilities

A provision of SEK 2 million was made in the annual accounts for contingent liabilities from the previous year. No new contingent liabilities arose.

Note 36. Parent company – Other operating income

Other operating income consists entirely of intra-group invoicing for both 2007 and 2006.

Note 37. Parent company – Other external costs

Auditing costs	2007-12-31	2006-12-31
Ernst & Young		
Auditing	-743	-893
Other assignments	-	-300
	-743	-1,193

Note 38. Parent company – Personnel costs

Personnel costs	2007-12-31	2006-12-31
Salaries and fees	-12,226	-5,853
(of which to CEO and board)	(-12,226)	(-5,853)
Social security contributions	-3,781	-1,503
Pension costs	-1,696	-502
(of which to CEO and board)	(-1,696)	(-502)
Other personnel costs	-176	-65
	-17,879	-7,923

No information on sick leave has been provided for the parent company as it has only one employee.

A bonus was paid to the Group President/CEO. See Note 13 for more information.

Average number of parent company employees for the year	2007-12-31	2006-12-31
Total	1.0	1.0
of which women	-	-
of which men	1.0	1.0

The parent company's employee is employed in Sweden.

For other information concerning senior executive personnel and remuneration costs, see Note 13. In 2007, only the Group President/CEO and board members received remuneration from the parent company. Other senior executives are employed by the second tier subsidiary Nordnet Bank AB.

For information on the remuneration paid to the board, see Note 13.

Note 39. Parent company – Depreciation, amortization, and impairments of tangible and intangible assets

Depreciation	2007-12-31	2006-12-31
Equipment	-27	-54
	-27	-54

Note 40. Parent company – Income from participations in affiliated companies

	2007-12-31	2006-12-31
Dividends from subsidiaries	200,000	138,000

Note 41. Parent company – Other interest income and interest expenses

Interest expenses of SEK 1,011 (1,207) thousand and interest income of SEK 1,925 (342) thousand comprise intra-group interest. The remaining interest is attributed to external counterparties.

Note 44. Parent company - Participations in affiliated companies

All affiliated companies are wholly owned. Shares of the votes and equity are the same in all cases.

Name	CIN	Headquarters	Number of shares	Book value
TeleTrade Technology AB	556520-1703	Stockholm	1,000	100
Nordnet Pensionsförsäkring AB	516406-0286	Stockholm	285,000	60,000
VCW Internet Services AB	556541-8752	Stockholm	150,003	9,000
■ Nättidningen Dagens Finans AB	556370-9228	Stockholm		
■ Deriva Financial Services AB	556687-3575	Stockholm		
TeleTrade Solutions AB	556541-9057	Stockholm	3,200,000	68,961
■ AD Aktiedirekt AB	556579-1455	Stockholm		
■ Nordnet Försäkringsförmedling AB	556517-0031	Stockholm		
● Go4us Nordic AB	556576-7323	Stockholm		
■ Fondex Sweden AB	556555-0109	Stockholm		
■ Nordnet Försäljning AB	556342-7946	Stockholm		
Nordnet Family AB	556608-8893	Stockholm	142,434	524,213
■ Nordnet Holding AB	556573-1360	Stockholm		
■ Nordnet Bank AB	516406-0021	Stockholm		
● TeleTrade Solutions AS	981 023 358	Oslo		
◆ Stocknet Securities AS	980 527 182	Oslo		
● Stocknet Deutschland GmbH	HRB 5954	Bad Soden am Taunus		
■ Nordnet Securities Luxembourg S.A.	B68553	Luxembourg		
Nordnet Securities OY	1917411-5	Helsinki	1,000	74
ALLX Financial Marketplace AB	556588-3419	Stockholm	4,100	1,530
				663,878

	2007-01-01- 2007-12-31	2006-01-01- 2006-12-31
Accumulated acquisition values		
Opening balance	831,980	821,980
Shareholder contribution, VCW Internet Services AB	3,000	-
Shareholder contribution, TeleTrade Solutions AB	11,196	-
Shareholder contribution, Nordnet Pensionsförsäkring AB	-	10,000
	846,176	831,980
Write-downs, for the year and accumulated		
Opening balance	-166,137	-166,137
Write-down of shares in VCW Internet Services AB	-4,000	-
Write-down of shares in TeleTrade Solutions AB	-12,161	-
	-182,298	-166,137
Reported value at year-end	663,878	665,843

The company has written down shareholdings in subsidiaries as little or no business is conducted by the subsidiaries.

Note 45. Parent company – Other receivables

	2007-12-31	2006-12-31
Tax claims	211	211
Other	950	-
	1,161	211

Note 46. Parent company – Prepaid expenses and accrued income

	2007-12-31	2006-12-31
Prepaid pension costs	79	38
Prepaid corporate insurance	463	578
Other prepaid expenses	340	1,189
	882	1,805

Note 47. Parent company – Equity

A summary of changes in equity is provided in the table on page 46. On December 31, 2007, the share capital amounted to SEK 165,018,878, split between 165,018,878 Series B shares. Restricted reserves comprise share capital of SEK 165,019 (165,019) thousand, a statutory reserve of SEK 262,111 (262,111) thousand, the option component of the convertible debenture loan of SEK 10,006 (12,100) thousand, and warrant premiums of SEK 989 thousand, providing a total of SEK 438,125 (439,230) thousand.

Note 48. Parent company – Other liabilities

	2007-12-31	2006-12-31
Interest-bearing subordinated debenture loan	21,000	78,000
Interest-bearing subordinated convertible debenture loan	35,474	42,900
Liabilities to credit institutions	8,331	15,000
Other liabilities	528	349
	65,333	136,249

For information on interest-bearing subordinated debenture loans, see Note 33.

Note 49. Parent company – Accrued expenses and deferred income

	2007-12-31	2006-12-31
Accrued social security contributions	233	90
Accrued vacation pay	59	71
Accrued payroll tax	336	94
Accrued interest expenses	944	941
Accrued personnel costs	11,577	2,059
Other accrued expenses	2,439	1,695
	15,588	4,950

Note 50. Information on intra-group purchases and sales

Of the parent company's total purchases and sales (measured in SEK), 0 percent of purchases and 100 percent of sales involved affiliated companies.

Note 51. Group – Book and fair values of balance sheet items

The book value is equal to the fair value in the case of eligible government securities, lending to credit institutions, lending to the public, financial assets at fair value through profit and loss, financial assets held for sale, assets in the insurance business, liabilities to credit institutions, deposits and borrowing from the public, liabilities in the insurance business, and subordinated liabilities. The latest bid price has been used for valuing eligible government securities. As lending to credit institutions, lending to the public, liabilities to credit institutions, and deposits and borrowing from the public carry floating interest rates, the fair value is approximated to the book value. As the subordinated liabilities bear interest at 7-day STIBOR and 6-month STIBOR respectively, the fair value is approximated to the book value.

Information on fair value is not provided for intangible fixed assets as this is not a requirement. No amount is reported for other items for which the fair value cannot be provided with acceptable accuracy. However, it is the company's opinion that the fair value can generally be approximated to the book value.

Note 52. Fixed rate terms

Fixed rate terms, group, 2007	0–1 month	1–3 months	3–6 months	6–12 months	1–5 years	Without fixed interest rate	Total
Eligible government securities	299,570	992,044					1,291,614
Lending							
- to credit institutions	2,305,513						2,305,513
- to the public	3,827,969						3,827,969
Financial assets at fair value through profit and loss						20,215	20,215
Financial assets held for sale						2,852	2,852
Other assets						7,204,038	7,204,038
Total	6,433,052	992,044	-	-	-	7,227,105	14,652,201
Liabilities to credit institutions	8,331						8,331
Deposits and borrowing from the public	7,286,152						7,286,152
Other liabilities	25,474		21,000			6,499,006	6,545,480
Equity						812,238	812,238
	7,319,957	-	21,000	-	-	7,311,244	14,652,201
Difference, assets and liabilities	-886,905	992,044	-21,000	-	-	-84,139	0
Weights	0.00958	0.00833	0.00625	0.00250	0.00000	-	-
Total net interest rate risk	-8,497	8,264	-131	-	-	-	-364
Fixed rate terms, group, 2006	0–1 month	1–3 months	3–6 months	6–12 months	1–5 years	Without fixed interest rate	Total
Eligible government securities	1,497,848	893,941					2,391,789
Lending							
- to credit institutions	276,503						276,503
- to the public	3,282,384						3,282,384
Financial assets at fair value through profit and loss						18,141	18,141
Financial assets held for sale						3,061	3,061
Other assets						4,105,957	4,105,957
Total	5,056,735	893,941	-	-	-	4,127,159	10,077,835
Liabilities to credit institutions	15,000						15,000
Deposits and borrowing from the public	5,271,879						5,271,879
Other liabilities	35,474		78,000			3,986,068	4,099,542
Equity						691,413	691,413
	5,322,354	-	78,000	-	-	4,677,481	10,077,835
Difference, assets and liabilities	-265,618	893,941	-78,000	-	-	-550,323	0
Weights	0.00958	0.00833	0.00625	0.00250	0.00000	-	-
Total net interest rate risk	-2,545	7,447	-488	-	-	-	4,414

Note 53. Valuation of assets and liabilities in foreign currencies

Assets and liabilities are valued at closing day rates. Aggregate equivalents in Swedish kronor of assets and liabilities held in foreign currencies:

	2007	2006
Assets		
Lending to credit institutions	693,255	374,316
Lending to the public	2,094,239	1,868,274
Other assets	715,261	423,179
Total assets	3,502,755	2,665,770
Liabilities		
Deposits and borrowing from the public	2,627,942	1,761,560
Other liabilities	748,218	706,399
Total liabilities	3,376,160	2,467,960

Aggregate equivalents in Swedish kronor of assets and liabilities by currency is shown in the table below:

2007	Assets	Liabilities	Net exposure
NOK	1,910,997	1,808,325	102,671
DKK	642,546	658,103	-15,557
USD	679,218	665,003	14,214
EUR	224,494	198,050	26,444
Other	45,500	46,678	-1,178
	3,502,755	3,376,160	126,595

2006	Assets	Liabilities	Net exposure
NOK	1,513,699	1,347,488	166,211
DKK	538,912	544,176	-5,264
USD	168,630	151,601	17,029
EUR	381,074	360,663	20,411
Other	63,455	64,032	-577
	2,665,770	2,467,960	197,809

Note 54. Classification of financial instruments

GROUP – 2007

Assets	Loans receivable and accounts receivable	Financial assets at fair value through profit and loss	Financial assets held for sale	Non-financial assets	Total
Eligible government securities etc.			1,291,614		1,291,614
Lending to credit institutions	2,305,513				2,305,513
Lending to the public	3,827,969				3,827,969
Financial assets at fair value through profit and loss		20,215			20,215
Financial assets held for sale			2,852		2,852
Assets in insurance business		6,041,963			6,041,963
Intangible fixed assets				309,540	309,540
Tangible assets				66,387	66,387
Deferred tax claims				81	81
Other assets	668,863			88,215	757,078
Prepaid expenses and accrued income	925			28,064	28,989
Total assets	6,803,270	6,062,778	1,294,466	492,287	14,652,201

Liabilities	Financial liabilities at fair value through profit and loss	Other financial liabilities	Non-financial liabilities	Total
Liabilities to credit institutions		8,331		8,331
Deposits and borrowing from the public		7,286,152		7,286,152
Liabilities in insurance business	6,041,963			6,041,963
Other liabilities		244,297	33,415	277,712
Current tax liabilities			96,931	96,931
Deferred tax liabilities			12,167	12,167
Accrued expenses and deferred income			68,033	68,033
Subordinated liabilities		48,674		48,674
Total liabilities	6,041,963	7,587,454	210,546	13,839,963

GROUP – 2006

Assets	Loans receivable and accounts receivable	Financial assets at fair value through profit and loss	Financial assets held for sale	Non-financial assets	Total
Eligible government securities etc.			2,391,789		2,391,789
Lending to credit institutions	276,503				276,503
Lending to the public	3,282,384				3,282,384
Financial assets at fair value through profit and loss		18,141			18,141
Financial assets held for sale			3,061		3,061
Assets in insurance business		3,376,278			3,376,278
Intangible fixed assets				278,326	278,326
Tangible assets				67,472	67,472
Deferred tax claims				20,216	20,216
Other assets	251,894			88,576	340,470
Prepaid expenses and accrued income	94			23,102	23,196
Total assets	3,810,875	3,394,419	2,394,850	477,691	10,077,835

Liabilities	Financial liabilities at fair value through profit and loss	Other financial liabilities	Non-financial liabilities	Total
Liabilities to credit institutions		15,000		15,000
Deposits and borrowing from the public		5,271,879		5,271,879
Liabilities in insurance business	3,376,771			3,376,771
Other liabilities		404,979	33,415	438,394
Current tax liabilities			109,680	109,680
Deferred tax liabilities			11,281	11,281
Accrued expenses and deferred income			49,943	49,943
Subordinated liabilities		113,474		113,474
Total liabilities	3,376,771	5,805,332	204,319	9,386,422

PARENT COMPANY – 2007

Assets	Loans receivable and accounts receivable	Financial assets at fair value through profit and loss	Financial assets held for sale	Non-financial assets	Total
Equipment				0	0
Participations in affiliated companies				663,878	663,878
Other investments held as fixed assets				50	50
Deferred tax claims				81	81
Receivables from affiliated companies				233,148	233,148
Other receivables				1,161	1,161
Prepaid expenses and accrued income				882	882
Cash and bank balances	13,385				13,385
Total assets	13,385	-	-	899,200	912,585
Liabilities		Financial liabilities at fair value through profit and loss	Other financial liabilities	Non-financial liabilities	Total
Liabilities to group companies				163,065	163,065
Other liabilities			64,805	528	65,333
Accrued expenses and deferred income			944	14,644	15,588
Total liabilities		-	65,749	178,237	243,986

PARENT COMPANY – 2006

Assets	Loans receivable and accounts receivable	Financial assets at fair value through profit and loss	Financial assets held for sale	Non-financial assets	Total
Equipment				38	38
Participations in affiliated companies				665,843	665,843
Other investments held as fixed assets				422	422
Deferred tax claims				3,367	3,367
Receivables from affiliated companies				171,223	171,223
Other receivables				211	211
Prepaid expenses and accrued income				1,805	1,805
Cash and bank balances	5,762				5,762
Total assets	5,762	-	-	842,909	848,671
Liabilities		Financial liabilities at fair value through profit and loss	Other financial liabilities	Non-financial liabilities	Total
Liabilities to group companies				124,093	124,093
Other liabilities			135,900	349	136,249
Accrued expenses and deferred income			941	4,009	4,950
Total liabilities		-	136,841	128,451	265,292

Note 55. Capital adequacy

Capital adequacy

	2007-12-31	2006-12-31
Capital adequacy indicator		
Capital adequacy ratio ¹⁾	-	10.28%
Primary capital ratio ²⁾	10.11%	7.53%
Capital adequacy ratio ³⁾	1.29	-
Capital base ⁴⁾		
Share capital	165,019	165,019
Convertible loan	10,995	10,421
Statutory reserve	179,590	190,768
Translation difference	20,021	1,991
Retained earnings	238,627	101,498
Net profit for the period	181,311	208,296
Equity as per annual financial statements December 31	795,563	677,993
Gross primary capital	713,054	595,484
Less investments in insurance business	-80,000	-80,000
Less goodwill	-123,306	-116,042
Less intangible assets	-132,257	-118,864
Net primary capital	377,491	280,578
Perpetual subordinated loan ⁵⁾	-	50,000
Fixed-term subordinated loan ⁵⁾	7,895	52,274
Total supplementary capital	7,895	102,274
Capital base	385,386	382,852
Risk-weighted exposures ⁶⁾		
of which credit risk as per standardized method	-	3,706,411
of which risks in trading stock	-	16,251
of which settlement risks	-	2,500
Total risk-weighted exposures	-	3,725,162
Capital requirement ⁷⁾		
of which credit risk as per standardized method	223,693	-
of which risks in trading stock	2,619	-
of which settlement risks	200	-
of which currency risks	3,140	-
of which operational risk as per basic method	68,787	-
Total minimum capital requirement	298,439	-

Exposure

	State	Institution	Company	Consumer	Mutual funds	Other items ⁸⁾	
Risk weight	0%	20%	100%	75%	100%	100%	0%
Gross amount	1,370,394	3,111,310	1,048,330	1,254,654	87,652	96,924	335,563
Risk-weighted amount	0	622,262	1,048,330	940,991	87,652	96,924	0
Capital requirement	0	49,781	83,866	75,279	7,012	7,754	0

The information on capital adequacy and risk management that must be provided at least once a year in compliance with FFFS 2007:5 is provided in a separate report at www.org.nordnet.se. Select Investor Relations – Reports.

Nordnet AB (publ), Swedish corporate identity number 556249-1687, is the parent company of the financial group comprised of Nordnet Family AB, Nordnet Holding AB, and Nordnet Bank AB. Business is conducted in Nordnet Bank AB while the other group companies are holding companies.

The group-based accounts have been prepared using the same accounting principles as applied to the consolidated accounts.

Applied accounting standards ⁷⁾

The calculation of capital requirements is conducted in accordance with the Swedish Act (2006:1371) on Capital Adequacy and Major Exposures and the Swedish Financial Supervisory Authority's instructions and general guidelines on capital adequacy and major exposures (FFFS 2007:1). The new standard, designated Basel II, came into effect on February 1, 2007. This affects calculations in compliance with statutory minimum capital requirements, designated Pillar I, for credit risk, market risk, and operational risk. Nordnet applies the standardized method when calculating credit risk. Compared to the earlier Basel I standard, there is a clear trend toward greater risk sensitivity in the standard. This means that when applying the standardized method there are fifteen risk classes with a number of different risk weights in each class, compared to the earlier four risk classes with one risk weight in each class. The capital requirement for operational risk is calculated using the base method, which means the capital requirement comprises 15 percent of the average of the past three years' operating income. In conjunction with the transition to Basel II, Nordnet has received a permit from the Swedish Financial Supervisory Authority to calculate the capital requirement for market risks using the rules for credit risk. Nordnet AB (publ) and Nordnet Bank AB fulfill their respective capital requirements. Nordnet AB (publ) complies with the Swedish Companies Act (2005:551) and Nordnet Bank AB with the Swedish Act on Banking and Financing Activities (2004:297).

Internal Capital Adequacy Assessment Process – ICAAP

In addition to the statutory minimum requirement on capital, banks are expected to maintain a higher capital base, which is covered under Pillar II, Capital Adequacy Assessment and Risk Management. Nordnet's overall capital requirement is taken into account in the internal capital adequacy assessment process, abbreviated to ICAAP. This means that Nordnet maintains additional capital for

significant risks other than those mentioned above, that is, credit risks, market risks, and operational risks. The result of Nordnet's ICAAP shows that there are two risk that cannot be fully managed and for which there is consequently a capital requirement. These are:

- IT risks – risks associated with disruptions in IT operation and illegal infringements. Since Nordnet is largely an Internet-based company, IT is unavoidably a very important component, and as such also poses the largest risk. Nordnet has done and continues to do much to minimize the risks, but there always remains sufficient risk to motivate additional capital allocations. Nordnet considers the IT risks to be of an acceptable level, but continually works in efforts to reduce them even further.
- Strategic risks – During the year, Nordnet launched new banking services. As these are completely new services for Nordnet, they are considered to create a need for additional capital. The increased capital requirement for the strategic risks will most likely decline in time.

In addition to the minimum capital requirement for the risks in Pillar I, it is Nordnet's opinion that an additional SEK 20.3 million ought to be kept in the capital base for the above-mentioned risks to maintain a satisfactory capital situation with consideration for the business Nordnet runs and to fulfill the requirements of Nordnet's capital policy.

Nordnet's goal is for the capital adequacy ratio to never drop below 1.25. This is ensured by continually monitoring the capital adequacy ratio and, when necessary, assigning the external auditors to examine financial performance for the current year.

Description of quantitative information:

1. Capital base in relation to risk-weighted exposed amount shall be at least 8 percent.
2. Primary capital in relation to risk-weighted exposed amount shall be at least 4 percent.
3. The capital adequacy ratio refers to the capital base in relation to the overall minimum capital requirement and is a new measure of capital adequacy reported to the Swedish Financial Supervisory Authority in compliance with Basel II.
4. The capital base is divided into primary capital (Tier 1) and supplementary capital (Tier 2). Primary capital, which must amount to at least 4 percent of primary and supplementary capital combined, refers to equity in the balance sheet and includes profits examined by auditors less goodwill, intangible assets, and deferred taxes. Supplementary capital refers to perpetual and fixed-term subordinated loans. The fixed-term subordinated loans may amount to a maximum of 50 percent of primary capital.
5. Terms and conditions of subordinated loans are described in Note 33.
6. Risk-weighted exposure refers to items in and off the balance sheet invested in different risk classes. Intra-group exposures are included, excluding shareholdings in subsidiaries and where the counterparty does not fall under the supervision of the Swedish Financial Supervisory Authority.
7. Capital requirement is 8 percent of risk-weighted exposures.
8. Other items with a risk weight of 0 percent include shares in subsidiaries, goodwill, other intangible assets, and subordinated loans. The Other items entry has a risk weight of 100 percent.

Five-year summary

Group	2007	2006	2005	2004	2003 ¹¹	Annual change 2003–2007
Income statements, SEK thousands						
Net interest	272,056	201,630	123,993	84,271	47,252	55%
Net commission	460,825	421,440	278,173	176,167	121,554	40%
Net income from financial transactions	23,682	5,836	5,209	-3,240	2,179	82%
Other income	29,055	32,152	26,773	23,344	19,679	10%
Total operating income	785,618	661,057	434,148	280,542	190,664	42%
Operating costs	-505,860	-368,815	-232,585	-172,825	-148,552	36%
Credit losses	-1,056	-113	-1,468	-300	-906	4%
Write-downs of financial fixed assets	-	-	-	-	-1,000	-
Reversal of write-downs of financial fixed assets	-	-	-	-	1,000	-
Operating profit	278,702	292,129	200,095	107,417	41,206	61%
Tax	-82,395	-85,410	-54,398	-23,470	-12,327	61%
Net profit for the year	196,307	206,719	145,697	83,947	28,879	61%
Of which non-recurring items, amortization and write-downs of goodwill, and tax	113,895	86,628	54,398	30,577	25,915	45%
Operating profit before non-recurring items, amortization and write-downs of goodwill, and tax	310,202	293,347	200,095	114,524	54,794	54%
Balance sheets, SEK thousands						
Eligible government securities etc.	1,291,614	2,391,789	996,000	629,066	545,599	24%
Lending to credit institutions	2,305,513	276,503	697,604	222,349	369,428	58%
Lending to the public	3,827,969	3,282,384	2,597,289	1,485,439	620,877	58%
Other assets	7,227,105	4,127,159	1,582,780	446,917	278,120	126%
Total assets	14,652,201	10,077,835	5,873,673	2,783,771	1,814,024	69%
Liabilities to credit institutions	8,331	15,000	20,000	20,000	-	-
Deposits and borrowing from the public	7,286,152	5,271,879	3,732,439	2,193,884	1,533,221	48%
Other liabilities	6,545,480	4,099,543	1,606,803	228,418	90,974	191%
Total liabilities	13,839,963	9,386,422	5,359,242	2,442,302	1,624,195	71%
Equity	812,238	691,413	514,431	341,469	189,829	44%
Total liabilities and equity	14,652,201	10,077,835	5,873,673	2,783,771	1,814,024	69%

¹¹ The year 2003 has not been restated in accordance with IFRS.

Key ratios

Group	2007	2006	2005	2004	2003 ¹⁾	Annual change 2003–2007
Operating margin, %	35	44	46	38	22	-
Profit margin, %	25	31	34	30	15	-
Investments in tangible assets, SEK M	25.3	59.8	13.7	8.5	5.5	46%
Investments in intangible assets, SEK M	62.3	33.4	28.2	24.7	15.6	41%
of which internal development expenditure, SEK M	17.4	12.2	9.3	6.2	5	37%
Marketing costs, SEK M	93.3	89.4	31.2	18.9	7.8	86%
Basic earnings per share after tax, SEK	1.19	1.25	0.88	0.53	0.19	58%
Diluted earnings per share after tax, SEK	1.17	1.22	0.87	0.53	0.19	58%
Return on equity, %	26	34	34	30	16	13%
Equity per share, SEK	4.92	4.19	3.12	2.16	1.22	42%
Share price, SEK	19.2	23.9	21.1	7.75	3.85	49%
Market capitalization at end of period, SEK M	3,168.4	3,944.0	3,481.9	1 278.9	599.6	52%
Share turnover rate, %	24	60	35	49	13	17%
Equity, SEK M	812.3	691.4	514.4	341.5	189.8	44%
Capital base, SEK M	385.4	382.9	317.7	174.8	143.8	28%
Capital adequacy ratio, %	-	10	11	11	16	-
Capital adequacy ratio	1.3	-	-	-	-	-
Average number of shares before dilution	165,018,878	165,018,878	165,018,878	158,063,701	155,745,308	1%
Average number of shares after dilution	169,938,944	170,491,514	167,907,214	158,063,701	155,745,308	2%
Total number of outstanding shares at end of period	165,018,878	165,018,878	165,018,878	165,018,878	155,745,308	1%
Total number of permanent employees at end of period	323	238	164	119	82	41%
Client-related key ratios:						
Total number of active accounts at end of period	184,900	149,500	117,300	101,400	62,200	31%
Total assets under management at end of period, SEK billions	55.1	49.4	36.3	20.9	11	50%
Average invested capital per active account at end of period, SEK	297,912	330,437	309,762	206,319	174,170	14%
Deposits, including client funds, at end of period, SEK M	8,203.1	5,912.8	4,138.4	2,642.9	1,736.4	47%
Lending at end of period, SEK M	3,828.0	3,282.4	2,597.3	1,485.4	620.9	58%
Lending/borrowing ratio, %	44	50	57	56	36	5%
Number of trades per year	9,401,677	8,003,233	5,641,024	3,133,029	1,809,960	51%
Number of trades per trading day	36,700	31,020	22,122	12,335	7,269	50%
Number of trades per active account per year	56.2	59.7	52.1	42	29	18%
Number of trades per active account per month	4.7	5	4.3	3.5	2.5	17%
Average net commission per trade, SEK	43	48	46	52	63	-9%
Average commission per trading day, SEK	2,607,000	2,455,000	1,730,000	975,000	615,000	43%
Average annual income/invested capital, %	1.4	1.5	1.5	1.8	2.1	-10%
Average annual income per account, SEK	4,683	4,913	3,990	4,039	2,939	12%
Average annual operating cost per account, SEK	-3,010	-2,715	-2,119	-2,389	-2,102	9%
Average annual profit per account, SEK	1,673	2,198	1,871	1,650	837	19%

Key ratios

Group

Number of active accounts	Dec 31, 2007	Dec 31, 2006	Change
Sweden	123,800	100,300	24%
Norway	34,200	29,400	16%
Denmark	11,100	9,400	18%
Finland	5,100	1,800	179%
Germany	8,800	6,800	30%
Luxembourg	1,900	1,900	3%
Total	184,887	149,500	24%

Invested capital, SEK billions	Dec 31, 2007	Dec 31, 2006	Change
Sweden	34.6	32.0	8%
Norway	9.5	8.1	18%
Denmark	4.9	4.7	5%
Finland	1.3	0.5	181%
Germany	1.5	1.1	37%
Luxembourg	3.1	3.0	3%
Total	55.1	49.4	12%

Number of trades	2007	2006	Change
Sweden	3,819,000	3,404,000	12%
Norway	2,357,200	2,247,800	5%
Denmark	1,354,300	1,152,700	17%
Finland	654,800	247,100	165%
Germany	1,092,200	834,600	31%
Luxembourg	124,400	117,100	6%
Total	9,401,677	8,003,300	17%

Proposed profit distribution

Nordnet has a strong market position in both the industry and the countries in which it operates. The company strives to continually improve and optimize its business. The prospects of long-term success are judged to be good.

Proposed profit distribution

The following unappropriated earnings (in SEK) are at the disposal of the AGM:

Profit bought forward	61,638,965
Net profit for the year	168,834,902
Total	230,473,867

The board proposes that the unappropriated earnings be dealt with as follows:

Shareholder dividends of SEK 0.50 per share (165,018,878 x 0.50), a total of	82,509,439
Retained earnings	147,964,428
	230,473,867

Distribution of the proposed dividend to the shareholders will reduce the capital adequacy ratio of the financial group of companies, of which Nordnet AB (publ) is the parent company, by 0.28 from 1.57 to 1.29. The capital adequacy ratio is satisfactory given that the company and the group are expected to continue to show good profitability. The company and the group are expected to maintain equally satisfactory levels of liquidity. The company's equity does not include any unrealized profit or loss resulting from reporting financial instruments at market value. With reference to the above and that which has otherwise come to the attention of the board, it is the board's opinion that a comprehensive assessment of the financial position of the company and the group merits the proposed dividend with reference to the requirements that the character, scope, and risks of the business place on the size of the equity held by the company and the group as well as the consolidation requirements, liquidity, and general positions of the company and group operations.

The undersigned affirm that the consolidated accounts and the annual accounts have been prepared in accordance with international accounting standards, IFRS, as adopted by the EU, and with generally accepted accounting principles in Sweden and give a true and fair view of the business, position, and financial performance of the group and the parent company, as well as describe significant risks and uncertainty factors faced by the companies that comprise the group.

Stockholm, Sweden, March 26, 2008

Claes Dinkel Spiel
Chair of the Board

Annica Axelsson

Bengt Baron

Tom Dinkel Spiel

Ulf Dinkel Spiel

Bo Mattsson

Nils Nilsson

Carl-Viggo Östlund
CEO

Our audit report was submitted on March 26, 2008.
Ernst & Young AB

Björn Fernström
Authorized Public Accountant

Audit report

To the Annual General Meeting of the Shareholders of Nordnet AB (publ)
Corporate identity number 556249-1687

We have audited the annual accounts, the consolidated accounts, the accounting records, and the administration of the board of directors and the CEO of Nordnet AB (publ) for the year 2007. The company's annual accounts and consolidated accounts are included on pages 39-81 in the printed version of this document. The board of directors and the CEO are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act for Credit Institutions and Securities Companies when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts, and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the CEO and significant estimates made by the board of directors and the CEO when preparing the annual accounts and consolidated accounts, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts.

As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken, and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the CEO. We also examined whether any board member or the CEO has, in any other way, acted in contravention of the Companies Act, Banking and Financing Business Act, the Annual Accounts Act, the Annual Accounts Act for Credit Institutions and Securities Companies, or the Articles of Incorporation. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with the international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act for Credit Institutions and Securities Companies and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual general meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report, and that the members of the board of directors and the CEO be discharged from liability for the financial year.

Stockholm, Sweden, March 26, 2008

Ernst & Young AB

Björn Fernström
Authorized Public Accountant

Definitions

Definitions, general

Active account: Account with liquid funds and/or other assets.

Average number of shares after dilution: Weighted average number of shares for the year plus possible additional shares in accordance with IAS 33.

Average number of shares before dilution: Weighted average number of shares for the year in accordance with IAS 33.

Basic earnings per share & Earnings per share after dilution: Profit (after tax) in relation to the average number of shares before and after dilution respectively.

Break-even point: The average number of trades needed per trading day to reach a +/- 0 profit before goodwill write-downs and taxes.

Development expenditure: The cost of internal and external development of trading systems and other applications that will generate long-term financial benefits.

Equity per share: Equity in relation to the number of outstanding shares at the end of the period.

Market capitalization: Number of outstanding shares multiplied by the share price.

Net commission income: Commission income per trade less commission costs and non-trade related commission income.

Operating cash flow: Cash flow excluding client funds. The purpose is to present the cash flows that the business actually generates, keeping client funds separate.

Operating costs: Costs incurred in the business, excluding credit losses and goodwill amortization.

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

P/E ratio: The share price (at year-end) divided by earnings per share.

Profit margin: Operating profit/loss (after tax) in relation to operating income.

Return on equity: Profit/loss (after tax) in relation to average equity over the period.

Total invested capital: Total liquid funds and market value of securities held in all active accounts.

Trade: A registered transaction on a stock exchange or marketplace. An order can often involve several trades.

Definitions, banking and securities activities

Capital adequacy ratio: Capital base in relation to capital requirement. The capital adequacy ratio shall be at least 1.0.

Capital base: Consolidated equity of the financial group of companies, of which Nordnet AB (publ) is the parent company, adjusted in accordance with the Act on Capital Adequacy and Major Exposures for Credit Institutions and Securities Companies.

Capital requirement: Determined by assigning assets and off balance sheet items to different risk classes in accordance with the Act on Capital Adequacy and Major Exposures for Credit Institutions and Securities Companies. The volumes are then weighted on the basis of estimated risk so that 0 percent, 20 percent, 50 percent, or 100 percent of each volume is included in the total risk-weighted volume.

Definitions, insurance activities

Capital base: Consists predominantly of equity.

Guarantee amount: EUR 3 million in compliance with the Swedish Act on Insurance Activities.

Solvency margin: In all essentials, the sum of 1 percent of the contingent dividends and 0.1–0.3 percent of the mortality risks.

Solvency ratio: Capital base in relation to the solvency margin or the guarantee amount, whichever is the larger. The solvency ratio shall be at least 1.0.

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Calender

Activity	Date
Annual General Meeting	April 24, 2008
Interim Report January–March 2008	April 24, 2008
Interim Report January–June 2008	July 17, 2008
Interim Report January–September 2008	October 21, 2008
Year-end Report	February 2009



NORDNET

NORDNET IN BRIEF

Nordnet is the largest online broker in the Nordic region with more than 185,000 active accounts. We operate in Sweden, Norway, Denmark, Finland, Germany, and Luxembourg.

Nordnet is the challenger that is revolutionizing saving – we always have the client's best interest in mind. We want to improve and simplify private saving in shares, mutual funds, and pension plans with innovation and service. As our client, we offer you freedom of choice and the best possible terms.

Nordnet AB is listed on OMX Nordic Exchange Stockholm.