



nordnet

Nordnet Annual Report 2014

Nordnet is a Nordic bank. We offer services that enable private individuals and companies to take control of their financial future. We target active savers in the Nordic region. Our vision is to become the no. 1 choice for savings and investments in the Nordic region.

January – December 2014

- Operating income increased by 10 percent to SEK 1,085.9 million (989.0)
- Profit after tax for the period rose by 18 percent to SEK 276.6 million (233.8)
- Earnings per share rose by 18 percent to SEK 1.58 (1.34)
- The Board of Directors suggests an increased dividend of SEK 1.00 per share (0.85)

Operating profit January-December

337.0 (294.0)

million

Savings capital 31 December

166 (136)

SEK billion

Active customers 31 December

432,600 (394,700)

customers

Net savings January-December

16.3 (8.7)

SEK billion

Trades January-December

14,642,500 (13,565,700)

trades

Lending* 31 December

5.6 (5.4)

SEK billion

*Lending excluding pledged cash and equivalents

Read more

More about Nordnet for investors and media can be found at www.nordnetab.com
To become a customer, visit www.nordnet.se/no/dk/fi

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The formal annual report for 2014 is presented on pages 22-96.

Nordnet 2014

Visit Nordnet's website at: www.nordnet.com for up-to-date information, reports and news.

Comments by the CEO – Håkan

Market and trade

As usual, we have an eventful financial year behind us. During 2014, much attention was focused on record-low interest rates and falling oil prices, as well as on the positive trend on all of the Nordic exchanges, with Denmark at the fore. The low interest rate environment we saw over the year favoured risky assets and the appetite for saving in shares and trading activity were high. During 2014, our customers made more than 14.6 million share trades, which is over one million more than the year before.

Financial results

Regarding our financial figures for 2014, there is much to be happy about. A strong fourth quarter means that we can present income of SEK 1,086 billion for the full-year, which is the highest figure in Nordnet's history. This is despite the fact that interest rates in the Nordic countries are at historically low levels, meaning that our income from lending and the management of surplus liquidity has declined. Net profit after tax is record-high – ending up at SEK 277 million for the 12-month period. Our costs add up to more than SEK 700 million – a level that is deliberately higher than in recent years with the purpose of enabling investment in product development, IT development and customer data analysis.

Product launches

Our most significant product launches during the year were the four super funds – no-fees index funds in each market where we operate – and Shareville. The super funds now have nearly SEK 1 billion in capital, and some 33,000 of our customers have invested in the funds. At the end of the year, more than 30,000 customers with total savings of SEK 10 billion had joined Shareville, making it the Nordic region's largest social investment network.

Customers, savings and loans

Our higher pace of innovation has had an effect in terms of stronger growth and increased customer satisfaction. Our net savings for the full-year amounted to slightly more than SEK 16 billion, which is a very strong figure. Measured in relation to savings capital at the beginning of the year, net savings amounted to 12 percent, meeting our target of double-digit growth. At the end of the year, the savings capital entrusted to us by our customers, amounted to SEK 166 billion, which was also a record. Over the year, we welcomed an additional 38,000 savers to Nordnet, representing growth of nearly 10 percent, and our customer base has grown to more than 430,000 people. Our total lending, including both personal loans and margin lending, amounts to more than SEK 5.6 billion, an increase of five percent compared with a year earlier.

Awards

Early in the year, Jan Dinkelspiel and Günther Mårder, the creator and presenter of our podcast "Sparpodden", were voted *Pension Specialists of the Year, 2013*, by the Network for pension specialists and the trade magazine Pensioner & Förmåner. Additionally, in October, "Sparpodden" was also named as *Sweden's fifth-best podcast* by the Daytona communications agency, which awards the Swedish Podcast Prize in various categories each year.

In May we were named *Broker of the Year* by the Danish Shareholders' Association. The prize is based on a survey that the association distributes to its members, that is, several thousand private savers. In August 2014, Danish consumer advice magazine Förbrugerrådet Tænk Penge named Nordnet *Best-in-test* in a comprehensive survey of banks' costs associated with pension savings and securities trading.



In early December, our commercial “Welcome to Transparent Banking” was voted *Top Commercial of the Week* in the prestigious US advertising magazine Adweek. In the same month, our Swedish savings economist Günther Mårder was named *Bank Profile of the Year* by Swedish business magazine Privata Affärer. In January 2015, it was announced by research firm Q Survey that we had won the Bank category in the *Swedish Championship in telephony and customer service, 2014*.

Priorities 2015

Renewal and innovation are what drive us forward, regardless of whether this involves user interfaces, products, pricing models, service or other aspects of importance to our customers. We can never allow ourselves not to be up-to-date and relevant to Nordic savers, and a priority for us at Nordnet in 2015 is innovation. We are launching a couple of new products in loans and mobile savings early in the year, and the plan is to continue continuously introduce new products throughout 2015.

Our customer satisfaction increased in 2014, which is highly important. The foremost ambassadors for Nordnet are found within our customer base, with six out of ten new customers finding us through recommendations from friends, colleagues or family members. An important prerequisite for continued growth lies in understanding how our customers think and act, and being able to translate these insights into process improvements, adjustments of our offering and new products, for example. Consequently, key areas include analysing customer data and continuing to invest in our analytical capacity.

In 2014, we have built a framework for Nordnet's sustainability efforts – we call it Nordnet Citizenship. The framework is based on the theory of "shared value", which basically means that companies must focus on delivering community benefit at a profit. For 2015 we have set aside 1 SEK per customer, a total of 432 600 SEK, which our employees can seek funds from to Citizenship projects they are passionate about.

Transparent Banking

In the autumn of 2014, we introduced our new communication concept, “Transparent Banking”. The concept summarizes what Nordnet is all about – nurturing openness, applying a transparent business model in which our customers' success is also our success, and maintaining the belief that individuals have an independent capacity to make informed decisions about their savings.

Thank you for following Nordnet, whether as a shareholder, customer or other stakeholder. I promise to do my best to live up to your trust, and I am always interested in hearing your views on how we can improve and become more transparent. Please feel free to contact me on Twitter (CEONordnet) or via the Nordnet blog.

Håkan Nyberg

CEO, Nordnet

Key events per quarter

Q1

- High level of activity in the Nordic markets – the number of trades was up by 17 percent
- Milestone achieved! More than 400,000 savers, with more than 500,000 accounts, on Nordnet's platform

Q2

- Launch of three, no-fee Nordic Super Funds
- Vigorous venture initiated in occupational pension in the Swedish market
- Nordnet named Broker of the Year in Denmark

Q3

- Launch of the social investment network Shareville
- Super funds available in all Nordic markets

Q4

- Launch of new communication concept, "Transparent Banking"
- More than 30,000 savers and SEK 10 billion in savings capital on Shareville

Nordnet's business model

Business concept

Nordnet's business concept is to offer services that enable private individuals and companies to take control over their financial future. We target active savers in the Nordic countries.

Vision and objectives

Nordnet's long-term objective – our vision – is to become the no. 1 choice for savings & investments in the Nordics.

In terms of customers and capital, we target double-digit growth. This means growing our base of active customers by at least 10 percent annually, while annual net savings should amount to at least 10 percent of the savings capital at the start of the year.

By the end of December 2014, net savings amounted to 12.0 percent of the savings capital at the start of the year, meaning that the target was achieved. For 2014, the increase in the number of active customers was 9.6 percent, meaning that the target of double-digit growth in the customer base was not fully achieved.

Strategy

Why we exist

Nordnet was started in 1996 in reaction to the lack of customer-friendliness and transparency in the financial sector. We want to change the traditional structures and transfer power from the bank to the customer. We seek to give private individuals the information and tools they need to take control of their savings and investments.

Nordnet wants to be a driving force in redefining the financial world to empower savers, so that they, and not the bank, are in the driving seat when it comes to their savings and investments.

Global trends, such as democratization, digitization and the development of network economy are going our way.

Knowledge that was previously limited to just a few, is now available to all. Customers are well-informed and impatient – they seek experiences, entertainment and social forums, including from the financial sector.

Transparency has become standard and is what consumers expect. The wave of new regulations in the sector also demands increased transparency.

Our approach is based on our communicating with, and focusing on, a select and limited target group to attract a broader group of customers. We target people who are interested in savings and investment, who seek to make informed and independent decisions, and who want technology that helps rather than controls them. Our task is to put them in the driving seat with regard to their savings and investments.

How Nordnet will grow

Nordnet will grow by providing products and services that are engaging and relevant to the target audience, that strengthen the brand and increase the number of satisfied customers. Nordnet applies an ambassador strategy and mainly recruits new clients through recommendations. In order for customers to recommend us, we need to ensure that our brand is well-liked by, among other things, keeping our customers satisfied, and focusing on innovation and PR activities. Further increasing customer satisfaction is a high priority.

Transparency is important for our target group. Consequently, our communication concept “Transparent Banking” is an important platform in strengthening our brand. “Transparent Banking” is also Nordnet’s way of living and working. The intention is to provide insight into our operations, to make our expertise available, to ensure clarity on, for example, prices, terms and products in our communications, and to bring openness towards the general public and our customers.

To be able to understand our customers and generate a positive user experience and well-aimed offering, we must analyse data and behaviours on the Internet. We develop and supply customer-focused tools, products and services that help customers to get their money to grow without requiring our assistance.

Having a scalable operating platform that works on four markets is a key component in being able to grow with sustainable profitability. We automate as many processes as possible, freeing up resources that we can invest in more value-adding activities. Nordnet continuously invests in its IT architecture, which is based on standardized software.

For Nordnet, an important component strategy involves retaining capacity and expertise within the company in areas including leadership, branding and communication, innovation, customer experience and operational scalability. We have therefore formulated an HR strategy that will enable us to attract, develop and retain employees and leaders.

Business areas

We divide our business into three areas; investments and savings, pensions and banking.

Investments and savings

Investments and savings are our core business and consist primarily of securities trading on the Internet and via mobile devices. With our accessibility, knowledge and a broad offering, we give our customers opportunities to make their money grow.

Both long-term savers and short-term day traders can trade through us. They can trade shares in seven markets, save in funds and trade derivatives, warrants, bonds and stock market traded funds. Customers can also pledge their securities as collateral when seeking loans. Income in the business area derives primarily from commissions and net interest income from margin lending.

Pensions

In the area of pensions, products vary between the Swedish, Norwegian and Danish markets, although all offer considerable freedom of investment for the savers at low cost. The business area is affected positively by increased transparency in the sector and increased opportunities to transfer pensions between different actors. Nordnet Sweden has the most comprehensive selection of pensions, and offers complete pension solutions for private individuals, employers and the self-employed. Nordnet’s main sources of income from pension products come from brokerage and mutual fund commissions.

Banking

The banking business area comprises savings accounts, transfer services and personal loans. Savings accounts are offered in all of the Nordic markets, while private loans are only offered to Swedish customers. Nordnet's main source of income from banking products comes from net interest income.

Markets

We have business in Sweden, Norway, Denmark and Finland. The headquarters are located in Alvik, outside Stockholm, and all central functions are housed here. Alvik is also home to the customer service and sales organization for the Swedish market. There are also local offices in Oslo, Helsinki and Copenhagen with responsibility for customer services, sales and marketing on the respective markets.

Our operational platform handles all four markets, which provides us with economies of scale and cost efficiency.

In the countries where we operate, the savings markets are dominated by traditional banks and pension companies. In all four markets, we play the role of the novice, alongside one or two local competitors.



Sweden – important events during the year

- Drive in occupational pensions
- Launch of no-fee Super Fund Sweden
- Günther Mårder and Jan Dinkelspiel, the voices behind “Sparpodden”, named *Pension specialists of the year*

The Stockholm Stock Exchange climbed 10 percent in 2014, despite a shaky autumn. The number of active

customers at the end of December amounted to 221,800, corresponding to an increase of 6 percent over the past 12-month period. Net savings for the period January-December amounted to SEK 8.3 billion. Calculated in relation to savings capital at the end of December 2013, net savings for the past 12 months correspond to 11 percent. The number of trades among Swedish customers rose by 1 percent compared with the full-year 2013.

At the start of the year, in collaboration with Swedish national daily newspaper Svenska Dagbladet, we launched the new discussion service called Börsforum and the savings event Nordnet Live was held for the second consecutive year at the Stockholm Waterfront conference centre. Nordnet Live is a much appreciated forum where both customers and partners have the opportunity to attend talks and receive up-to-date market analyses. Early 2014 also brought good news when it was announced that Günther Mårder and Jan Dinkelspiel, the voices behind “Sparpodden” had been named *Pension specialists of the year*.

At the start of the second quarter, we announced that our pensions workforce would be expanded in the Swedish market, and recruitment was completed in the fourth quarter. Sales and support in pensions now amounts to 25 people. At the same time, we also let it be known that this drive is expected to result in an increase of about 2 percent in consolidated expenses for 2015.

In the summer, we launched a no-fees index fund under the name Nordnet Super Fund Sweden.

In the third quarter, we entered into an agreement whereby SBAB's customers could move their mutual fund holdings to Nordnet in connection with SBAB phasing out its fund operations and, in the fourth quarter, we welcomed some 2,000 of these fund savers, about a quarter of whom already held Nordnet accounts.

In November, we reported that the cooperation between Nordnet and Söderberg & Partners would decrease as a result of Söderberg & Partners having strengthened its own securities management.

Key figures Sweden	2014	2013
Income, SEK m	656.8	625.4
Operating profit, SEK m	271.9	254.5
Operating margin	41%	41%
Active customers	221,800	209,600
Savings capital, SEK billion	91.9	76.4
Net savings, SEK billion	8.3	4.3
Trades	6,742,100	6,705,300

In the last quarter of the year, we were rewarded for our efforts in the area of communications. In October, "Sparpodden", which has more than 30,000 listeners a week, was named *Sweden's fifth-best podcast*, and in December our savings economist Günther Mårder was named *Bank Profile of the Year* by Swedish business magazine *Privata Affärer*.

In addition to services for savings and investments, Nordnet also offers private loans on the Swedish market under the Nordnet Toppenlånet and Konsumentkredit product names. At 31 December 2014, 26,700 customers (26,300) were using this product. The total lending volume was SEK 2.3 billion (2.1), with an average interest rate of about 11 percent. These operations showed good growth and profitability over the period and contributed 32 percent (30) of operating profit in Sweden for the period January–December.

Norway– important events during the year

- Norway gained its first no-fees mutual fund, Nordnet Super Fund Norway
- A transfer service that helps our customers to collect their savings at Nordnet was launched

The Oslo Stock Exchange rose by 4 percent over 2014.

As per 31 December, the number of active customers amounted to 61,900, corresponding to an increase of

8 percent over the past 12-month period. Net savings for the period January–December amounted to

SEK 2.4 billion, representing 18 percent of the savings capital at the start of the year. The number of trades among Norwegian customers rose by 1 percent compared with 2013.

Key figures Norway	2014	2013
Income, SEK m	131.3	127.8
Operating profit, SEK m	7.0	14.1
Operating margin	5%	11%
Active customers	61,900	57,100
Savings capital, SEK billion	16.2	13.8
Net savings, SEK billion	2.4	0.7
Trades	2,169,400	2,150,700

The influx of new customers was better in early 2014 compared with the preceding year. An improved market climate, successful campaigns and Nordnet's stable position in Norway contributed to the positive trend. In the first quarter, Nordnet was the principal sponsor of the Norwegian share championships on e24.no – a competition with more than 20,000 participants.

In the second quarter, we launched our no-fees index funds in all of our markets, with Norway gaining its very first no-fees fund, Nordnet Super Fund Norway, which immediately topped the list of the most-bought funds among our customers. In August, we took the next step and made the funds available throughout the Nordic region, meaning that our Norwegian customers could, for example, invest in the Finnish Super Fund and vice versa. The year's product launches, including Super Fund Norway and Shareville, have achieved success among our Norwegian savers from the outset.

In the fourth quarter, we started a transfer service that helps customers collect their savings at Nordnet.

Denmark– important events during the year

- High growth in the Danish market
- *Stockbroker of the Year* for the sixth consecutive year
- Launch of Denmark's first completely no-fees fund, Nordnet Super Fund Denmark

Like the preceding year, 2014 was a very good stock market year in Denmark, with an increase of 21 percent.

Nordnet's Danish customers are very active and during the year, the number of trades rose by 39 percent compared with 2013. Nordnet in Denmark enjoyed a high rate of growth in 2014. The number of active customers at the end of December amounted to 38,500, which corresponds to an increase of 27 percent over the past 12-month period. Net savings for 2014 totalled SEK 5.0 billion – a record. Calculated in relation to savings capital at the end of December 2013, net savings for the past 12 months correspond to 36 percent.

Key figures Denmark	2014	2013
Income, SEK m	137.4	93.5
Operating profit, SEK m	35.0	7.4
Operating margin	25%	8%
Active customers	38,500	30,400
Savings capital, SEK billion	21.5	14.1
Net savings, SEK billion	5.0	3.1
Trades	2,604,900	1,871,100

Trading activity was very high in the early part of the year, which is explained by both Nordnet's strong growth and the favourable stock market trend. The number of trades rose by 71 percent in the first quarter compared with the corresponding quarter in 2013, and 55 percent in the first half of the year compared with the preceding year.

Denmark's first completely no-fees fund, the Nordnet Super Fund Denmark, was well received by Danish savers when it was launched in the second quarter. In the same quarter, we were named *Stockbroker of the Year* by the Danish Shareholders' Association following a major survey of the association's members. This was the sixth consecutive year, and the seventh overall, that we received the award.

The Danish market is a step ahead of the other Nordic markets when it comes to openness in the pension market, and Nordnet represents an attractive alternative for those saving over the long term. In 2014, the number of pension customers in Denmark rose by 41 percent.

Finland– important events during the year

- In Finland, Nordnet passed the level of 100,000 active customers
- Launch of Nordnet Superrahasto Suomi (Super Fund Finland) – Finland's first no-fees fund

The stock market year in Finland ended with overall growth, with the Helsinki index OMXH25 rising 5 percent. In the first quarter of the year, we passed

the 100,000 mark in terms of the number of active customers in the Finnish market. The number of Nordnet customers grew by 13 percent over the year and at year-end, the number of active customers was 110,400. Net savings for the period January-December amounted to SEK 0.5 billion. Calculated in relation to savings capital at the end of December 2013, net savings for the past 12 months correspond to 2 percent. Over the year, the number of trades rose by 10 percent compared with the period January-December last year.

In January, we introduced Jukka Oksaharju as Nordnet's Finnish equity strategist. The role includes commenting in the Finnish media on individual shares, as well as on the stock market in general. Martin Paasi is our savings economist, and his assignment is to comment on and participate in the media debate on savings, investments and the economy.

In 2013, we revolutionized fund savings in Finland by removing all purchase and sales fees on the funds that we distribute through our investment platform, and the fund business has grown rapidly. In 2014, the number of customers with mutual fund savings grew by more than 160 percent, largely thanks to the launch of Nordnet Superrahasto Suomi – Finland's first no-fees fund. As of 31 December, more than 13,000 Finnish Nordnet accounts included one of our Nordic super funds.

In the second half of the year, Nordnet passed a milestone with more than 10 percent of all securities accounts at Euroclear Finland being Nordnet accounts.

Market share

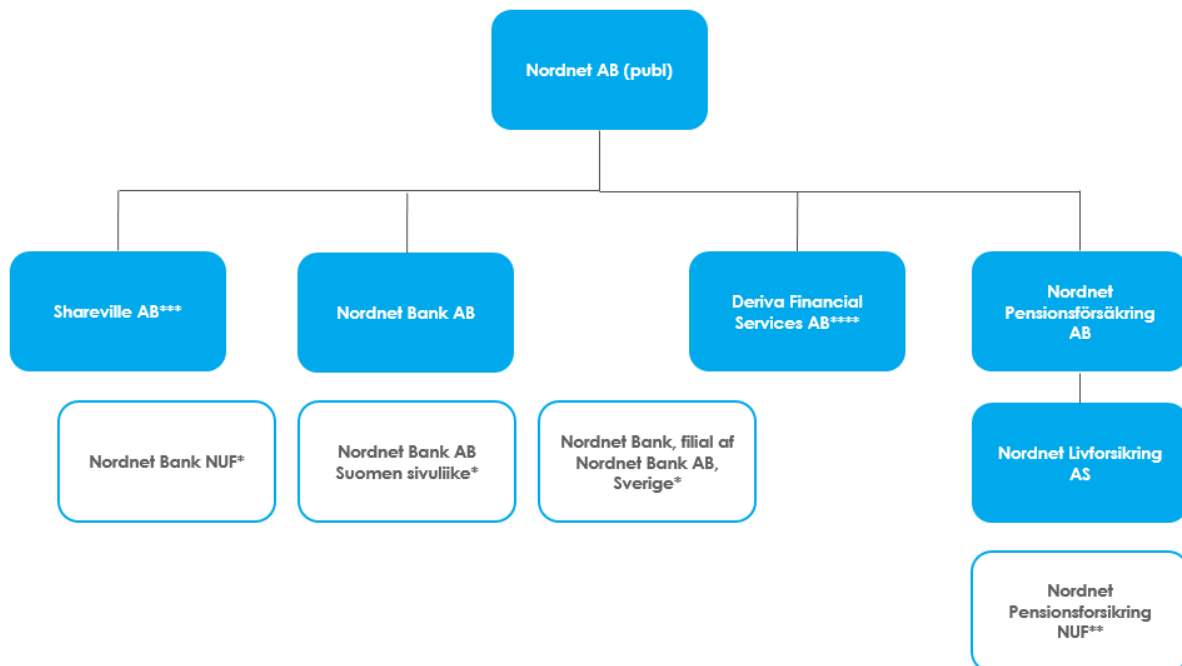
Shares

In the area of share trading for private investors, Nordnet competes with a number of Internet-based players, as well as with the traditional banks. Nordnet's market shares for trading on the Nordic exchanges are 3-4 percent in terms of traded volumes, and 4-7 percent in terms of the number of transactions, depending on the market (see table below).

Table: Nordnet's share per market of share trading on the Nordic exchanges in 2014

Nordnet's market share	Sweden	Norway	Denmark	Finland
Volume	2.9%	3.4%	3.4%	3.8%
Number of trades	4.4%	4.6%	5.2%	6.6%

Group overview



* Branch of Nordnet Bank AB

** Branch of Nordnet Pension AB

*** Nordnet AB (publ) is the indirect majority owner

**** Indirectly wholly owned by Nordnet AB (publ)

In addition to the company's illustrated above, the Group includes some companies that do not conduct any operations or that are being discontinued.

Shares

Nordnet's share price rose by 8 percent over the year to SEK 28.20, equivalent to a market capitalization of SEK 4.9 billion at year-end 2014. The turnover rate was 28 percent. Nordnet's shares are quoted on the Nasdaq Stockholm exchange under the NN B ticker. The shares are part of the Mid Cap segment under the Financial services sector.

The Nordnet share	2014	2013	2012	2011	2010
Total number of shares traded	48,170,001	29,976,388	33,226,791	34,330,105	24,715,332
Total number of trades	45,980	27,747	27,007	35,297	31,489
Total value of shares traded (SEK million)	1,389	657	638	647	641
Average numbers of shares traded	193,454	120,873	132,907	135,692	97,689
Average number of trades	185	111	108	140	124
Average value of shares traded (SEK million)	5.6	2.6	2.6	2.6	2.5
Turnover velocity	28%	17%	19%	19%	14%
Price performance	8%	55%	8%	-33%	-1%
Total return	11%	60%	12%	-30%	1%
Highest price paid	35.90	29.00	25.70	25.00	30.80
Lowest price paid	24.60	16.00	14.55	13.90	21.50
Share price at year-end	28.20	26.00	16.80	15.60	23.30
Market capitalisation at year-end (SEK million)	4,936	4,551	2,940	2,730	4,078
Income before tax	1.93	1.70	1.30	2.01	1.53
Income after tax	1.58	1.34	1.08	1.54	1.21
Dividend per share ¹	1.00	0.85	0.70	0.65	0.50
P/E ratio	17.85	19.40	15.56	10.13	19.30
Equity per share ²	9.93	9.26	8.65	8.17	7.09
Average number of shares before dilution	175,027,886	175,027,886	175,027,886	175,027,886	169,475,689
Average number of shares after dilution	175,096,811	175,027,886	175,027,886	175,027,886	171,537,967
Number of outstanding shares at year-end	175,027,886	175,027,886	175,027,886	175,027,886	175,027,886

¹Proposed dividend for 2013

²Excluding minority

Share capital

On 31 December 2014, Nordnet had a share capital of SEK 175 million (175) divided between 175,027,886 (175,027,886) shares, each with a quotient value of SEK 1. All shares are class B shares with equal voting rights and share of the company's capital and profits.

Dividend

The Board of Directors proposes a dividend of SEK 1.00 per share (0.85), corresponding to 63 percent of the earnings per share. In accordance with Nordnet's long-term dividend policy, approximately 60 percent of the profits should be distributed.

Buy-back and sale of own shares

Nordnet has not bought-back or sold its own shares over the year. Nordnet owned none of its own shares at year-end 2014.

Ownership

Nordnet had 7,873 (6,146) shareholders on 31 December 2014, an increase of 28 percent compared with the same date a year earlier. E. Öhman J:or AB is the largest shareholder with 30.2 percent (30.2) of the capital. The number of shareholders resident in Sweden represents 86 percent (89) of the capital. At year-end, the largest owner groups were financial and institutional organizations with 41 percent (46) and private individuals with 29 percent (28).

The largest shareholders as of 31 December 2014	Number of shares	Votes and capital
E. Öhman J:or AB	52,886,083	30.22%
Premiefinans AB	18,157,305	10.37%
Didner & Gerge Småbolag	6,823,280	3.90%
Handelsbanken Fonder AB Re Jpmel	6,413,914	3.66%
Dinkelspiel, Ulf	5,911,177	3.38%
Bredberg, Micaela	5,886,550	3.36%
Versteegh, Catharina	5,886,550	3.36%
Skagen Kon-Tiki Verdipapirfond	5,007,907	2.86%
Dinkelspiel, Tom	4,904,776	2.80%
Dinkelspiel, Claes	4,801,838	2.74%
Danske Invest Sverige	2,543,795	1.45%
Dinkelspiel, Anna	1,966,263	1.12%
Dinkelspiel, Jan	1,966,263	1.12%
Dinkelspiel, Louise	1,952,977	1.12%
Bk Julius Baer & Co Sweden Main Ac	1,930,000	1.10%
Total top 15 shareholders	127,038,678	72.58%
Total other shareholders	47,989,208	27.42%
Total	175,027,886	100.00%

Shareholdings in terms of size as of 31 December 2014	Number of shareholders	Number of shares	Average shares per owner	Number of votes and capital
1 - 500	4,762	768,574	161	0.4%
501 - 1000	1,183	1,045,098	883	0.6%
1001 - 5 000	1,336	3,437,160	2,573	2.0%
5001 - 50 000	471	6,234,318	13,236	3.6%
50 001 - 500 000	82	12,759,323	155,602	7.3%
500 001 - 5 000 000	31	43,810,647	1,413,247	25.0%
5 000 001 - 10 000 000	6	35,929,378	5,988,230	20.5%
10 000 001 -	2	71,043,388	35,521,694	40.6%
Total	7,873	175,027,886	22,231	100%

Shareholding per owner group as of 31 December 2014	Number of shares	Votes and capital
Financial and institutional owners	72,874,327	41.6%
Private owners	50,051,683	28.6%
Non-financial companies	25,294,977	14.5%
Owners domiciled abroad	24,230,141	13.8%
AP-funds	2,343,068	1.3%
Interest organisations	221,600	0.1%
Public sector	12,090	0.0%
Total	175,027,886	100%

Nordnet citizenship 2014

"Our work with Citizenship is driven by a desire to generate long-term value for our shareholders by developing our employees, customers and society while reducing environmental impact."

– Håkan Nyberg, CEO, Nordnet

Total savings capital in mutual funds

Combined savings capital in mutual funds rose by 44 percent in 2014.

SEK 39 ⁽²⁷⁾ billion

Savings capital in ethical funds

Savings capital in ethical funds doubled in 2014, reaching new record levels.

SEK 2.9 ^(1.4) billion

Equal workplace

The proportion of women among Nordnet's employees. We are actively working to increase equality.

38 % ^(37 %)

Healthy workplace

Average absenteeism due to illness among Nordnet employees.

2.4 % ^(2.3 %)

Total energy consumption

Most of Nordnet's energy consumption comes from running our servers and decreased in 2014.

1.8 ^(2.1) GWh

Total greenhouse gas emissions

Nordnet's greenhouse gas emissions continued to decline in 2014.

322 ⁽³²⁴⁾ tonnes CO_{2e}

About Nordnet Citizenship

In 2014, we built a framework for Nordnet's sustainability work – we call this Nordnet Citizenship. The framework is based on Professor Michael Porter's theories of shared value, which – briefly stated – means that companies must focus on delivering social benefit profitably. Our platform for Citizenship work enjoys the strong support of the Board and management team, although the results of the work rest entirely on employees' commitment, ideas and innovation.

Within the framework of Citizenship, all employees have the opportunity to develop their ideas, provided that they deliver value both to society and to our shareholders. The process entails employees submitting project proposals via our intranet, often with the help of one of Nordnet's five Citizenship ambassadors. These five individuals may devote 10 percent of their working hours running Citizenship projects and helping other employees apply for projects, monitoring projects as they are implemented and assessing completed projects.

Which project proposals are to be implemented is determined by our newly established Citizenship Board, which also allocates budgets and determines how much time employees may devote to the project. Nordnet's Citizenship Board comprises six members, three of whom are also members of the management team, including the CEO.

For 2015, we have earmarked SEK 1 per customer, a total of SEK 432,600, from which employees can seek funding for a Citizenship project that they are passionate about.

Within the framework of Citizenship, the following projects have been implemented to date:

– *Schools for the Future* is a non-profit organization that runs violence prevention programmes for children in El Salvador. The children have written stories explaining how they perceive their own rights and, with Nordnet's help, these stories have been translated and published in book form. During working hours, Nordnet employees helped Schools for the Future translate stories from Spanish to Swedish and English, and assisted with graphic design. Nordnet also made sure that the book was printed.



– *Musikhjälpen* is a fund-raising event that has existed in Sweden since in 2008. For a week and in collaboration with *Radiohjälpen*, *Musikhjälpen* broadcasts on Swedish radio channel P3 and on SVT (public service television) around the clock to draw attention to and raise funds for alleviation of a neglected humanitarian disaster. The theme for *Musikhjälpen* in 2014 was "Help us stop the spread of HIV." Nordnet "sold" the opportunity to participate in Nordnet's podcast "Sparpodden" – which is run by Nordnet's Swedish savings economist Günther Mårder and Innovation Manager Jan Dinkelspiel – to the highest bidder. We raised SEK 11,000. Nordnet also contributed a further SEK 20,000 to *Musikhjälpen*.

– For the second consecutive year, Nordnet opted to offset the bank's greenhouse gas emissions. These totalled 324 tonnes CO₂ and included employees' commutes. The emissions were offset by planting trees in collaboration with small-scale farmers in Bolivia. The project, called *ArBolivia*, is certified in accordance with Plan Vivo. In addition to climate benefits, the project adds social and ecological value.

Reporting of Nordnet Citizenship

To communicate developments in our Citizenship work, each year, we prepare a report in accordance with the Global Reporting Initiative (GRI), the world's most widespread framework for sustainability reporting. The report is based on the Citizenship framework's four focus areas: savers, employees, society and the environment.

The report relates to the 2014 financial year and is based on GRI G4, reporting level *Core*. For further information about the contents of report, which includes assumptions, GRI index, etc., please see

www.nordnetab.com/sv/investera-i-nordnet/rapporter/rapportcenter.

Savers

Nordnet's savers are its customers. Our role is to give them the tools they need to make smarter investment decisions. Consequently, we work to disseminate knowledge, enable customers to share knowledge with one another, and create simpler and more transparent services.

Savings economists

Nordnet employs savings economists in each of its markets and they are there for our customers. The savings economists are on the customers' side, pursuing their interests, whether these agree with Nordnet's short-term interests or not. They also provide savings tips and comment on current topics through channels where our customers are present, for example the Nordnet blog, Facebook and Twitter.

Shareville

In 2014, Nordnet launched Shareville, a whole new way of looking at financial advice. Instead of an advisor at the bank recommending what customers should buy, we are confident that our customers are able to make better decisions about their own money. Shareville brings together the combined capacity of all of our customers, enabling them to make even better investment decisions. On Shareville, our customers can create their own share portfolios, and other members can follow and copy these. The result is that the aggregated knowledge of all of Shareville's approximately 30,000 users is brought together on a common platform, providing even more of a basis for investment decisions.

"Sparpodden" podcast

In September 2013, Nordnet launched "Sparpodden", a podcast about private finance issues and savings. The podcast is hosted by Nordnet's Chief Innovation Officer, Jan Dinkelspiel, and Swedish savings economist Günther Mårder. Listeners control the agenda by posing questions via social media under the hashtag #Sparpodden. Each episode is about 50 minutes long, and new episodes are released every Wednesday. In 2014, interest in "Sparpodden" continued to increase and the podcast now has more than 35,000 listeners.

Education of the public

Under the name Nordnet School, Nordnet organizes training in savings and share trading in the form of physical meetings, educational films and webinars. Together with students, Nordnet employees also travel to colleges and universities in the Nordics lecturing on how the stock market works as well as participating in different events. In Norway, we have cooperation with groups interested in the stock market at different schools and these groups participate in a school duel in which students compete about who best can manage NOK 100,000.

Investments in educations of the public, SEK thousand	2014	2013	2012
Cost for Nordnet's education activities			
Savings economists	4,187	3,052	1,687
Nordnetskolan	192	446	1,333
Education of students	300	300	300
Nordnet InvestOUR	-	274	753
Sparpodden	297	86	-
Total	4,976	4,158	4,073

The table shows Nordnet's costs for training of customers and the public. The Nordnet InvestOUR was not carried out in 2014.

Savings at Nordnet, SEK billion	2014	2013	2012
Nordnet customer savings			
Net savings	16	9	7
Total savings capital	166	136	104

The table shows net savings and total savings. Net savings refers to capital deposited less capital withdrawn.

Ethical savings

On Nordnet’s fund portal, we offer more than 70 funds with a particular focus on ethical or environmental investments. In 2014, the capital in these funds more than doubled, which means that the percentage of savings in funds of this type grew from 5.2 to 7.4 percent of total fund savings at Nordnet. A large part of the increase is due to Nordnet’s partners having invested in these products on their customers’ behalf during 2014.

Savings in ethical funds at Nordnet, SEK billion	2014	2013	2012
Nordnet customer savings in ethical funds			
Total savings in ethical funds	2.9	1.4	0.4
Share of mutual fund savings in ethical funds	7.4%	5.2%	1.8%

The table shows the total savings in ethical funds, and the proportion of total mutual fund investment occurring in ethical funds.

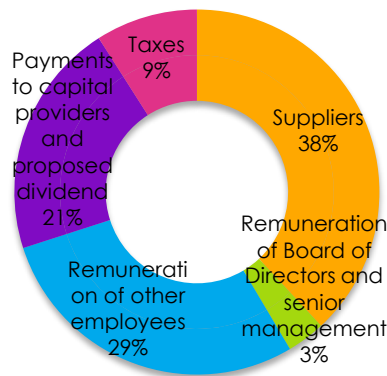
Secure data

Being a Nordnet customer shall be secure. Our work with IT security is based on ISO 27000, an international standard for data security. Nordnet’s IT systems are monitored around the clock, every day of the year. In addition, regular security reviews of the IT environment are performed. Nordnet’s work on these issues is guided by the security manager and a security group.

In 2014, Nordnet had no reported breaches of customer privacy or losses of customer data.

Society

Nordnet seeks to contribute to a better society. By contributing our time, expertise or financial support, we seek to develop the markets in which we operate and society in general. Naturally, improving society includes our employees always acting in accordance with applicable laws and regulations, as well as our adherence to Nordnet’s own ethical guidelines.



The graph shows Nordnet’s distributed economic value, that is, what stakeholder groups have benefited from our business.

Our actions

Fundamental to Nordnet’s operations is that all employees act in line with our ethical guidelines and the company’s values. The Board bears the ultimate responsibility for compliance with the guidelines, and also reviews and updates the guidelines at least once a year. New recruits complete a mandatory course on the ethical guidelines, which includes training in ethics, privacy and anti-corruption. The affected employees also receive on-going training in how to detect and prevent money laundering and terrorist financing, as well as training in the handling of complaints.

Certain personnel categories at Nordnet in Sweden, such as brokers, are required to hold Swedsec licenses. We also encourage other employees to undergo training to meet the requirements for the license, as an initiative to increase their expertise on the securities market. All Swedsec licensed employees must pass a knowledge test

every year to retain their licenses. At the end of 2014, 69 of Nordnet’s employees were licensed, which was 26 percent of the average number of employees in Sweden that year.

Improper use of our services

For players in the financial market, there is a risk of being impacted by financial crime. Nordnet continuously monitors that the company’s services are not being used to disguise profits obtained through criminal behaviour. Nordnet has systems and procedures to identify and report suspected money laundering or financing of crime. We continually perform risk assessments of our customers, products and services.

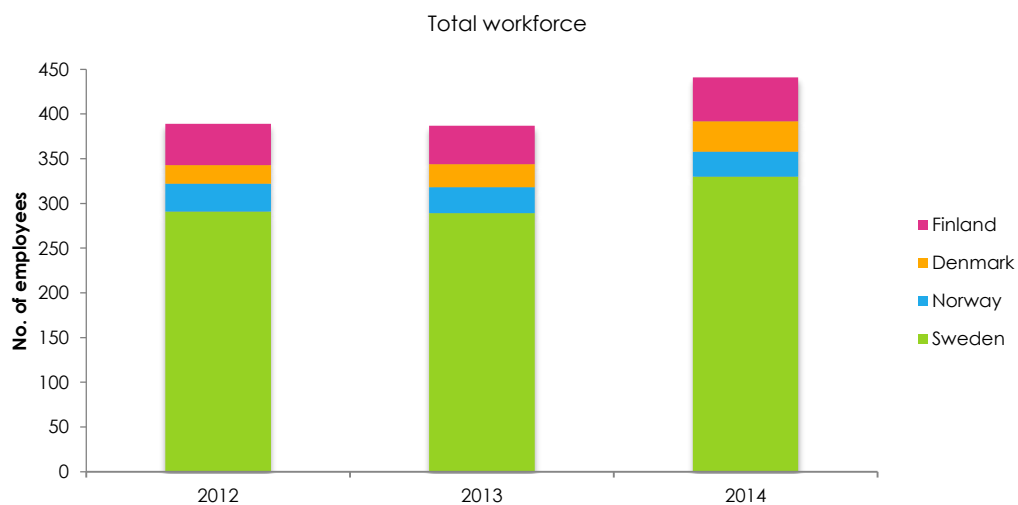
Since 2011, Nordnet is also a member of ECPAT (End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes). In collaboration with ECPAT and the Swedish Criminal Investigation Department, Swedish banks are helping impede payments to websites offering child pornography. In recent years, ECPAT has helped markedly reduce the number of sites selling child abuse imagery.

Employees

Working at Nordnet should be fun. We want to create workplaces where differences are seen as enriching and where each individual sees the potential for personal development – we believe this leads to new ideas, innovation and a community spirit within the organization.

Nordnet’s culture

At Nordnet, we value creativity, a competitive spirit, and a lack of prestige. All employees should want, dare and be able to make their voices heard – that is how we can redefine the financial world. We shall offer opportunities for variation in tasks and new collaborations between colleagues. All employees should have at least two personal development interviews per year.



Number of employees in each country at the end of each year. Note that the diagram shows the total number of employees, including substitutes and hourly employees. A large portion of our employees are stationed in Sweden since many shared features are located there – the countries’ service organizations are comparable in size. The fact that the number of personnel increased during 2014 is primarily due to our investments in product development, IT development and analysis of customer data.

Employee movement	2014			2013			2012		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
New hires and departures									
New hires during the year			129			97			98
Under 30 years old	21	51	72	26	35	61	24	41	65
30 - 50 years old	22	32	54	13	23	36	9	21	30
Over 50 years old	2	1	3	0	0	0	1	2	3
Rate of new employee hires			29%			25%			25%
Departures during the year			91			100			101
Under 30 years old	16	28	44	20	34	54	20	42	62
30 - 50 years old	14	28	42	21	23	44	14	23	37
Over 50 years old	2	3	5	1	1	2	0	2	2
Rate of employee turnover			21%			26%			26%

The table shows the total labour force, including substitutes and hourly employees. Nordnet has a high natural turnover of hourly workers who are often younger people. According to the definition by the Institute of Human Resource Indicators, personnel turnover among only permanent and probationary employees was 14.5 percent in 2014.

Personal development

In 2014, we implemented a Group-wide internal employee and leadership programme aimed at clarifying what it means to be a co-worker and leader at Nordnet. Within the programme's framework, all managers met on four occasions and other employees met on two occasions to discuss Nordnet's seven principles of leadership and teamwork.

Average number of education hours per employee and year (h)	2014	2013	2012
All employees	16	10	9

The table shows the average number of external instructor-led training hours for all employees. The increase in the number of training hours is primarily because of the extensive training programme on teamwork and leadership during 2014.

Another key part of Nordnet's leadership development is our leadership forum called Sharing Insights, which began in 2012. The forum is intended to discuss and reach consensus on leadership issues, and is also a networking opportunity that constitutes an important part of the integration between the different offices.

Health at Nordnet	2014	2013	2012
Employee sick leave, by country (%)			
Sweden	2.1	2.2	1.7
Norway	1.9	2.2	2.0
Denmark	4.6	3.7	2.0
Finland	3.0	2.7	3.3
Average Nordnet	2.4	2.3	1.9

The table shows our employees' absenteeism due to illness. No cases of work-related illnesses or deaths have been reported.

Better through diversity

By mixing different personalities, roles and backgrounds, we can create a more successful Nordnet. Although everyone must share the same objectives, this does not mean that all employees are to be cast in the same mould – differences promote and reinforce creativity and quality. Nordnet strives to offer the same opportunities, rights and responsibilities to all employees. In our view, the fact that the company's employees have different backgrounds promotes key fundamental values such as tolerance, humility and understanding.

In 2014, we worked on four areas to further strengthen gender equality in all parts of the bank.

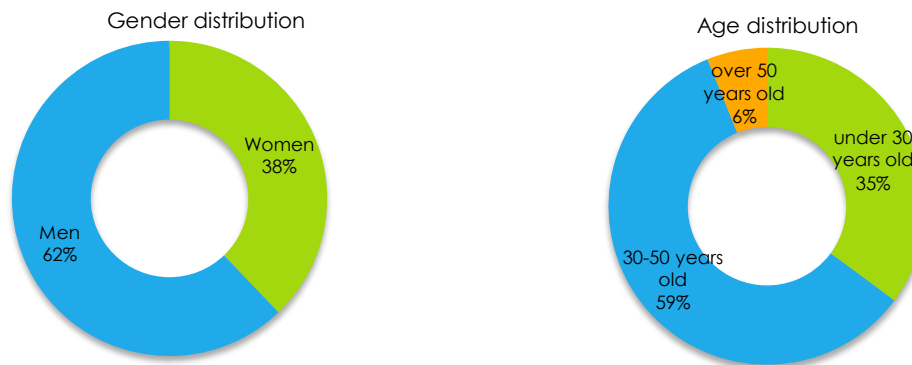
1. We conducted a research-based course and information campaign on equality, aimed at the management team.
2. We have introduced gender scorecards for all members of the management team. Among other things, the scorecard shows statistics on wage discrepancies and absenteeism due to illness or care of ill children, broken down by gender. We monitor these data on a quarterly basis.

3. We have introduced an equality plan with an associated plan of action for equal salaries.
4. We are introducing strategic succession planning – “The Next Me” – where part of the plan is that both genders be represented when we seek possible successors for leadership roles.

Ratio of basic salary of women to men at Nordnet	2014	2013	2012
Women's salaries as a percentage of men's (%)			
Management (excluding the CEO)	112	110	95
All employees (excluding management)	88	80	75

The table shows women's average salary as a percentage of the average wage of men in different personnel categories. The calculation includes severance pay. In the spring of 2014, we developed an equality plan and equality policy that we have worked with for years; this has had a clear impact on the statistics.

Nordnet's gender balance is at currently relatively even, although it varies between different personnel categories. Administrative functions have a higher proportion of women, while the proportion of men is higher among IT personnel, for example. Nordnet's Board consists of five men and two women, and the management team includes nine men and three women. Nordnet is part of Swedish business magazine Veckans Affärer's drive “The 30-percent club”, which means we pledge to work for a management team consisting of at least 30 percent women in 2015.



The pie charts relate to gender and age distribution for the entire Nordnet Group.

Collective bargaining agreements	2014	2013	2012
Employees covered by collective bargaining agreements (%)			
Share of employees with collective bargaining agreement	86	85	10

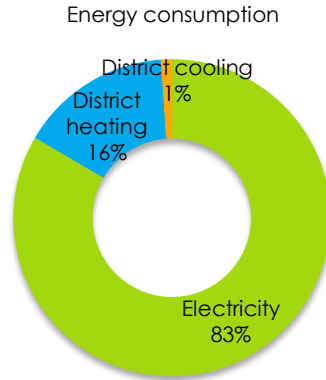
All employees in Finland and Sweden are covered by collective bargaining agreements, including employment categories such as temporary employees and substitutes.

Environment

Nordnet's business model involves no physical branch offices. This means that we can, at a fundamental level, call ourselves resource efficient and state that we have no major impact on the environment.

Energy efficient banking services

Nordnet's greatest environmental impact comes from the energy consumed by the servers that deliver our services around the clock. In 2014, we consumed approximately 1,800 MWh for the operation of our IT infrastructure and for our consumption of electricity, heating and cooling at our offices. That's about as much as 70 single-family homes in Sweden consume over a year.



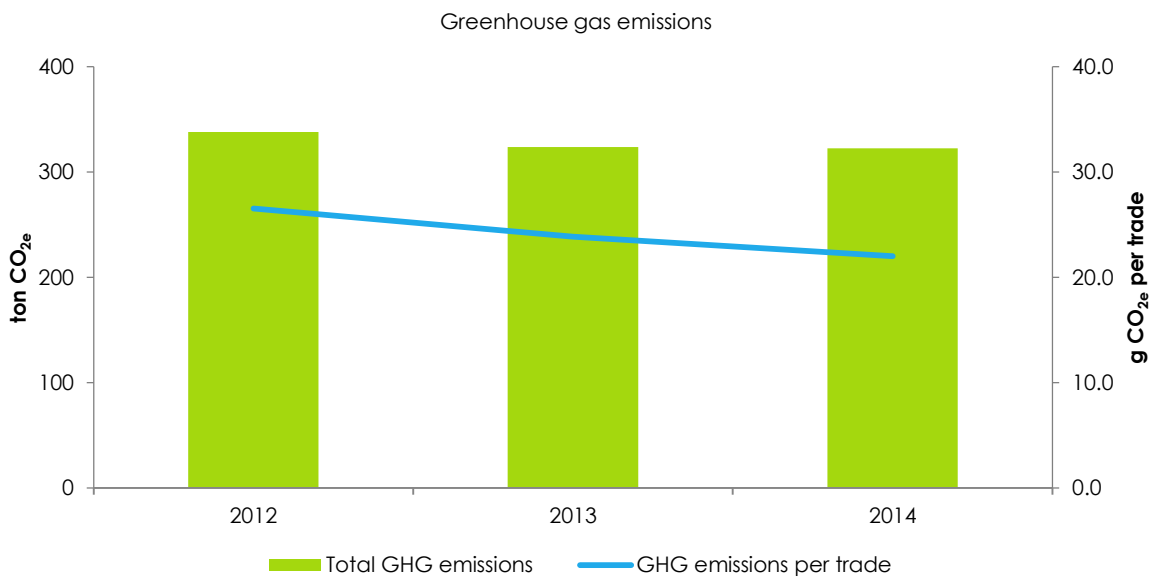
Nordnet's energy intensity amounted to 0.12 kWh per customer trade – a decline of 19 percent compared to last year. The decline is largely due to the fact that we are continuing to streamline our server utilization.

Nordnet's energy consumption	2014	2013	2012
Indirect energy consumption, MWh			
Electricity	1,510	1,690	1,840
District heating	280	340	280
District cooling	20	40	30
Total	1,810	2,070	2,150
Amount renewable energy	55%	60%	59%

The table shows the energy consumed to heat and cool buildings and power equipment, as well as the average percentage of renewable energy.

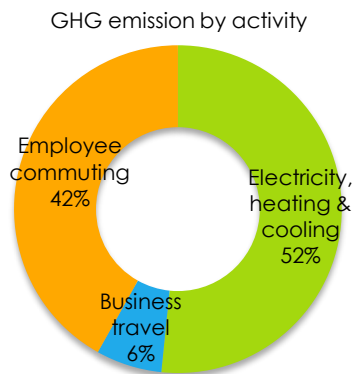
Reduced climate impact

Each year, Nordnet reports its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol, the most common international framework for voluntary reporting of greenhouse gas emissions. In 2014, Nordnet's total greenhouse gas emissions amounted to 322 tonnes of CO_{2e}, with emissions declining by 8 percent per customer trade during the year.



The green bars represent Nordnet's total greenhouse gas emissions and the line represents greenhouse gas emissions per trade.

Nordnet's greenhouse gas emissions mainly comes from the electricity consumed by our servers, and our employees' commutes and business travel. However, we continue to conduct more and more of our internal communications by phone, web and video conferencing, which has resulted in our emissions from air travel falling by 80 percent since in 2010.



Nordnet's greenhouse gas emissions primarily come from our use of energy and our employees' commutes, and we are focusing our climate efforts on these areas.

Nordnet Annual Report 2014

Board of Directors' report

Introduction

The Board and Chief Executive Officer of Nordnet AB (publ) (Nordnet), company registration number 556249-1687, headquartered in Stockholm, hereby submit the Annual Report and principles of consolidation for the 2014 financial year. For other information on the company, please see Note 1.

Operations

Via its subsidiary Nordnet Bank AB, Nordnet offers services for savings and securities trading. A large number of information and guidance services are also offered, as well as a number of bank services. Operations are mainly conducted via the Internet. Via the subsidiary and brand Nordnetdirekt, a simpler online brokerage service is offered. In Norway, Denmark and Finland, operations are run via branch offices. Through its subsidiary Nordnet Pensionsförsäkring AB, Nordnet offers life insurance operations focused on pensions savings. In Norway, the pension operations were conducted through a branch office up until the end of 2014. Effective from 2015, the Norwegian pension operations will be conducted through Nordnet Livförsikring AS, a subsidiary of Nordnet Pensionsförsäkring AB. Through the subsidiary Konsumentkredit in Sweden, consumer loans are provided to private individuals on the Swedish market. Nordnet is also the majority shareholder of the social media investment network Shareville. At Shareville our customers can showcase the securities they have chosen to invest in and the percentage distribution of total holdings as well as share experiences and saving tips with each other.

Significant events during the year

The year that we have now concluded was an eventful one. During 2014, much attention was focused on record-low interest rates and falling oil prices, as well as on the positive trend on all of the Nordic exchanges, with Denmark at the fore. Nordnet's 18th year was a memorable one and gave us much to be happy about. Our most important product launches during the year were the Super Funds and Shareville. Renewal and innovation are what drive us forward, regardless of whether this involves user interfaces, products, pricing models, service or other aspects of importance to our customers.

For the full-year, we noted the highest income in Nordnet's history. This is despite the fact that interest rates in the Nordic countries are at very low levels, meaning that our income from lending and the management of surplus liquidity has declined. Profit after tax was also record-high – ending up at SEK 277 million for the 12-month period. Our costs added up to more than SEK 700 million – a level that is deliberately higher than in recent years with the purpose of enabling investment in product development, IT development and customer data analysis.

By the end of December 2014, net savings amounted to 12.0 percent of the savings capital at the start of the year, meaning that the target of double-digit growth was achieved. For 2014, the increase in the number of active customers was 9.6 percent, meaning that the target of double-digit growth in the customer base was not fully achieved.

At the start of the year, in collaboration with Swedish national daily newspaper Svenska Dagbladet, we launched the new discussion service called Börsforum and the savings event Nordnet Live was held for the second consecutive year at the Stockholm Waterfront conference centre. Early 2014 also brought good news when it was announced that Günther Mårder and Jan Dinkelspiel, the voices behind "Sparpodden" had been named *Pension specialists of the year*. In 2014, Günther Mårder was also named *Bank Profile of the Year* by Swedish business magazine Privata Affärer.

In the second quarter, we announced that our pensions workforce would be expanded in the Swedish market, and recruitment was completed in the fourth quarter. The workforce in sales and support now amounts to 25 people.

At the start of the summer, we launched a family of no-fee funds under the Super Fund concept. For the first time, this enabled savers in Finland, Denmark and Norway to save, completely without fees, in a fund that invests in the largest local companies in each market. The corresponding fund also became available in the Swedish market later in the summer.

In the same quarter, we were named *Stockbroker of the Year* by the Danish Shareholders' Association following a major survey of the association's members. This was the sixth consecutive year, and the seventh overall, that we received the award.

The major event in the third quarter was the launch of the social media investment network Shareville, and more than 30,000 Nordnet customers had joined the service by year-end.

In the third quarter, we also entered into an agreement whereby SBAB's customers were given the opportunity to move their mutual fund holdings to Nordnet in connection with SBAB phasing out its fund operations. In the fourth quarter, we welcomed approximately 2,000 of these fund savers, about a quarter of whom already held Nordnet accounts.

Our customer satisfaction increased in 2014. The foremost ambassadors for Nordnet are found within our customer base, with six out of ten new customers finding us through recommendations from friends, colleagues or family members. Our ambassador strategy is supplemented with marketing activities and during the fourth quarter, we presented our new communication concept "Transparent Banking" through our own channels and other channels procured for this purpose. The concept was launched with the aid of five films that were posted on YouTube and other digital networks. The campaign spread rapidly, being viewed more than a million times on YouTube in the Nordic countries. The concept summarizes what Nordnet is all about – nurturing openness, applying a transparent business model where our customers' success is also our success, and maintaining the belief that individuals have an independent capacity to make informed decisions about their savings.

Multi-year summary

Group	2014	2013	2012	2011	2010
Income statements, SEK thousands					
Net interest income	478,573	482,421	520,585	547,284	327,781
Net commission	478,217	403,330	344,205	460,271	557,148
Net result of financial transactions	86,445	65,287	31,721	31,601	43,708
Other income	42,675	37,948	41,909	45,081	151,869
Total operating income	1,085,910	988,986	938,420	1,084,237	1,080,506
Operating expenses	-705,858	-656,235	-666,537	-691,836	-810,275
Credit losses	-43,074	-38,756	-44,690	-40,941	-10,154
Operating result	336,978	293,995	227,193	351,460	260,077
Tax	-60,343	-60,150	-38,267	-81,311	-55,442
Income for the year	276,634	233,845	188,926	270,149	204,635
Of which non-recurring items, amortization and impairment of goodwill, and tax	-	-	-	-	-60,842
Operating income before nonrecurring items, amortization and impairment of goodwill, and tax	336,978	293,995	227,193	351,460	265,477
Balance sheets, SEK thousands					
Loans to credit institutions	987,472	967,567	1,464,951	1,837,774	2,777,893
Loans to the general public	5,785,566	5,455,533	4,737,333	4,629,692	6,016,341
Assets in the insurance business	28,868,479	23,764,928	18,961,654	16,463,478	17,104,910
Other assets	14,484,947	9,506,197	6,227,967	6,131,321	2,893,276
Total assets	50,126,464	39,694,225	31,391,905	29,062,265	28,792,420
Liabilities to credit institutions	-	-	-	-	-
Deposits and borrowing from the general public	16,500,316	12,898,569	10,487,740	10,708,413	9,790,311
Liabilities in the insurance business	28,869,319	23,765,601	18,962,253	16,464,685	17,107,753
Other liabilities	3,005,707	1,404,674	427,941	459,893	653,241
Total liabilities	48,375,342	38,068,844	29,877,934	27,632,991	27,551,305
Total equity	1,751,122	1,625,381	1,513,971	1,429,274	1,241,115
Total equity and liabilities	50,126,464	39,694,225	31,391,905	29,062,265	28,792,420

Profits and financial review, Group

Operating income for the financial year rose by 10 percent to SEK 1,085.9 million (989.0), primarily due to increased net commission and higher net profit from financial transactions. Of operating income, SEK 478.2 million (403.3) was net commission, SEK 478.6 million (482.4) was net interest income, SEK 42.7 million (37.9) was charges and other income and SEK 86.4 million (65.3) was net profit from financial transactions. Net interest decreased by SEK 3.8 million, which was mainly attributable to low interest rates. Operating expenses before credit losses rose by 8 percent to SEK 705.9 (656.2) million. Among other things, the increase in expenses is attributable to investments in IT, analysis of customer data, product development and the occupational pensions venture in Sweden. Operating profit for the financial year increased by 15 percent to SEK 337.0 million (294.0), and the operating margin was 31 percent (30). Profit after tax for the year amounted to SEK 276.6 million (233.8), resulting in a profit margin of 25 percent (24). Earnings per share before dilution amounted to SEK 1.58 (1.34) and after dilution to SEK 1.58 (1.34) – an increase of 18 percent.

The Group's loans to credit institutions amounts to SEK 987.5 million (967.6), of which SEK 540.1 million has a duration up to three months, and therefore is classified as liquid funds. The Group's liquid funds amounted to SEK 540.1 million (430.1). The Group's liquid funds, including liquid funds in the insurance business, amounted to SEK 2,863 million (2,699) at the end of the period, of which frozen assets amounted to SEK 79 million (95). At year-end, goodwill and brands amounted to SEK 194.3 million (197.2). At year-end, consolidated equity, excluding minority interests, amounted to SEK 1,747.6 million (1,621.0) distributed between 175,027,886 outstanding shares, representing SEK 9.98 (9.26) per share excluding minority interests. Consolidated equity including minority interests amounted to SEK 1,751.1 million (1,625.4), corresponding to SEK 10.00 (9.29) per share, including minority interests. At the end of the period, the capital ratio was 16.0 percent, compared with 16.6 percent at the same time last year.

Investments in tangible fixed assets over the year amounted to SEK 15.2 million (16.5). Investments in intangible assets over the year, such as development work expenses brought forward, amounted to SEK 40.4 million (13.6), of which SEK 7.4 million (5.4) were product development expenses brought forward. The Group acquired intangible assets of SEK – million (18.3) during the year. Marketing expenses amounted to SEK 38.5 million (35.1). A multi-year overview of consolidated and key figures is presented after the notes.

Profits and financial review, parent company

The parent company's operating income rose by 2 percent to SEK 7.9 million (7.7) and relates to Group-internal administrative services. The profit from financial investments totalled SEK 180.5 million (187.1) and mainly comprises anticipated dividends from subsidiaries. The parent company's profit after financial items amounted to SEK 173.9 million (180.4). The profit includes an anticipated dividend from subsidiaries of SEK 175 million (182). The parent company's liquid funds amounted to SEK 27.1 million (2.7), and equity to SEK 1,245.1 million (1,220.0). Dividends of SEK 148.8 million (122.5) were paid to shareholders for the 2013 financial year. The parent company conducts no operations. For a description of the development of operations, please see the Group's business description, as well as the consolidated profits and financial overview.

Future prospects

Nordnet has an efficient operating model. We employ a shared platform to provide a Nordic offering. The head office in Stockholm houses Group functions such as IT, innovation, administration, finance and legal. In the four countries where we maintain operations, we employ personnel who work with service and sales.

We hold a strong position in all markets in the area of securities trading over the Internet. This is a position we will work hard to maintain. In the area of fund savings, we have good opportunities to increase our market share. Our Nordic fund portal – which does not have fixed purchase and sales fees and which includes tools that make it easy to search for and compare investment options – is the future way of saving in mutual funds.

The Nordic pension market is varied and complex. In Denmark, where there are clear rules for transfers and reporting of fees, our pension business is growing at a rapid pace; a trend we expect to continue. An introduction of rules regarding transfer rights in the Swedish market would have a favourable effect on Nordnet.

The long-term trends favour our business model. Increasing awareness among consumers of financial services and an added social dimension to savings through services such as Shareville will accelerate customer migration from traditional banks and insurance companies to more customer-friendly and modern alternatives. We believe the key lies in creating products offering a high level of customer value. What is good for our customers is also good for Nordnet.

Vision and objectives

Nordnet's long-term objective – our vision – is to become the no.1 choice for savings and investments in the Nordics.

In terms of customers and capital, we target double-digit growth. This means growing our base of active customers by at least 10 percent annually, while annual net savings should amount to at least 10 percent of the savings capital at the start of the year.

By the end of December 2014, net savings amounted to 12.0 percent of the savings capital at the start of the year, meaning that the target was achieved. For 2014, the increase in the number of active customers was 9.6 percent, meaning that the target of double-digit growth in the customer base was not fully achieved.

Employees

The average number of full-time positions for the period was 354 (325). The number of full-time positions at year-end was 385 (332) including 30 in Denmark, 39 in Finland, 22 in Norway and 294 in Sweden.

Working at Nordnet should be fun and challenging! If we are to redefine the financial world, we want to create a workplace where diversity is an asset and every individual sees considerable potential for personal growth – we believe that this leads to creativity, innovation and commitment!

Within Nordnet, we long to attract, develop and retain the talents needed for Nordnet to develop as an organization and to deliver value to our customers. We do this both by increasing our visibility among the target groups where we seek to find future talents, and by offering stimulating tasks and personal development for our employees.

In Universum's annual survey of business administration students, Nordnet placed 114 (109) as "ideal employer". In the Nordic countries, our employer brand is particularly strong in Finland at place 61 (60). We want to advance our positions in the Nordic region in general and through further investment in employer branding in 2015, we endeavour to further reinforce Nordnet's employer brand.

In the first half of 2014, Nordnet's Group-wide drive in leadership and teamwork initiated in 2013 was completed. All managers and employees have participated in a Nordic management and teamwork programme that included several rounds of workshops to discuss and determine what good leadership and good teamwork is at Nordnet. Besides being a stimulating and collaborative process, the programme resulted in seven core principles and seven teamwork principles with concrete behaviours to promote good leadership and good teamwork. The principles rest on Nordnet's values with the catchwords being committed, curious, smart and honest.

Nordnet strives for a balanced gender distribution. Today, the proportion of women in the Group is 38 percent and the proportion of women managers is 31 percent (figures as per 31 December 2014). In 2014, Nordnet developed a scorecard to elucidate and follow up on equality and diversity in the Group, both at an overall level and in each management team, in a structured way. For the fifth consecutive year, Nordnet prepared a so-called responsibility report in accordance with the principles of the Global Reporting Initiative (GRI), the world's most widespread framework for sustainability reporting. Effective from the 2013 financial year, the reported is included in the company's Annual Report in the "Citizenship" section. The responsibility report includes additional information about employees. For additional information about employees, see also Note 12.

Employee commitment and satisfaction with Nordnet as an employer is measured annually in Nordnet Employee Engagement Survey. In the temperature measurement among our employees, we see that the commitment level of the past three years has increased from 75 in 2013 to 82 years in 2015, on a scale where <67 is low commitment and 100 is the highest commitment. Benchmark is 77 and the high underperforming the benchmark is 82.

Risks and uncertainty factors

Nordnet's operations are influenced by a number of environmental factors, with effects on the Group's profit and financial position that can be controlled to varying degrees. When assessing the Group's future development, it is important to take the risk factors alongside any opportunities for profit growth into account. The primary risks to Nordnet's operations are credit risks, market risks, liquidity risks and operational risks. The objective of Nordnet's risk management is to identify, measure, guide, internally report and control the risks to which Nordnet is, or is likely to be, exposed.

The Board decides on the main principles of risk management and is ultimately responsible for ensuring that there is an effective system for managing Nordnet's risks, and that Nordnet adheres to applicable directives, legislation and regulations. The Board of Directors shall ensure that there are independent functions for the monitoring and control of risk management and regulatory compliance, and that how the operations are being conducted in this regard is reported to the Board and the management. Nordnet's control functions consist of Risk Control, Compliance and Internal Audit.

Nordnet works with risks in accordance with the principles associated with the three lines of defence.

The first line of defence consists of the operations. In its on-going operations, Nordnet shall maintain efficient processes for the identification, measurement or assessment, monitoring, reporting and, where applicable, minimising of risks. These processes are called risk management.

The second line of defence is Risk Control and Compliance. They monitor, control and report on the bank's risks and its compliance with internal and external regulations.

The third line of defence comprises the Internal Audit function, which regularly reviews management's and Nordnet's internal controls, the work of the control functions and Nordnet's risk management. The internal audit is performed by external consultants on direct assignment from the Board of Directors. For a detailed description of risks and the handling of these, please see Note 7.

Official supervision

Nordnet's operations are subject to official supervision. Operations are largely regulated by laws, regulations, general advice and industry agreements. Therefore, compliance with rules within the Group is of major significance and is subject to regular inspections and reviews from bodies such as the Board of Directors, the internal audit, Risk Control function and Compliance function. The Compliance function regularly checks and assesses whether the policies and instructions established within the operations are appropriate and effective. The compliance function is also tasked with ensuring that Group employees and the Board of Directors are kept informed of applicable rules for the operations being conducted. This occurs, for example, through training courses on new and changing business rules and through the sharing of information via the company's intranet.

Authorizations received

The subsidiary, Nordnet Bank AB, which is subject to supervision by the Swedish Financial Supervisory Authority, is licensed to run banking operations in accordance with the Banking and Finance Business Act (2004:297), licensed to run securities operations in accordance with Chapter 2, Section 1, items 1-7 of the Securities Market Act (2007:528), to run pension savings operations in accordance with the Individual Pension Savings Act (1993:931), and licensed for registration as a manager of mutual fund units in accordance with the Swedish Investment Funds Act (2004:46). The subsidiary, Nordnet Pensionsförsäkring AB, which is subject to supervision by the Swedish Financial Supervisory Authority, is licensed to run insurance operations in accordance with the Insurance Business Act (2010:2043). Nordnet Livsförsäkring AS is a wholly owned subsidiary of Nordnet Pensionsförsäkring AB, which stands under the supervision of the Norwegian Financial Supervisory Authority, and is licensed to conduct insurance operations under the Norwegian Insurance Act (10 June 2005 No.44).

Environmental work

As most of Nordnet's operations are run via the Internet, most of the company's environmental impact can be attributed to consumption of electricity. We have no traditional bank offices, with consumption mainly coming from the heating and cooling of offices, and the operation of servers and personnel workstations. In 2014, we consumed approximately 1,810 MWh (2,070 MWh) for the operation of our IT infrastructure and for our use of electricity, and heating and cooling at our offices. That's about as much as 70 normal single-family homes in Sweden consume during a year. Nordnet carbon-offsets all of the company's greenhouse gas emissions, including all employees' commutes to and from work.

For the fifth consecutive year, Nordnet prepared a so-called responsibility report in accordance with the principles of the Global Reporting Initiative (GRI), the world's most widespread framework for sustainability reporting. Effective from the 2013 financial year, the reported is included in the company's Annual Report in the "Citizenship" section. The responsibility report includes additional information about Nordnet's impact on the environment and how we conduct our work in this area.

Dividend policy

Nordnet's dividend policy entails profits and capital not needed for consolidating, developing and expanding the business being transferred to the shareholders. In accordance with Nordnet's long-term dividend policy, approximately 60 percent of the profits should be distributed. For 2014, the Board of Directors proposes a dividend of SEK 1.0 (0.85) per share, corresponding to 63 percent (64) of the net profit. Read more under "Proposed distribution of profit" on p. 86.

Nordnet's shares and ownership

Nordnet shares have been listed on the Nasdaq Stockholm exchange's Mid-cap list since 2 October 2006. Prior to this, the company's shares were listed on the Stockholm exchange's O-list from April 2000. There are a total of 175,027,886 (175,027,886) registered shares. There is only one share type, and the share capital amounts to SEK 175.0 (175.0) thousand with a quotient value of SEK 1 per share. One share provides equal voting rights at the Annual General Meeting (AGM) and any possible EGMs. E. Öhman J:or AB was the biggest shareholder in Nordnet on 31 December 2014, with a holding of 30.2 percent (30.2) of share capital and voting rights. The second biggest owner is Premiefinans AB with a holding of 10.4 percent (10.4).

Buy-back and sale of own shares

The Annual General Meeting decided to authorize the Board to make decisions concerning the respective transfer of shares in the company. This authorization was not utilized over the year. No shares were repurchased during 2014 and Nordnet did not hold any treasury shares as of 31 December 2014.

Composition of the Board

The 2014 Annual General Meeting decided that the Board shall consist of eight ordinary members and no deputies. The CEO does not sit on the Board, but presents reports to it. The company's General Counsel usually presides as the secretary at the Board meetings. Where necessary, other company officials also present reports. Members of the Board are presented in the Corporate Governance Report. In 2014, Simon Nathanson resigned as a member of the Board.

The Articles of Association state that Board members are elected annually by the Annual General Meeting for the period until the end of the next Annual General Meeting. The Articles of Association include no specific regulations on dismissing Board members and amending the Articles of Association.

Board's proposals for guidelines for remuneration to the CEO and other senior executives

Nordnet AB (publ) has a remunerations committee, which, since 2014, has consisted of the Chairman of the Board, Claes Dinkelspiel and members Ulf Dinkelspiel (committee chairman), Kjell Hedman and Bo Mattson. The committee's tasks include preparing matters involving salaries, remunerations, incentive programmes and other terms of employment for the CEO and Group Management, as well as incentive programmes for key employees.

The Board proposes the following guidelines for determining salaries and other remuneration to the CEO and other Group Management, currently 12 individuals. Remuneration to the CEO and other members of the corporate executive team is made up of fixed remuneration, variable remuneration, pension and other benefits.

Nordnet is a valuation-governed company, which is why performance is also valued in relation to the company's values. Remuneration levels shall be consistent with and promote effective risk management, shall not encourage excessive risk-taking, shall correspond to the company's business strategy, objectives, values and long-term interests and shall not, with regards to total variable pay, limit the Company's capacity to maintain a sufficient capital base or, where necessary, to strengthen the capital base.

Fixed remuneration

Fixed remuneration is individual and takes into consideration the individual executive's areas of responsibility, experience, performance and results achieved. Fixed remuneration is reviewed annually.

Variable remuneration

In accordance with resolutions by the Annual General Meetings of 26 April 2012, 24 April 2013 and 23 April 2014, Nordnet established three long-range performance-related share incentive schemes to reward pre-agreed profit-related performance targets at the Group level, taking into account risk-adjusted performance at the team and individual levels. Read more about Nordnet's share incentive schemes in Note 12.

Pensions

With the exception of the Chief Executive Officer (see below), the company has the same policy on pensions for members of Executive Management as for other employees. The pension plan is premium-based. The premium for service pension insurance is based on age, salary and the base amount that appears for each applicable premium plan. For members of Executive Management not resident in Sweden, local rules are applied that lead to a pension under equivalent terms.

Pension contributions for the CEO are equivalent to 35 percent of base salary.

Dismissal pay and severance pay

The members of the Executive Management team have between three and nine months' notice. During the period of notice, salary and other terms of employment continue to apply.

In addition to a mutual period of notice of six months, the CEO of the company is entitled to severance pay equivalent to 12 times the monthly salary paid during the period of notice. Additionally, in the event that the company would gain a principal owner other than the Öhman Group, and this would fundamentally change the role of the CEO in an unfavourable or negative direction through reduced activity or responsibilities, the CEO has the right to resign with severance pay equivalent to 12 times the fixed monthly salary, without deductions for any remuneration from a new employer.

Combined, fixed salary during the period of notice and severance pay shall not exceed an amount equivalent to fixed salary for 18 months.

Other benefits

Other, non-monetary benefits for corporate executives shall facilitate the executives' in execution of their work and correspond to what may be considered reasonable in relation to market practice.

Special authorization

The Board may deviate from this guideline if there are special reasons for doing so in individual cases.

For further information on remunerations, see Note 12.

Corporate Governance Report

Introduction

Nordnet is a Swedish limited company, headquartered in Stockholm. Nordnet shares have been listed on the Nasdaq Stockholm since April 2000. In 2014, the Group had operations in Sweden, Norway, Denmark and Finland.

The governance of the Group is based, among other things, on the Articles of Association, the Swedish Companies Act and the regulations of the stock exchange, which include the Swedish Code of Corporate Governance. This Corporate Governance Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance. The Swedish Code of Corporate Governance is available at: www.bolagsstyrning.se.

Nordnet has been applying the Swedish Code of Corporate Governance since 1 July 2007.

Bodies and regulations

Shareholders

At year-end 2014, Nordnet had 7,873 (6,146) shareholders, 13.8 percent (10.7) of whom were resident abroad. The biggest shareholder was E. Öhman J:or AB with 30.2 percent of the voting rights and capital, followed by Premiefinans AB with 10.4 percent and Didner & Gerge Småbolag with 3.9 percent. At the end of the year, financial and institutional organizations owned 41.6 percent (45.7) and private individuals 28.6 percent (28.0). For further information, see page 12.

Annual General Meeting

Shareholders' right to decide on Nordnet matters is exercised at the AGM, which is the company's highest decision-making body. All shareholders registered in the shareholders' register and who have announced their intent to participate in time have the right to participate at the meeting and vote according to their shareholding. Some of the obligatory tasks of the AGM include approving and adopting the corporate balance sheet and income statement, as well as deciding on the distribution of earnings, the remuneration principles for the company's senior executives and on discharge from liability for the Board members and CEO. Based on proposals by the election committee, the AGM elects Board members for the period up to the end of the next AGM, as well as auditors and an election committee. Six months before the 2014 AGM, the company's shareholders were notified on www.nordnetab.com of their entitlement to have matters discussed at the meeting.

Election committee

The election committee shall consist of representatives of the three largest shareholders in terms of voting rights together with the Chairman. The individual representing the largest shareholder in terms of voting rights shall be appointed chairman of the election committee, unless the election committee decides otherwise. The election committee nominates members of Nordnet's Board, who are then put forward to the AGM. The election committee's work begins with an evaluation of the incumbent Board. When nominating a future Board, the election committee takes into account the potential members' strategic expertise, training and any other Board work. The election committee shall also take into account the composition and collective expertise and experience of the Board. The election committee also obtains views from the biggest owners. The election committee submits proposals regarding remuneration to the Board members at the AGM. The election committee also submits proposals for remuneration to the auditors and, where appropriate, proposed choice of auditors.

Election committee prior to AGM			
Name	Shareholding 2014-12-31	Appointed by	Shareholding 2014-12-31
Dick Lundqvist, chairman of election committee	-	Premiefinans K. Bohlin AB	18,272,305
Johan Malm	-	E. Öhman J:or AB	52,886,083
Johan Wallin	-	Didner & Gerge Fonder AB	6,823,280
Claes Dinkelspiel	76,119,249		

1) Direct and indirect shareholding

Board of Directors

Board responsibility

Nordnet's Board holds overall responsibility for the organization and management of the company, and for ensuring that guidelines for management of the company's funds are structured appropriately. The Board is also responsible for the Group's accounts being prepared in compliance with legislation and applicable accounting principles. The Board is responsible for developing and monitoring the company's strategies and targets, decides on changes of major significance for the company – such as acquisitions and divestments of operations, major investments, appointments and remunerations to Group Management – and on-going monitoring of operations and financial position during the year. The Board also establishes business plans and annual accounts and monitors the work of the CEO.

Chairman of the Board

The Chairman manages the work of the Board to ensure that this is done efficiently and in accordance with legislation and regulations. The Chairman monitors operations in consultation with the CEO and is responsible for ensuring that other members receive the information they need to maintain high levels of quality in discussions and decisions. The Chairman also takes part in evaluation and development issues concerning the senior executives of the Group.

Composition of the Board

At the 2014 AGM, it was decided that the Board would consist of eight regular members and no deputies. The CEO does not sit on the Board, but presents reports to it. The company's General Counsel usually presides as the secretary at the Board meetings. Where necessary, other company officials also present reports. The table below includes Board members, along with the Board's assessment concerning dependence in respect of the company and its shareholders. The Articles of Association state that Board members are elected annually by the AGM for the period until the end of the next AGM. The Articles of Association include no specific regulations on dismissing Board members and amending the Articles of Association. As of 24 November 2014, Simon Nathanson resigned from the Board.

Board members								
	Elected	Position	Dependent position ¹	Remuneration committee	Credit committee	Audit committee	Risk & compl. committee	Shareholding ²
Claes Dinkelspiel, ordf.	2001	Chairman of the Board Gummesson Gruppen, etc	Yes	Member	Member			4,801,838
Ulf Dinkelspiel	2001	Chairman of the Board Premiefinans, etc	Yes	Chairman				5,911,177
Bo Mattsson	2003	CEO Cint AB		Member	Member	Member		10,012
Tom Dinkelspiel	2007	Chairman of the Board E. Öhman J:or AB, etc	Yes		Chairman	Chairman	Member	4,904,776
Anna Frick	2009	Vice President Garbergs Reklambyrå						-
Kjell Hedman	2010	Board member Aktia Bank		Member			Chairman	5,000
Simon Nathanson ³	2010	Former President and CEO Neonet				Member ³	Member	4,000
Anna Seftman	2012	Board member Hyper Island, etc						-

¹Dependent in respect of owners in accordance with the definition in the Swedish Code of Corporate Governance

²Refers to directly held shares

³ Simon was appointed as member of the audit committee on April 23, 2014 and resigned from the Board on November 24, 2014.

Board procedures

The Board procedures are set annually at the Board meeting following election. The Board procedures are reviewed when required. The Board procedures include the Board's responsibilities and duties, the duties of the Chairman and audit issues, and state which reports and financial information should be received by the Board prior to each ordinary Board meeting. Furthermore, the procedures include instructions to the CEO complemented by a

President's instructions. The work plan also provides that a remuneration, audit, and a risk and compliance committee will be established, and their tasks. The latest applicable procedures were set on 23 April 2014.

Evaluation of the work of the Board

The procedures also state that an annual evaluation of the work of the Board should take place by means of a systematic and structured process. For 2014, the Chairman has ensured that the work of the Board has been evaluated and that the Chairman of the election committee, lawyer Fred Wennerholm, has been notified of the results of the evaluation prior to the nomination work of the election committee for the 2015 AGM.

In 2014 a new election committee was appointed. Effective from 16 October 2014, and until a new election committee for Nordnet AB (publ) is elected, the election committee consists of Claes Dinkelspiel (Chairman of the Board), Johan Malm (appointed by E. Öhman J: or AB), Dick Lundqvist (appointed by Premiefinans K. Bolin AB) and Johan Wallin (appointed by Didner & Gerge Fonder AB). Dick Lundqvist is chairman of the committee.

Committees

The overall responsibilities of the Board cannot be delegated, but the Board has established a remuneration committee tasked with preparing issues relating to salaries, remuneration and other terms of employment for the CEO and Group Management, plus bonuses for Group employees. Reporting to the Board takes place regularly. The remuneration committee is made up of Ulf Dinkelspiel (Chairman), Claes Dinkelspiel, Kjell Hedman and Bo Mattsson. According to the Swedish Code of Corporate Governance, Board members elected at the AGM must be independent of the company and its executives. The committee's composition deviates from the provision 9.2 of the Code since a member has a close relationship to a member of executive management as described in provision 4.4 of the Code. This deviation is motivated as appropriate based on the member's skills and experience, and it was considered desirable for the composition of the committee to also partly reflect the company's ownership structure.

The Board has also established an audit committee tasked with preparing the work of the Board with regard to assuring the quality of financial reporting, maintaining on-going contact with the external auditor, proposing guidelines for the Board regarding what services beyond auditing may be procured from the auditor, evaluating audit work and informing the election committee of the results of this evaluation. The committee also assists the election committee in the preparation of proposals regarding auditors and fees for the auditing assignment. The audit committee consists of Tom Dinkelspiel (Chairman) and Bo Mattsson. According to the Swedish Code of Corporate Governance, the majority of the members should be independent in relation to the company and its management, and at least one member should be independent in relation to the major shareholders in the company. The composition of the audit committee is such that these requirements are met.

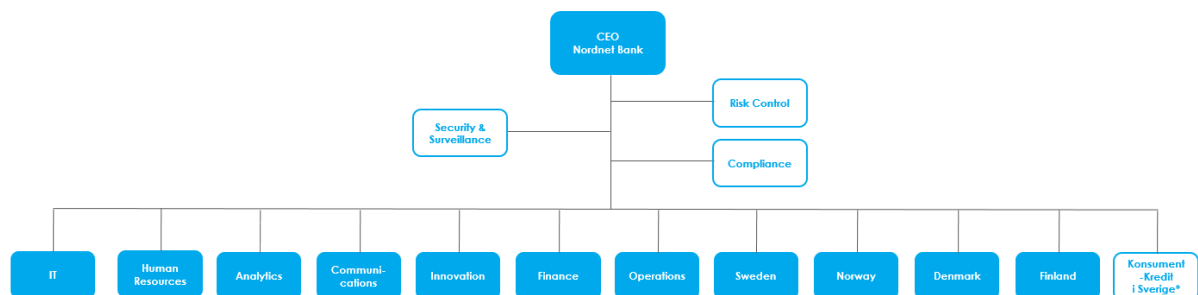
The Board has also established a risk and compliance committee tasked with preparing matters for the consideration of the Board and that shall – through dialogue with the external auditor, the internal auditor, the risk manager, the compliance officer and Group Management – monitor the structure, compliance (regulatory adherence), risk and incident reporting of the organization and its operations, and enhance the Board's access to information regarding these aspects. The risk and compliance committee shall propose an audit plan for the internal audit to the Board and it shall scrutinize independent reviews and report on these to the Board. The risk and compliance committee consists of Kjell Hedman (Chairman) and Tom Dinkelspiel.

For the subsidiary Nordnet Bank AB, the Board has established a credit committee which, among other things, is tasked with determining and preparing the limits for which the Board of Directors of the company is responsible in accordance with the Board procedures, and to prepare the annual reporting of the limits set by the Board. The credit committee is made up of Tom Dinkelspiel (Chairman), Bo Mattsson and Claes Dinkelspiel.

CEO and Group Management

The CEO manages operations within the framework established by the Board. The most recently established instructions were set by the Board on 23 April 2014. The CEO produces the requisite information and decision data prior to Board meetings, presents issues and justifies proposals for decisions. Specifically, this applies to the vision and strategy for the company. The Chairman of the Board holds annual evaluation talks with the CEO in accordance with the instructions for the CEO and the requirement specifications.

The CEO manages the work of the Group management team and makes decisions in consultation with other executives. Group Management holds weekly meetings where both strategic and operational issues are discussed. Group Management also produces business plans, which are followed up via monthly reports, each year. In addition to these weekly meetings Group Management meets on a daily basis. The company's rapid development means that the daily contact is a condition for functional control and management. Group Management consists of managers of essential business areas within the Nordnet Group, see organizational chart.



* Secondary name to Nordnet Bank AB
Security & Surveillance, Compliance and Konsumentkredit i Sverige are not included in Nordnet's management team.

Auditors

At the 2014 AGM, accounting firm Ernst & Young was appointed auditor of Nordnet AB and all subsidiaries until the end of the AGM 2015. The auditors' task is to review the annual accounts, consolidated accounts and accounting, plus the administration of the Board and CEO. The auditors report their findings on a number of occasions during the year and are present at Board meetings that deal with annual accounts. The auditors also have continuous contact with the audit committee.

Internal audit

In accordance with the Board's procedures and procedures for the subsidiaries Nordnet Bank AB and Nordnet Pensionsförsäkring AB, as well as the regulations of the Swedish Financial Supervisory Authority, the Board has appointed an independent review function/internal audit which is directly subordinate to the Board. The work of this independent review function will be based on a review plan established annually by the Board. This review will involve assessment of internal auditing within the company and an assessment of its appropriateness. Since April 2014, KPMG holds the function of internal audit. Before that, since March 2013, accounting firm Grant Thornton held the function of internal audit. Prior to that, from late 2007 until early 2013, accounting firm Deloitte had this assignment.

Board control of financial reporting

The Board monitors the quality of financial reporting in a number of ways. One method is by issuing instructions to the CEO. According to these instructions, the CEO is responsible for reviewing and ensuring the quality of all financial reporting, and for ensuring that the Board in general receives the reports required in order for it to continually assess the Group's financial position.

The internal reporting and control system is based on annual financial planning, monthly reports and daily checks of business-related key figures. The CEO is also responsible for other financial information, such as ensuring that press releases and presentation material are correct and of good quality. The CEO's instructions state the issues on which the CEO is permitted to exercise his authority to represent the company only after authorization by the Board.

The Group works with internal control in accordance with the principles associated with the three lines of defence. Assessing the efficiency of internal control is largely conducted by the independent control functions. These consist of the Risk Control function, the Compliance function and the internal auditor who monitor adherence to internal and external regulations and risk limits. The tasks performed by the audit committee ensure that the financial reports maintain a high standard. The Board follows up and assesses this quality assurance by receiving

monthly reports on the company's earnings trend, credit and risk exposure, and relevant sector data, as well as by addressing the Group's financial situation at each Board meeting.

In 2014, one out of three interim reports and the year-end report were subject to review by the company's auditors. The Group's auditors report their findings from the audit to the entire Board, partly in connection to their on-going review over the year and partly in connection to the compilation of the annual accounts. In addition, the Board meets the company's auditors at least once a year – without the presence of the executive management team – to learn about the focus and scope of the audit, and to discuss coordination between the external and internal audits and views of the company's risks. The auditor gives a presentation and receives viewpoints from the Board regarding the focus and scope of the audit.

Work over the year

Annual General Meeting 2014

Nordnet's 2014 AGM was held on 23 April 2014. Claes Dinkelspiel was elected Chairman of the meeting. The AGM made the following decisions:

- That a dividend of SEK 0.85 per share would be paid to shareholders for 2013
- The Board should have eight regular members and no deputies

Attendance at the AGM	
2014	65.6%
2013	70.8%
2012	75.1%

(Percentage of votes and capital)

The minutes of the AGM are available at www.nordnetab.com.

Election committee

In 2013 and 2014, the election committee held three meetings and a number of teleconferences. This work was for evaluating and proposing new Board members prior to the 2014 AGM.

For the election committee's proposals to the AGM, see the notice to attend at www.nordnetab.com. This also includes information on how shareholders can submit proposals to the election committee.

Board of Directors

The Board held 10 regular Board meetings during the year, nine of which were physical meetings and one held per telephone. Two were held by correspondence.

Attendance 2014					
	Board meetings	Remuneration committee	Credit committee***	Audit committee	Risk and compliance committee
Claes Dinkelspiel	10 of 10	3 of 3	4 of 5		
Tom Dinkelspiel	10 of 10		5 of 5	4 of 4	7 of 7
Ulf Dinkelspiel	10 of 10	3 of 3			
Anna Frick *	9 of 10			1 of 4	
Kjell Hedman	10 of 10	2 of 3			7 of 7
Bo Mattsson	10 of 10	1 of 3	4 of 5	4 of 4	
Simon Nathanson **	8 of 10			1 of 4	6 of 7
Anna Settmann	10 of 10				

*resigned from the Audit committee on April 23, 2014

** appointed as member of the Audit committee on April 23, 2014. Resigned from the Board on November 24, 2014.

*** the committee exists only in Nordnet Bank AB

The work of the Board takes place at an intensive pace in order to support the CEO and other Group Management members. At each meeting, the Board discussed a number of issues relating to strategic and business-related areas. Over the year, Nordnet officials also took part in Board meetings by providing reports. Every month, the Board receives a report on the company's earnings trend, credit and risk exposure, and relevant industry data. See

the table of Board meetings for decisions made in 2014. For information about Board members, see the section Board of directors and auditors.

Board meetings 2014	
Meeting	Topics discussed
January	Ordinary matters. Year-end report from previous year. Suggested dividend.
March	Ordinary matters. Notice of AGM. Strategy. Report from auditor regarding audit of annual accounts 2013.
April (before and after AGM)	Ordinary matters. Decisions on members of the board committees, work plans, etc. Q1 results. Revised brand platform. Increased focus on occupational pension. Strategy. Shareville launch.
June	Ordinary matters. Creation of Norwegian life insurance company.
July	Q2 result.
September	Ordinary matters. Strategy. Takeover of the SBAB customers.
October	Ordinary matters. Q3 result. Revised brand platform. Strategy. The repurchase of subordinated debt.
December	Ordinary matters. Determination of the business plan and forecast for 2015 as well as internal capital assessment. Strategy.

Remuneration committee

The remuneration committee is made up of Ulf Dinkelspiel (Chairman), Claes Dinkelspiel, Kjell Hedman and Bo Mattsson. As is normal, the committee is tasked with addressing issues such as salary; remunerations; incentive programmes and other terms of employment for the CEO and executive management; and incentive programmes for key employees. During 2014, the committee held three meetings.

Audit committee

The audit committee consists of Tom Dinkelspiel (Chairman), Claes Dinkelspiel and Bo Mattsson. Simon Nathanson was a member of the audit committee until his resignation from the Board on 24 November 2014. Among other matters, the committee has prepared the work of the Board regarding quality assurance of financial reporting and maintained constant contact with the external auditor. The committee held four meetings over the year.

Risk and compliance committee

The risk and compliance committee is made up of Kjell Hedman (Chairman) and Tom Dinkelspiel. Simon Nathanson was a member of the committee until his resignation from the Board on 24 November 2014. The committee is tasked with monitoring and providing the Board with greater access to information concerning compliance, risk and incident reporting of the organization and its operations. The committee held eight meetings over the year.

CEO

Since 9 August 2012, Nordnet's CEO is Håkan Nyberg, formerly CEO of EnterCard International.

Group Management

In 2014, the Group management team consisted of 12 people: Håkan Nyberg, Jan Dinkelspiel, Max Gandrup, Jenny Garneij, Jacob Kaplan, Klas Ljungkvist, Niklas Odenwall, Anders Skar, Johan Tidestad, Carina Tovi, Eva Trouin and Hans van Eijk. The management team is presented in more detail in the "Management" section on page 40.

Group Management held 35 minuted meetings over the year, under the leadership of the CEO.

Audits and auditors

At the 2014 AGM, accounting firm Ernst & Young was re-appointed as the auditor for Nordnet AB (publ) and all of its subsidiaries until the 2015 AGM. The auditors' task is to review the annual accounts, consolidated accounts and accounting, plus the administration of the Board and CEO. The auditors report their findings on a number of occasions during the year and are present at Board meetings that deal with annual accounts. The auditors also have continuous contact with the audit committee. Authorized public accountant Peter Strandh has been the

company's principal auditor since 2010. Peter was born in 1955 and also has auditing assignments for If Skadeförsäkring, LRF, AP-fonderna, AMF Pensionsförsäkring and the Nobel Foundation, among others.

Remunerations

Remuneration to the Board of Directors

The 2014 AGM decided that the total remuneration for Board members for the current year should be SEK 2,250,000, of which, SEK 500,000 to the Chairman and SEK 250,000 to each ordinary member. In addition, a fee of SEK 50,000 is paid to each Board member for each committee in which he/she participates. It is proposed that the chairman of each committee receive SEK 100,000 for his/her work in that committee.

Remuneration to the CEO and Group Management

Remuneration for the CEO and other Group Management members is made up of fixed remuneration, variable remuneration, pension and other benefits.

Fixed remuneration is individual and takes the individual executive's areas of responsibility, experience, performance and results achieved into consideration. Nordnet is a valuation-governed company, which is why performance is also valued in relation to the company's values. Fixed remuneration is reviewed annually. Fixed remuneration to CEO Håkan Nyberg for 2014 amounted to SEK 350,000 per month –the CEO is also entitled to a company car benefit of SEK 10,000 per month. For further information, see Note 12.

Variable remuneration can be paid according to a long-range, performance-related share incentive scheme to reward, in advance, agreed results-based performance goals at the Group level and considering risk-adjusted performance at team level and individual level. The long-range incentive scheme is share-based, has results measurements, is subject to a ceiling and presupposes investment by the participants. For further information, please see the section "Performance-related share incentive scheme" below.

With the exception of the CEO, Nordnet has the same pension policy for Group Management members as for other employees. The pension plan is premium-based. The premium for occupational pension insurance is based on age, salary and the base amount that appears for each applicable premium plan. For members of Group Management who are not resident in Sweden, local rules that lead to a pension under equivalent terms are applied. The same policy is to be applied regarding future pension obligations.

Pension contributions for the CEO are equivalent to 35 percent of base salary.

The mutual notice period for the CEO is six months. The CEO will be entitled to severance pay equivalent to 12 months' fixed remuneration if dismissed by the company. Severance pay is also applicable if the CEO's employment is terminated as a consequence of a public buy-out bid concerning shares in the company.

For other senior executives, a period of notice of three to nine months is applied. During the period of notice, salary and other terms of employment continue to apply. There are no special benefits for senior executives apart from company cars, which are cost-neutral for the employer, and paid healthcare insurance.

Remuneration to CEO and corporate executives 2014						
SEK thousands	Year	Fixed	Variable	Benefits	Pension expenses	Total
CEO Håkan Nyberg	2014	4,418	-	17	1,496	5,931
	2013	4,259	-	18	1,383	5,660
Other corporate executives*	2014	15,267	-	40	3,398	18,704
	2013	14,017	-	88	2,721	16,826

*During 2014, the average no. of persons in the management team was 11, compared to 9.9 during 2013.

Performance-related share incentive scheme

In accordance with decisions by the AGMs of 26 April 2012, 24 April 2013 and 23 April 2014, Nordnet has established three long-range, performance-related share incentive programmes: "Performance-Related Share Programme 2012", "Performance-Related Share Programme 2013" and "Performance-Related Share Programme

2014". The 2012 and 2013 programmes cover about 25 people, including the CEO, and the 2014 programme covers a total of about 35 people, including the CEO.

The purpose of the long-range incentive schemes is to stimulate continued loyalty and strong performance among key individuals. Additionally, the Board takes the view that the incentive schemes increase the Group's attractiveness as an employer in preparation for the future recruitment of key personnel.

Employees who participate in "Performance-Related Share Schemes 2012" can set aside an amount corresponding to a maximum of 5 percent of their gross remuneration to buy Nordnet shares on Nasdaq Stockholm over a 12-month period from the implementation of each scheme. If the shares purchased are retained by the employee for at least three years after purchase, if the employee has been employed within the Nordnet Group during the entire three-year period and if the pre-agreed earnings-based performance targets are achieved, the employee can have the right to a compensation-free matching of those shares according to a predetermined amount.

Employees who participate in "Performance-Related Share Schemes 2013 or 2014" can set aside an amount corresponding to a maximum of 5 percent of their gross remuneration to buy Nordnet shares on the Nasdaq Stockholm exchange over a 12-month period from the implementation of each scheme. If the shares purchased are retained by the employee for at least three years after purchase, and if the employee has been employed within the Nordnet Group during the entire three-year period, the employee is entitled to compensation-free matching of those shares. In addition to this allocation, the above key individuals may be offered additional allocations of matching shares based on the results of three mutually independent, objective targets of equal weight and that take into account risk-adjusted performance at the individual and team levels, as well as an assessment of a number of behavioural variables linked to the Nordnet Group's values.

Due to the Performance-Related Share Programmes 2012, 2013 and 2014, the 2014 AGM decided to authorize the Board of Directors to carry out the acquisition and transfer of shares in Nordnet AB (publ) on Nasdaq Stockholm. This authorization may be exercised on one or more occasions before the AGM in 2015. A maximum of 1,330,000 shares may be acquired in order to ensure delivery of shares to participants in Performance-Related Share Programmes 2012, 2013 and 2014. Of these, a maximum of 306,500 shares may be purchased and transferred in order to cover general payroll taxes and other costs related to the programmes. No shares were repurchased during 2014 and no treasury shares were held as of 31 December 2014.

The acquisition cost of repurchasing shares is estimated to maximum SEK 12.8 million at an assumed share price of SEK 27. Administrative costs have been estimated at a maximum of SEK 2 million.

For more information, please see Note 12.

Remuneration to auditors

A total of SEK 3,687 (3,845) thousand was paid to auditors and audit firms in 2014. This amount relates to audits, advice and other review work linked with auditing. Remuneration has also been paid for other advice, most of which was for consultation concerning accounting and tax issues. For more information, please see Note 12.

Internal control

The Board's internal control report in accordance with the Swedish Code of Corporate Governance and chap. 6, Section 6, Paragraph 2 of the Swedish Annual Accounts Act (1995:1554).

Internal control of financial reporting is defined as the process – carried out by the Board, management and other relevant personnel – serving to establish reasonable assurance of the accuracy of financial reporting. Internal control work regarding financial reporting is structured around the five internal control components detailed below – control environment, risk assessment, control activities, information and communication, and monitoring. This report deals only with internal control regarding financial reporting.

Control environment

Good internal controls are based on a formulated, structured inspection environment where a clear division of responsibilities and the principal of duality are fundamental principles. Steering documents in the form of policies, guidelines and instructions are established by the Board. This also applies to the ethical guidelines that are communicated to all employees and that form the basis of a favourable control environment. The Group works with internal control in accordance with the principles associated with the three lines of defence, see Note 7. Nordnet's independent control functions consist of Risk Control, Compliance and the internal auditor.

To enhance ambition and awareness of ethics in professional roles and rule compliance, for example, and to enhance work quality, all employees in the Swedish market are offered the opportunity to be licensed by SwedSec. At year-end 2014 there were 69 licensed employees.

Risk assessment and control activities

Nordnet constantly assesses the risks in its financial reporting (i.e. it identifies, analyses and assesses the principal risks of misstatement in the financial reports). This identification, analysis and assessment takes aspects which include the complexity of business operations, the level of systems support and the quality of procedures and controls into account.

Review and analysis play a central role, in which cumulative effects are also analysed. The control activities serve to detect, guard against and limit risks and the assumption of risks in operations while also preventing deviations and errors in financial reporting.

Information and Communication

Nordnet's Board has set policies, guidelines and routines to safeguard its financial reporting. These are made available and kept updated via Nordnet's intranet. Knowledge and awareness of these are obtained by means of on-going internal training, and information for the various departments and functions covered by internal reporting responsibility in respect of financial statistics and information.

Follow-up and monitoring of control operations

The content of policies, guidelines and procedures is evaluated and updated annually or as required. The responsibility for maintaining current documents and communicating these rests with the Board (for the general steering documentation) and with the relevant departmental managers (for other documents).

Nordnet applies Finansinspektionen's (Swedish Financial Supervisory Authority) regulations regarding securities operations (FFFS 2007:16), and its regulations and general guidelines regarding governance, risk management and control in credit institutions (FFFS 2014:1). In accordance with these, Nordnet will have an internal audit function. The Board has appointed an external party, KPMG, to perform the internal audit and works according to the annual review plan adopted by the Board annually. Recommendations from external and internal auditors are reported to management and the Board, and recommendations from previous years are followed up during subsequent reviews.

Board of Directors and auditors

Claes Dinkelspiel, Chairman

Born 1941. Board member since 2001.

Claes has a BSc (Econ.) from the Stockholm School of Economics and holds an MBA from INSEAD in France. He is Chairman of the boards of Gummesson Gruppen AB, MPS Holding AB, Premiefinans K. Bohlin AB and SCI. Claes is a member of the boards of the Gundua Foundation, the Silviahemmet Foundation and the Drottningholm Court Theatre.

Claes is a member of Nordnet's election committee, remunerations committee (*Nordnet AB (publ)*) and the credit committee (*Nordnet Bank AB*).

Shareholding on 31 December 2014 (direct): 4,801,838 Shareholding (indirect*): 71,317,411

Tom Dinkelspiel

Born 1967. Board member since 2007.

Tom has studied at the Stockholm School of Economics. He is Chairman of E. Öhman J:or AB, 11 Real Asset Fund AB and 11 Real Asset Fund Investors AB. Tom is a member of the boards of MPS Holding AB and Kogmot AB. Tom is Chairman of Nordnet Pensionsförsäkring AB and member of the board of Nordnet Livförsäkring AS. He is also Chairman of the audit committee (*Nordnet AB (publ)*) and the credit committee (*Nordnet Bank AB*), and is a member of the risk and compliance committee (*Nordnet AB (publ)* and *Nordnet Bank AB*).

Shareholding on 31 December 2014 (direct): 4,904,776 Shareholding (indirect*): 54,318,083

Ulf Dinkelspiel

Born 1939. Board member since 2001.

Ulf has a BSc (Econ.) from Stockholm School of Economics. Ulf is an Ambassador. He is also a member of the boards of Premiefinans K. Bohlin AB, Ponte Fiore AB and Bockholmen Hav och Restaurang AB. Ulf is a member of the Royal Swedish Academy of Engineering Sciences (IVA). He is also Chairman of the remunerations committee (*Nordnet AB (publ)* and *Nordnet Bank AB*).

Shareholding on 31 December 2014 (direct): 5,911,177 Shareholding (indirect*): 73,111,365

Anna Frick

Born 1968. Board member since 2009.

Anna has an MBA from the Stockholm School of Economics. She is Deputy CEO and a member of the board of Garbergs Reklambyrå. Anna has previously held positions as Head of Creative at the Adamsky Agency and as agency manager (COO) at the communications agency Farfar AB.

Shareholding on 31 December 2014 (direct): 0

Kjell Hedman

Born 1951. Board member since 2010.

Kjell is a trained economist. He is a member of the Board of Aktia Bank in Finland. Kjell is the former CEO of Landshypotek AB, former Chairman of Swedbank Hypotek, Swedbank Försäkring and Swedbank Finans, among others. He is Chairman of the risk and compliance committee (*Nordnet AB (publ) and Nordnet Bank AB*), and a member of the remunerations committee (*Nordnet AB (publ) and Nordnet Bank AB*).

Shareholding on 31 December 2014 (direct): 5,000

Bo Mattsson

Born 1960. Board member since 2003.

Bo has a BSc (Econ.) from the Stockholm School of Economics. He is the founder and CEO of CINT AB. Bo also founded Eurotrade and Mangold AB, and is the former President of Nordnet Holding. He is a member of the board of Eyetrackshop AB. Bo is also a member of the remunerations committee (*Nordnet AB (publ) and Nordnet Bank AB*), the audit committee (*Nordnet AB (publ) and Nordnet Bank AB*) and the credit committee (*Nordnet Bank AB*).

Shareholding on 31 December 2014 (direct): 10,012

Anna Setlman

Born 1970. Board member since 2012.

Anna studied communications at Berghs School of Communications and IFL at the Stockholm School of Economics.

She is a member of the boards of Hyper Island, We Mind and DIBS Payment Services. Anna was previously CEO of Aftonbladet Hierta AB.

Shareholding on 31 December 2014 (direct): 0

Auditors

Audit firm Ernst & Young AB. Auditor since 2004.

The auditor in charge is Peter Strandh. He is an Authorized Public Accountant and was born in 1955.

* Refers to shareholding by related physical or legal entities. Where holding pertains to a related legal entity, the legal entity's entire holding is reported.

Management

Håkan Nyberg

CEO

Håkan was born in 1959. He joined Nordnet in 2012. Håkan has a master's degree in Applied Mathematics from the Royal Institute of Technology. He was formerly CEO of EnterCard International and prior to that, head of Swedbank's (then Förenings Sparbanken's) Internet banking activities.

Shareholding on 31 December 2014 (direct): 19,303

Jan Dinkelspiel

Chief Innovation Officer

Jan was born in 1977. He joined Nordnet in 2008. He holds a Bachelor's degree in economics from Stockholm University and an MBA Football Industries from Liverpool University. Jan was previously employed by Hi3G and SEB.

Shareholding on 31 December 2014 (direct): 1,983,880 Shareholding (indirect*): 10,000

On 23 January 2015, it was announced that Jan will be leaving Nordnet. Jan will remain in his current position until June 2015.

Max Gandrup

Country Manager Denmark

Max was born in 1967. He joined Nordnet in 2000. Max has studied at Copenhagen Business College. Max is a member of the board of Nordnet Pensionsförsäkring AB. He has previously worked for Midtbank.

Shareholding on 31 December 2014 (direct): 10,741

Jenny Garneij

Chief Human Capital Officer

Jenny was born in 1973. She joined Nordnet in 2013. Jenny holds an MBA from the University of Gothenburg and a BA in Linguistics from the University of Karlstad. She has previously worked at SEB and Accenture.

Shareholding on 31 December 2014 (direct): 1,215

Klas Ljungkvist

Chief Technology Officer

Klas was born in 1966. He joined Nordnet in 2006. Klas is a graduate engineer from the Royal Institute of Technology in Stockholm. He has previously worked as an engineer at Ericsson utvecklingsaktiebolag, and as an engineer and manager at Abaris AB.

Shareholding on 31 December 2014 (direct): 8,736

Jacob Kaplan

Chief Financial Officer

Jacob was born in 1973. He joined Nordnet in 2010. Jacob has a MSc in Business and Economics from Stockholm University and a degree in Civil engineering from the Royal Institute of Technology. He was formerly employed by NASDAQ OMX and Ernst & Young Management Consulting.

Shareholding on 31 December 2014 (direct): 25,009

Niklas Odenwall

Country Manager Finland

Niklas was born 1971. He joined Nordnet in 2011. He holds a Master's degree in Politics, majoring in economics from Åbo Academy. He was previously CEO of Infonet Finland and has previously worked as a stockbroker at Conventum Securities.

Shareholding on 31 December 2014 (direct): 4,326

Anders Skar

Country Manager Norway

Anders was born in 1976. He joined Nordnet in 2005. Anders holds an MBA from the Norwegian School of Economics. Anders previously worked at Accenture.

Shareholding on 31 December 2014 (direct): 16,378

Johan Tidestad

Chief Communications Officer

Johan was born in 1968. He joined Nordnet in 2007. Johan has a Master of Laws from Uppsala University. He was formerly employed by Bergsgård Petersson Fonder AB and E-Trade Sverige.

Shareholding on 31 December 2014 (direct): 15,885

Carina Tovi

Chief Operating Officer

Carina was born in 1965. She joined Nordnet in 2011. Carina has a MSc in Business and Economics from the Stockholm School of Economics. Carina is the President of Nordnet Pension AB. She was formerly employed by Swedbank Robur Fonder, among others.

Shareholding on 31 December 2014 (direct): 5,759

Eva Trouin

Country Manager Sweden

Eva was born in 1976. She has been employed since 2013. Eva has a bachelor's degree in Business Finance from Halmstad University and the University of Technology Sydney. She has previously worked at Swedbank Försäkring and Swedbank Robur.

Shareholding on 31 December 2014 (direct): 1,865

Hans van Eijk

Chief Analytics Officer

Hans was born in 1981. He joined Nordnet in 2011. Hans holds an Executive MBA from the Stockholm School of Economics, an MSc in Industrial Management and a BSc in Business IT Engineering from the Royal Institute of Technology. Hans previously worked at the mobile operator at 3 and was a Management Consultant at SP Consulting.

Shareholding on 31 December 2014 (direct): 2,214

** Indirect holdings refers to shareholding by related physical or legal entities. Where holding pertains to a related legal entity, the legal entity's entire holding is reported.*

Financial statements

Consolidated income statement

Group, SEK thousands	Note	2014	2013
Interest income	8	528,813	532,547
Interest expenses	8	-50,240	-50,126
Commission income	9	692,313	597,760
Commission expenses	9	-214,096	-194,430
Net result of financial transactions	10	86,445	65,287
Other operating revenue	11	42,675	37,948
Total operating income		1,085,910	988,986
General administration expenses	12	-590,717	-549,787
Depreciation, amortization and impairments of intangibles and equipment	13	-70,982	-66,515
Other operating expenses	14	-44,159	-39,933
Total expenses before credit losses		-705,858	-656,235
Profit before credit losses		380,052	332,751
Credit losses, net	15	-43,074	-38,756
Operating profit		336,978	293,995
Tax on profit for the year	16	-60,343	-60,150
Profit for the year		276,634	233,844
Of which attributable to:			
The Parent Company's shareholders		278,025	234,718
Holding less controlling influence		-1,392	-874
Earnings per share before dilution	17	1.58	1.34
Earnings per share after dilution	17	1.58	1.34
Proposed/adopted dividend per share	32	1.00	0.85

Consolidated statement of other comprehensive income

Group, SEK thousands	Note	2014	2013
Profit for the year		276,634	233,844
Items that will be reversed to the income statement			
Changes in value of available-for-sale assets	32	-5,804	-7,753
Tax on changes in value of available-for-sale assets		1,277	1,706
Translation of foreign subsidiary	32	830	894
Changes in comprehensive income after tax		-3,697	-5,154
Comprehensive income after tax		272,937	228,691
Of which attributable to:			
The Parent Company's shareholders		274,329	229,565
Holding less controlling influence		-1,392	-874

Consolidated balance sheet

Group, SEK thousands	Note	2014	2013
Assets			
Loans to credit institutions	19	987,472	967,567
Loans to the general public	20	5,785,566	5,455,533
Financial assets at fair value	21	8,724	13,506
Available-for-sale financial assets	22	12,094,618	7,632,189
Assets in the insurance business	23	28,868,478	23,764,928
Intangible assets	24	434,250	447,365
Tangible assets	25	32,281	33,360
Current tax assets	16	-	99,894
Other assets	26	1,770,335	1,141,018
Prepaid expenses and accrued income	27	144,739	138,865
Total assets		50,126,464	39,694,225
Liabilities			
Deposits and borrowing from the general public	28	16,500,316	12,898,569
Liabilities in the insurance business	23	28,869,319	23,765,601
Other liabilities	29	2,660,416	1,030,353
Current tax liabilities	16	13,713	42,087
Deferred tax liabilities	16	50,969	57,091
Accrued expenses and deferred income	30	104,871	99,398
Subordinated liabilities	31	175,738	175,745
Total liabilities		48,375,342	38,068,844
Equity			
Share capital	32	175,028	175,028
Other contributed capital		471,283	471,845
Other reserves		-64,819	-61,122
Retained earnings including profit for the year		1,166,093	1,035,264
Total equity attributed to the owners of the parent company		1,747,586	1,621,015
Holding less controlling influence		3,536	4,366
Total equity		1,751,122	1,625,381
Total equity and liabilities		50,126,464	39,694,225

Consolidated changes in equity

Group, SEK thousands	Share capital	Other contributed capital	Other reserves ¹⁾	Retained earnings including profit for the year	Attributed to the owners of the parent company	Attributed to holding less controlling influence	Total equity
Equity brought forward 1 January 2013	175,028	471,845	-55,968	923,066	1,513,971	-	1,513,971
Profit after tax reported in the income statement	-	-	-	234,718	234,718	-874	233,844
Comprehensive income after tax	-	-	-5,154	-	-5,154	-	-5,154
Total comprehensive income	-	-	-5,154	234,718	229,564	-874	228,690
Transactions with the owners:							
Dividend issued	-	-	-	-122,520	-122,520	-	-122,520
Holding less controlling influence	-	-	-	-	-	5,240	5,240
Total	-	-	-	-122,520	-122,520	5,240	-117,280
Equity carried forward 31 December 2013	175,028	471,845	-61,122	1,035,264	1,621,015	4,366	1,625,381
Equity brought forward 1 January 2014	175,028	471,845	-61,122	1,035,264	1,621,015	4,366	1,625,381
Profit after tax reported in the income statement	-	-	-	278,025	278,025	-1,392	276,634
Adjusted comprehensive income previous years	-	-	-	1,574	1,574	-	1,574
Comprehensive income after tax	-	-	-3,697	-	-3,697	-	-3,697
Total comprehensive income	-	-	-	279,599	275,902	-1,392	274,510
Transactions with the owners:							
Dividend issued	-	-	-	-148,769	-148,769	-	-148,769
Holding less controlling influence	-	-562	-	-	-562	562	-
Total	-	-562	-	-148,769	-149,331	562	-148,769
Equity carried forward 31 December 2014	175,028	471,283	-64,819	1,166,093	1,747,586	3,536	1,751,122

¹⁾ See note 2

Consolidated cash flow statement (direct method)

Group, SEK thousands	Note	2014	2013
Current operations			
Interest and provisions received		1,232,563	1,106,926
Interest and provisions paid		-264,356	-244,502
Payments to suppliers and employees		-561,494	-500,908
		406,713	361,516
Increase/decrease of assets of current operations			
Increase (-)/decrease (+) of lending to the general public		-246,669	-742,168
Increase (-)/decrease (+) of other assets		-5,395,820	-5,889,890
Increase/decrease of liabilities of current operations			
Increase (+)/decrease (-) of deposits and borrowing among the general public		3,147,403	2,330,662
Increase (+)/decrease (-) of liabilities		6,758,819	6,005,772
Income taxes paid		13,884	-136,743
		4,684,330	1,929,149
Cash flow from current operations			
Investing activities			
Acquisition of intangible assets	24	-40,404	-13,558
Acquisition of tangible assets	25	-15,224	-16,545
Net investments in securities		-4,907,529	-2,801,387
Acquisition of subsidiary company		-	-8,617
		-4,963,157	-2,840,107
Cash flow from investing activities			
Financing activities			
Dividend paid		-148,769	-122,520
		-148,769	-122,520
Cash flow from financing activities			
Cash flow for the year			
Cash and cash equivalents, January 1		430,111	1,464,951
Exchange rate differences in cash and cash equivalents		166	-1,362
Cash and cash equivalents at year-end	19	2,681	430,111
Cash and cash equivalents include: ¹⁾			
Loans to credit institutions (bank balances)		540,137	430,111
		540,137	430,111

¹⁾ This amount includes blocked funds amounting to SEK 79 (95) million.

Parent company income statement

Parent Company, SEK thousands	Note	2014	2013
Net sales	38	7,869	7,742
Total operating income		7,869	7,742
Other external expenses	39	-2,562	-3,389
Personnel expenses	40	-10,868	-9,939
Other operating expenses		-1,071	-1,120
Total operating expenses		-14,501	-14,448
Operating profit		-6,632	-6,706
Result from financial investments:			
Income from participations in Group companies	41	185,990	193,148
Write-down of financial fixed assets		-	-500
Other interest income and similar income	42	7,291	7,302
Interest expenses and similar expense items	42	-12,746	-12,801
Profit from financial assets		180,535	187,149
Profit after financial items		173,903	180,443
Tax on profit for the year	43	-	-
Profit for the year		173,903	180,443

Parent company statement of other comprehensive income

Parent Company, SEK thousands	2014	2013
Profit for the year	173,903	180,443
Comprehensive income after tax	-	-
Comprehensive income after tax	173,903	180,443

Parent company balance sheet

Parent Company, SEK thousands	Note	2014	2013
Assets			
Fixed assets			
Financial fixed assets			
Participations in Group companies	44	1,150,404	1,150,404
		1,150,404	1,150,404
Current assets			
Current receivables from Group companies		292,999	291,194
Current tax receivables	45	3,784	3,784
Other receivables	45	294	297
Prepaid expenses and accrued income	46	1,146	1,232
		298,223	296,507
Cash and cash equivalents		27,123	2,726
Current assets, total		325,346	299,233
Total assets		1,475,750	1,449,637
Equity			
Restricted equity			
Share capital	47	175,028	175,028
		175,028	175,028
Non-restricted equity			
Share premium reserve		173,628	173,628
Other non-restricted reserves		262,111	262,111
Retained earnings		460,476	428,806
Profit for the year		173,903	180,443
		1,070,117	1,044,988
Equity, total		1,245,145	1,220,016
Liabilities			
Long-term liabilities			
Other liabilities	48	175,738	175,745
		175,738	175,745
Current liabilities			
Liabilities to Group companies		40,934	40,934
Other liabilities	49	525	358
Accrued expenses and deferred income	50	13,407	12,583
		54,866	53,875
Total liabilities		230,604	229,620
Total equity and liabilities		1,475,750	1,449,637
Memorandum items			
Assets pledged		none	none
Contingent liabilities		none	none

Parent company changes in equity

Parent Company, SEK thousands	Share capital	Share premium reserve	Other non-restricted reserves	Retained earnings	Profit for the year	Total
Equity brought forward 1 January 2013	175,028	173,628	262,111	417,415	133,911	1,162,093
Reallocation of last year's profit		-	-	133,911	-133,911	-
Profit after tax reported in the income statement	-	-	-	-	180,443	180,443
Total comprehensive income	-	-	-	-	180,443	180,443
Transactions with the owners						
Dividend issued	-	-	-	-122,520	-	-122,520
Equity provided, share programme	-	-	-	-	-	-
Equity carried forward 31 December 2013	175,028	173,628	262,111	428,806	180,443	1,220,017
Equity brought forward 1 January 2014	175,028	173,628	262,111	428,806	180,443	1,220,017
Reallocation of last year's profit	-	-	-	180,443	-180,443	-
Profit after tax reported in the income statement	-	-	-	-	173,903	173,903
Total comprehensive income	-	-	-	-	173,903	173,903
Transactions with the owners						
Dividend issued	-	-	-	-148,774	-	-148,774
Equity carried forward 31 December 2014	175,028	173,628	262,111	460,476	173,903	1,245,145

Parent company cash flow statement (indirect method)

Parent Company, SEK thousands	2014	2013
Cash flow from current operations		
Income after financial items	173,903	180,443
Adjustment for items not included in cash flow		
Write-downs financial assets	-	500
Anticipated dividend from subsidiaries	-175,000	-182,000
Group contribution	-10,990	-11,148
	-12,087	-12,205
Paid tax	-4,128	-4,128
Cash flow from operating activities before changes in working capital	-16,215	-16,333
Cash flow from changes in working capital		
Decrease (+)/increase (-) of other receivables	-1,716	3,915
Increase (+)/decrease (-) of liabilities	-2,046	-2,893
	-3,762	1,022
Cash flow from current operations	-19,977	-15,311
Investing activities		
Dividend issued from subsidiaries	182,000	130,000
Group contribution	11,148	7,074
Cash flow from investing activities	193,148	137,074
Financing activities		
Dividend paid	-148,774	-122,520
Cash flow from financing activities	-148,774	-122,520
Cash flow for the year	24,397	-756
Cash and cash equivalents, January 1	2,726	3,482
Cash and cash equivalents at year-end	27,123	2,726

Cash and cash equivalents relate to the company's bank balances.

Notes

Note 1 Company information

The consolidated financial statements for Nordnet AB (parent company) for the financial year ending 31 December 2014 has been approved by the Board of Directors and CEO for publication on 20 March 2014 and will be presented to the Annual General Meeting on 23 April 2015 for approval.

The parent company is a Swedish limited liability company (publ), headquartered in Stockholm, Sweden, with the address Gustavlundsvägen 141, Box 14077, SE-167 14 Bromma.

The company's shares have been quoted on the Nasdaq Stockholm exchange's Midcap list since 2 October 2006. Prior to this, the company's shares were listed on the Stockholm exchange's O-list from April 2000. The Group's principle activities are described in the Board of Directors' Report.

Note 2 Basis for compilation of accounts

In the consolidated accounts, assets and liabilities are recognized at their historical cost. Financial assets and liabilities are recognized at amortized cost, with the exception of certain financial assets and liabilities that are recognized at fair value. Financial assets and liabilities recognized at fair value include derivative instruments, financial instruments classified as financial assets or liabilities valued at fair value in the income statement or as financial assets available for sale. In addition, liabilities in the insurance operations are recognized at fair value.

The company's functional currency and reporting currency is SEK and unless otherwise stated, all amounts are reported in thousands of Swedish kronor (SEK thousands).

Statement of compliance with applied regulations

The consolidated financial statements are compiled in accordance with International Financial Reporting Standards (IFRS). As the parent company is based in the EU, only EU approved IFRS are applied.

The consolidated accounts have been compiled in accordance with the Swedish Annual Accounts Act or Credit Institutions and Securities Companies (ÅRKL 1995:1 559) as Nordnet is regarded as a financial holding company, meaning that the Group also has to apply the provisions of this law in the compilation of its consolidated accounts. The consolidated accounts have also been compiled in accordance with the Swedish Financial Supervisory Authority's regulations and general recommendations regarding annual accounts for credit institutions and security companies (FFS 2008:25), the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for the Group and the recommendation of the Swedish Financial Reporting Board.

The parent company's annual report is prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and with application of the Swedish Financial Reporting Boards RFR 2 Accounting for legal entities. This means that IFRS valuation and information rules are applied with the exceptions and supplements specified in the section concerning the parent company's accounting principles.

Basis for consolidation

The consolidated accounts include the parent company and its subsidiaries as of 31 December each year. The financial reports of the parent company and subsidiaries included in the consolidated accounts relate to the same period and have been compiled in accordance with the accounting principles applicable to the Group.

All balances within the Group, income, expenses, profits or losses arising in transactions between companies covered by the consolidated accounts are eliminated in their entirety.

A subsidiary is included in the consolidated accounts from the time of acquisition, which is the date on which the parent company takes on controlling influence and is included in the consolidated accounts until the date on which the controlling interest ceases. Controlling influence exists when the parent company directly, or indirectly through subsidiaries, holds over half of the voting rights in a company. Assets and liabilities in the consolidated balance

sheet are essentially dealt with in a liquidity arrangement as this classification is more relevant on the basis of the operations run by the Group.

Note 3 Amended accounting principles

2014

The new or amended IFRS that came into force during the financial year commencing 1 January 2014 and which affect the Group are IFRS 12 Disclosure of interests in other entities.

Under IFRS 12 Disclosure of interests in other entities, interests in subsidiaries, associates, joint arrangements and structured companies shall be disclosed in accordance with IFRS 12. The purpose of these disclosures is to afford the users of the financial statements an opportunity to understand the effects of the holdings on the financial statements and the risks associated with the holdings concerned. IFRS 12 includes more extensive disclosure requirements than previously applied for the annual report and affect the Group in that additional disclosures are required regarding subsidiaries. These disclosures are provided in Note 44.

2015 onwards

A number of new or amended standards do not take effect until the next financial year and have not been applied prematurely in preparing the financial statements at hand. Described below are the IFRS that are expected to, or that could, have an impact on the consolidated financial statements. Beyond the IFRS described below, other amendments approved by the IASB as per 31 December 2014, are not expected to have any impact on the consolidated financial statements.

IFRS 9 Financial Instruments will enter into force on 1 January 2018, replacing IAS 39 Financial Instruments: Recognition and Measurement. Various parts of the new standard have been revised. One part relates to the recognition and measurement of financial assets and liabilities. IFRS 9 classifies financial assets into three different categories. Classification is determined on initial recognition based on the characteristics of the asset and the company's business model. For financial liabilities, there are no major changes compared with IAS 39. The greatest change relates to liabilities recognized at fair value. For these, the portion of the change in fair value attributable to the company's own credit risk shall be recognized in other comprehensive income rather than in profit unless this causes inconsistencies in the accounts. The second part relates to hedge accounting. To a large extent, the new principles entail improved conditions for accounting that provides a fair picture of a company's financial risk management in financial instruments. Finally, new principles have been introduced regarding impairment of financial assets, in which the model is based on anticipated losses. The purpose of the new model includes provisions for credit losses being made at an earlier stage. In the Group's assessment, both the part relating to impairment and the part involving the classification and measurement of financial assets will affect the financial statements. During the year, an examination will be initiated to consider what effects IFRS 9 will have on the consolidated financial statements. The EU has yet to approve the standard.

IFRS 15 Revenue from Contracts with Customers will enter into force on 1 January 2017, replacing all previously issued standards and interpretations that address income (i.e. IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers SIC 31 Revenue – Barter transactions involving advertising services). IFRS 15 includes a collective model for income recognition regarding customer contracts. The intention behind the standard is that everything begins with a contract between two parties for the sale of a product or service. Initially, a customer agreement shall be identified, whereby the vendor generates an asset (rights, a promise that compensation will be obtained) and a liability (commitment, a promise that goods/services will be transferred). According to the model, the company then reports income, thus demonstrating the company's fulfilment of its commitment to deliver the promised goods or services to the customer. The EU has yet to approve the standard. It remains unclear whether IFRS 15 will affect the Group. During the year, an examination will be initiated to consider what effects the new standard will have on the Group.

Amendments to IAS 1 Disclosure Initiative enter into force on 1 January 2016. These changes aim to further encourage companies to apply their professional judgment to determine what disclosures should be provided and how the information can be structured in the financial statements. To make this possible, some specific

improvements have been made in the areas of materiality, disaggregation and subtotals, note structure, disclosures regarding the accounting policies and the presentation of items in other comprehensive income (OCI) deriving from investments calculated using the equity method. The EU has yet to approve the amendments. Over the coming years, the Group plans to review the disclosures made in the annual report.

Note 4 Critical accounting estimates and assumptions

Certain assumptions regarding the future and certain estimates and assessments as of the balance sheet date are of particular significance for the valuation of assets and liabilities in the balance sheet. Below is a discussion of the areas where the risk of value change over the following year is greatest due to the fact that the assumptions or estimates may need amending.

Impairment testing of goodwill

The value of goodwill reported is tested at least once a year with regard to any need for impairment. This testing requires an assessment of the utility value of the cash generating unit, or groups of cash generating units, to which the goodwill value is attributable. This in turn requires the anticipated future cash flow from the cash generating unit to be estimated and a relevant discount rate to be established for calculating cash flow's current value. The assessments made as of 31 December 2014 are specified in Note 24.

Note 5 Accounting principles applied

Business combinations

IFRS 3 is applied to business combinations and means that the fair values of identifiable assets and liabilities in the acquired business are established at the time of acquisition. These fair values also include the percentages of assets and liabilities, which can be, attributed to any remaining minority owners in the acquired business. Identifiable assets and liabilities also include assets, liabilities and provisions, including obligations and claims from third parties, which are not reported in the balance sheet of the acquired business.

No provisions are made for expenses for planned restructuring measures resulting from the acquisition. The discrepancy between the cost of the acquisition and the acquired portion of the net assets in the acquired operations are classified as goodwill and reported as an intangible asset in the balance sheet. If the value of the acquired net assets exceeds the acquisition cost, a negative goodwill item is recognized in the income statement. Any transaction costs in connection with the acquisition are expensed.

The useful life for each individual intangible asset is established and depreciated over the useful life. If the useful life is deemed to be indefinite, no depreciation takes place. Any assessment that results in the useful life of an intangible asset being indefinite takes into account all relevant conditions and is based on the fact that there is no predictable future time limit for the net cash flow generated by the asset.

Exchange rate effects in each Group company

Transactions in foreign currencies are reported after translation using the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are converted into functional currency at the exchange rate on the balance sheet date. All exchange rate differences are reported via the income statement. Non-monetary items in foreign currency that are valued at their historical cost are valued in the functional currency, using the exchange rate at the time of the original transaction.

Translation of foreign subsidiaries

The consolidated accounts are presented in Swedish kronor (SEK), which is the functional currency and reporting currency of the parent company. Each company that forms part of the Group establishes its functional currency, and every item in the financial reports is valued on the basis of this functional currency. This translation means that all assets, provisions and liabilities are translated at the rate on the balance sheet date and that all items in the income statement are translated at the average rate over the reporting period, whereupon the exchange rate difference is recognized in equity as a component of comprehensive income. If a foreign subsidiary is divested, the accumulated exchange rate difference is reported in the income statement.

Financial assets and financial liabilities

Financial assets reported in the balance sheet include – on the asset side – interest-bearing receivables, other shares and units, other receivables, accounts receivable, assets in the insurance business and cash and cash equivalents. Accounts payable and borrowings are reported on the liability side. Currency derivatives are reported as either assets or liabilities, depending on whether the fair value is positive or negative. A financial asset is de-recognized from the balance sheet once the obligations in the contract have been realized, have matured or if the company has lost control of it. The same applies for part of a financial asset.

The Group's financial assets are classified either as financial assets valued at fair value via the income statement, loans and receivables, or financial assets available for sale. When a financial asset is first recognized, it is valued at fair value plus – for financial assets that do not belong to the category of financial assets valued at fair value via the income statement – transaction expenses directly attributable to the acquisition or issue of the financial asset. When a financial asset is valued after its initial recognition, the financial asset is reported in accordance with one of the three categories below, according to the classification of the financial asset at the time of acquisition.

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

The fair value of a financial asset listed on an active market is established as the purchase price at closure on the balance sheet date. In the few instances in which there is no active market, fair value is established on the basis of recently completed transactions between knowledgeable parties who are independent of each other.

Financial assets and financial liabilities are offset and recognized at a net amount in the balance sheet where there is a legal right to offset the amounts reported at the same time as there is an intention to adjust the items with a net amount or realize the asset and adjust the liability at the same time

Financial liabilities valued at fair value via the income statement

Financial assets valued at fair value via the income statement are divided into two subcategories.

The assets in the first subcategory, financial assets classified as held for trading, are reported as financial assets valued at fair value via the income statement. A financial asset is classified as held for trading if it was acquired or originated for the primary purpose of being sold or bought back in the short term, or if it is included in a portfolio of identified financial instruments that are managed together and for which there is a recent, demonstrated, actual pattern of short-term realizations of profit, or if the financial asset is a derivative; except in instances in which the derivative is held as a hedge instrument. Profits and losses on assets held for trading are reported via the income statement.

The second subcategory is financial assets that, on initial recognition, are identified as items valued at fair value via the income statement. Financial assets in this subcategory are managed by the company and its performance is evaluated based on fair value, this category also includes insurance assets where the policyholders bear the investment risk.

Loans and accounts receivable

Loans and accounts receivable are financial assets that are not derivatives, have established or determinable payments and are not listed on an active market. The valuation is made at amortized cost less write-downs and specific reservations for credit losses. Profits and losses are reported via the income statement when the financial asset is de-recognized from the balance sheet or written down, and also via period allocation. Accounts receivable are included in the balance sheet when the invoice has been sent. Accounts receivable are expected to have short maturity, and so the value is recognized at a nominal amount without discounting.

If objective evidence indicates that a need has arisen to recognize an impairment in a financial asset in the loans and accounts receivable category, the impairment is calculated as the difference between the recognized value of the asset and the current value of estimated future cash flows (excluding future credit losses that have not occurred), discounted to the financial assets original effective interest rate. The amount of the impairment is recognized in the income statement. Credit losses are reported partly as credit losses confirmed over the year and

partly as provisions relating to probable credit losses. All or part of a receivable that is not deemed to be recoverable or that cannot be obtained on realization of the security is reported as an actual loss. Actual losses are written down where there are no realistic chances of recovery.

A provision relating to likely credit losses is executed if the receivable is uncertain, i.e.:

- if it is likely, based on events and circumstances that have occurred by the balance sheet date, that the payments will not be made in accordance with the contract terms, and
- there is no security that will cover, by a safe margin, both loan amounts and interest, including compensation for any delay.

When determining reservations relating to probable credit losses, the loan receivables are valued individually and in groups for homogeneous groups of loan receivables of limited value and of a similar credit risk.

Restructured loan receivables, for example in the form of a reduction in interest due to a borrower's financial problems, are not considered to be uncertain, if it is deemed likely that payments will be made in accordance with the contractual terms following the restructuring.

Recovered credit losses are reported as a reduction in the year's net expense relating to credit losses.

Available-for-sale financial assets

Available-for-sale financial assets are assets that are not derivatives and where the assets are identified as being available for sale, and which are not classified in any of the two categories mentioned above. The valuation is made at fair value. The value change is recognized in other comprehensive income, except for impairments and currency profits and currency losses – until the financial asset is de-recognized from the balance sheet, at which time the accumulated profit or loss previously recognized in comprehensive income is reported in the income statement.

If there is objective evidence (see description under "Loans and accounts receivable"), indicating need for impairment of interest-bearing securities, the amount of the accumulated loss reclassified via other comprehensive income in the income statement consists of the difference between the acquisition cost (less repayments of capital amounts and amounts distributed on a straight line basis) and the current fair value, less any impairment of the financial asset previously reported in the income statement. Impairments are recognized in the net result of financial transactions. Impairments of interest-bearing securities are reversed through the income statement where fair value increases and the increase can be objectively attributed to an event occurring after the impairment was recognized.

If there is objective evidence to indicate impairment of unlisted shares valued at cost because fair value cannot be reliably estimated, the amount of the impairment is calculated as the difference between the carrying amount of the financial and the present value of estimated future cash flows discounted at the current market return for similar financial assets. Impairment of shares valued at cost is never reversed.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet consist of Loans to credit institutions and treasury bills eligible as collateral with a maturity of less than 90 days from the time of acquisition. Cash and cash equivalents can easily be converted into cash funds of a known amount and are not subject to any significant risk of value fluctuations.

Cash and cash equivalents as specified above are defined in the cash flow statement. The consolidated cash flows statement is prepared using the direct method as this best reflects the operations while the parent company's cash flow statement is prepared using the indirect method.

Financial liabilities

Consolidated financial liabilities are classified either as financial liabilities at fair value through the income statement or other financial liabilities. When a financial liability is reported for the first time, it is valued at fair value plus – as regards a financial liability not belonging to the category of financial assets valued at fair value via the income statement – transaction expenses directly attributable to the incurrence or issue of the financial liability.

When a financial liability is valued after its initial recognition, the financial liability is reported in accordance with one of the two categories below, according to the classification of the financial asset at the time of acquisition.

Liabilities are included in the balance sheet when the counterparty has fulfilled its obligations and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recognized in the balance sheet when the invoice is received. Accounts payable have a short expected maturity and are valued at a nominal amount without discounting.

A financial liability is de-recognized from the balance sheet once the obligation in the contract has been fulfilled or otherwise extinguished. The same is true for a part of a financial liability.

Financial liabilities valued at fair value via the income statement

See the above description of asset categories regarding which categories exist and how holdings in this category are reported. The category “held for trade” includes derivatives with negative fair value that are not used in hedge accounting. The second subcategory, financial liabilities, which are on initial recognition identified as items at fair value through the income statement, includes financial liabilities in the insurance business where customers bear the investment risk. These holdings have been classified in this category to eliminate or significantly reduce inconsistencies in measurement and reporting.

Other financial liabilities

Loans and other financial liabilities are included in this category. Following initial recognition, these are valued at amortized cost, using the effective interest method.

The subordinated loan is reported among other financial liabilities. The interest expense is amortized over the term of the loan applying the effective interest method.

Property, plant and equipment

Property, plant and equipment are recognized as assets in the balance sheet if the company is likely to derive future economic benefits from them and the acquisition value of the assets can be reliably estimated.

Property, plant and equipment are recognized at acquisition value, less accumulated depreciation and any accumulated write-down. Depreciation is made on a straight-line basis over the useful life of the asset, down to an estimated residual value. If there is an indication of impairment, impairment testing is carried out and a recoverable amount is estimated. If this is less than the recognized value, an impairment loss is recognized.

The recognized value of an item of property, plant and equipment is de-recognized from the balance sheet upon scrapping or disposal, or when no future economic benefits are expected to remain. Profits and losses arising when property, plant or equipment is de-recognized from the balance sheet are determined as the difference between any net income, upon disposal, and the recognized value of the asset.

The depreciation method of the tangible assets is reviewed at the end of every financial year as a minimum, and the depreciation period is adjusted if required.

Fixtures and fittings, computers and other hardware are normally written off after 3–4 years. Improvement charges for third-party property are depreciated on a straight-line basis over the remaining term of the rental contract or the useful life of the improvements, whichever is shorter.

Intangible assets

Intangible assets are recognized as assets in the balance sheet if the company is likely to derive future economic benefits from them and the acquisition value of the asset can be reliably estimated. An intangible asset is valued at its acquisition value when it is initially recognized in the balance sheet. After its initial recognition, an intangible asset is included in the balance sheet at its acquisition value less any accumulated depreciation and accumulated impairment losses. Amortization is made on a straight-line basis over the useful life of the asset, down to an estimated residual value, and amortization commences only when the asset is available for use. Amortization normally occurs over 3–20 years. The residual value and useful life of intangible assets are reviewed – irrespective

of whether there is any indication of impairment – at the end of every financial year as a minimum, at which point the amortization period is adjusted and/or an impairment loss recognized. If there is an indication of impairment, impairment testing is carried out and a recoverable amount is estimated. If this is less than the recognized value, an impairment loss is recognized. Also intangible assets, which are not yet available for use, are tested for impairment on an annual basis, even if there is no indication of an impairment loss.

Goodwill

The goodwill arising from a business combination as an asset valued at acquisition value, which corresponds to the part of the acquisition value that exceeds the net fair value for the acquired percentage of the identifiable assets, liabilities and contingent liabilities of the acquired entity, is recognized at the time of acquisition. After the initial recognition, any goodwill that has arisen is valued at the acquisition value less any accumulated impairment losses. Goodwill is tested for impairment at least once a year. Impairment testing is carried out more frequently if events or circumstances indicate the possibility of impairment losses.

When the value of goodwill is tested for impairment, the value is distributed over each and every one of the Group's cash generating units, or groups of cash-generating units, that are expected to benefit from the synergies created in the acquisition, regardless of whether other assets or liabilities in the acquired company are assigned to these units or groups of units. Every unit or group of units over which goodwill is to be distributed must:

- correspond to the lowest level in the company at which goodwill is monitored in the company's internal governance, and
- not be larger than one segment, based on IFRS 8 Operating Segments.

Impairment of goodwill is recognized for a cash-generating unit (group of units) when the recoverable amount of the goodwill is lower than the recognized value of the goodwill for the unit (group of units). Impairment in goodwill is recognized primarily when there is need to recognize impairment in a cash generating unit.

Brands

Brands acquired separately are reported at cost. Brands acquired in a business combination are recognized at fair value on the acquisition date. All trademarks deemed to have limited useful lives are amortized on a straight line basis over their useful life, estimated at five years. The asset is carried at cost less accumulated depreciation and impairment.

Customer base

The cost of the customer base is recognized at estimated fair value on the date of the acquisition. A customer base has a limited useful life and is recognized at cost less accumulated depreciation and any impairment. Amortization normally occurs over 5–20 years.

Capitalized expenditure for development work

Capitalized expenditure for development work partly consists of services purchased externally, and partly of capitalized personnel costs. Capitalized expenditure relates to the development of the trading systems and other applications that will give the Group financial benefits in the long term, either through increased income or cost savings. Charges are recognized as assets as they occur. Capitalized development expenses are entered in the balance sheet at acquisition value, less amortization and impairment losses. Capitalized development expenses are amortized once the asset has been completed and over an assessed useful life.

Capitalized expenditure for development work is amortized over 3–5 years, depending on the assessed useful life.

Impairment of assets (excluding goodwill)

On each balance sheet date, the company assesses whether there is any indication that the value of an asset is impaired. If this is the case, an estimate is made of the assets recoverable amount. The recoverable amount of an asset is the fair value minus sales expenses for an asset or cash-generating unit and its value in use, whichever is greater. If the recognized value is lower than the recoverable amount, it shall be written down to the recoverable amount. When calculating the recoverable amount, future cash flows are estimated and discounted at present value with a discount rate before tax, taking into account current market assessments of the time value of money

and the risks associated in particular with the asset for which the estimates of the future cash flows have not been adjusted. Impairments are recognized in the income statement over the period under the specific income items to which the impairment of the asset belongs.

On each balance sheet date, the Group also establishes whether there are any indications that an earlier impairment of an asset, apart from goodwill, is no longer justified, wholly or in part. If there are any such indications, the recoverable amount of the asset is calculated. An impairment loss recognized in prior periods for an asset other than goodwill is only reversed if there has been a change in the assumptions used to determine the assets recoverable amount when the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. This increase is recognized in the income statement as a reversal of an impairment loss. An increase in the carrying amount of an asset other than goodwill attributable to a reversal of an earlier impairment loss must not lead to a carrying amount exceeding what the Group ought to have reported if no impairment loss been recognized for the asset. The reversal of impairment on an asset other than goodwill is recognized immediately in the income statement. Once an impairment loss has been reversed, future depreciation is adjusted to allocate the assets revised carrying amount, less any residual value, over its remaining useful life.

Leasing

The classification of leases is based on the extent to which financial risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. A lease is classified as a finance lease if the financial rewards and risks associated with ownership of the object are materially transferred from the lessor to the lessee. A lease is classified as an operating lease if those rewards and risks are not materially transferred from the lessor to the lessee.

Objects held under a finance lease are entered in the balance sheet as fixed assets, and the obligation to pay future leasing charges is entered as a liability. Fixed assets are depreciated in accordance with their useful lives or the lease term if shorter. Minimum lease payments are allocated between the principal and interest of the debt. Interest is expensed so that each period includes an amount corresponding to a fixed interest rate for the liability reported over the period.

Objects held under an operating lease are not entered in the balance sheet. The leasing charges in an operating lease are reported in the income statement over the term, starting from utilization. The Group has operational leasing contracts only.

Insurance contracts and investment contracts

Nordnet's insurance policies may constitute unit-linked insurance or traditional insurance. For traditional insurance, the value of the insurance consists entirely of a conditional bonus, which means that the insurance has no guaranteed insurance capital. The policyholders themselves bear the investment risk of their investments.

The products Kapitalpension (Capital Pension), Tjänstepension (Occupational Pension) and Privat Pension (Private Pension) may be converted into unit-linked insurance when they are paid out. If the insurance remains as a traditional policy, for the first five years, a fixed annual amount of 3 percent of the insurance value will be calculated and paid at the first payment. The amount payable is guaranteed over the first five years.

For unit-linked insurance, the value of the insurance is entirely dependent on the investments made by the policyholder. The policyholders themselves bear the investment risk of their investments.

IFRS differentiates between insurance contracts and investment contracts. Insurance contracts are contracts where the Group assumes a significant insurance risk for the policyholder by agreeing to compensate the policyholder or other beneficiary if a predetermined insured event takes place. Investment contracts are financial instruments that cannot be defined as insurance contracts as they transfer no significant insurance risk from the policyholder to the Group. Risk products including health insurance, premium waiver, death benefit and survivors' pension are classified as insurance contracts. Other products are classified as investment contracts.

Assets in the insurance business

Assets in the insurance business consist of policyholders' investments in securities in endowment insurance, capital pension, private pension and occupational pension, as well as equivalent products in Norway. The policyholders themselves bear the investment risk of their investments, with the exception of any guaranteed amount in a traditional insurance policy that pays out. The assets in the insurance business are valued at fair value via the income statement. The fair value of the investments is based on the latest purchase price. Amounts received from and paid to the holders are entered in the balance sheet as deposits or withdrawals.

Technical provisions

The technical provisions are divided into life insurance provision, unit-linked insurance provision, provision for claims outstanding and conditional bonus provision.

The life insurance provision consists of the capital value of future insurance benefits guaranteed to the policyholders. The provision is calculated individually for each insurance policy and refers to guaranteed commitments during a five-year disbursement.

The unit-linked insurance provision is calculated individually for each insurance policy. The provision corresponds to the total market value of the holdings in the policyholders' deposits.

The provision for claims outstanding relates to claims incurred but not reported. The provision is calculated collectively for the insured population, corresponding to a certain percentage of the gross risk premium income for the year when the claim arose.

The conditional provision is calculated individually for each insurance policy. It corresponds to the total market value of the holdings in the policyholders deposit less provisions for guaranteed commitment.

Commitment for investment contracts

In the case of contracts classified as investment contracts, the commitment in respect of policyholders is recognized as a liability. The size of this liability is directly related to the value development of the securities, as well as deposits and withdrawals. The liability is recognized as a liability valued at fair value via the income statement.

Changes in the value of assets in the insurance business and corresponding changes of commitments for investment contracts are reported net in the income statement. The substance of the transaction is that the value changes belong entirely to the policyholders. A net report makes it easier for policyholders and other stakeholders to understand the transactions and assess the company's results and future cash flow.

Commitment for insurance contracts

The contracts classified as insurance contracts are recognized as liabilities to policyholders. This liability relates to a reserve for unknown claims. The liability for unknown claims is calculated on the basis of actuarial assumptions.

Employee benefits

Short-term benefits

Short-term benefits including salaries, social security contributions, paid short-term leave, performance-related pay and certain types of non-monetary benefits are recognized in the income statement in the period in which the employee performed the service for the Group. A provision for performance-related pay is reported when the Group has a legal or informal obligation to make such payments as a consequence of the services in question having been received from the employees and the provision amount can be calculated reliably. Costs for social security contributions relating to the approved share incentive programme are distributed over the programme's vesting period of three years.

Post-employment benefits

Post-employment benefits include pensions.

The Group has only defined contribution pension plans, which are recognized in the income statement in the period in which the employee performed the service for the Group. A defined contribution pension plan means that a set charge, based on a certain percentage of the salary, is paid into the employees' pension account (opened by the Group) held with an insurance company. The size of the pension for the individual employee depends on the amount of money paid in and the size of the returns on the funds, unlike defined benefit pension plans, where the employee is guaranteed a specific, predetermined pension by the employer.

Termination benefits

Compensation for termination of employment where the staff member is suspended is recognized immediately as an expense as there are no future financial benefits for the Group.

Share-related remunerations

The company's performance-related share programme gives the employee the opportunity to earn shares free of charge. Payroll taxes are calculated for these and expensed across the periods in which the free shares were earned. The provision for the payroll taxes is based on the fair value at the time of reporting of the free shares earned.

Provisions

A provision is recognized in the balance sheet when a formal or informal obligation exists as a consequence of an event and it is likely that an outflow of resources will be required to settle that obligation and the amount can be reliably estimated.

A provision for restructuring is reported only when a detailed restructuring plan has been established and restructuring has either commenced or otherwise been announced to the affected parties.

Contingent liabilities

Contingent liabilities are reported when there is a potential obligation stemming from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or where there is an obligation stemming from past events but which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Income recognition

Income is recognized at the fair value of what has been received or will be received. The time for entry of income occurs when the financial outcome can be calculated in a reliable manner, the significant risks are transferred to the purchaser and it is likely that the financial benefits associated with the transaction will fall to the Group.

The most significant income for the Group is explained below.

Interest income

Interest income relating to loans to credit institutions and loans to the general public are recognized as income when it is earned, which means that interest income is recognized on an accrual basis for the period to which it relates in accordance with the effective interest method. The effective interest method is a way of calculating the accrued acquisition value of a financial asset and the distribution of interest income over time.

Interest expenses

Interest expenses on deposits from credit institutions and the general public are recognized as an expense when processed, which means that interest expenses are distributed over the period to which they relate. Interest expenses also relate to subordinated loans entered on the same principle.

Commission income

Commission income, which relates mainly to brokerage in connection with the purchase and sale of securities, is recognized as income in connection with the completion of a transaction. Commissions when procuring securities in connection with issues, when selling structured products and in the event of guaranteed issues are recognized as income in connection with the completion of a transaction. Commission from the fund operation is made up partly of entry commission, which is recognized as income in connection with fund purchases, and partly of commission based on fund volume, which is recognized monthly as income on the basis of actual volume.

Commission expenses

Commission expenses, which relate primarily to expenses to exchanges, clearing institutions and to sharing with partners in connection with acquisitions and divestments of securities, are reported as expenses in connection with the completion of transactions. Commission expenses for fund management operations comprise management fees consisting of fixed expenses and expenses based on actual volumes. The cost is recognized on a monthly basis.

Net profit from financial transactions

Realized and unrealized value changes attributable to financial transactions classified as financial assets valued at fair value are recognized in this item. The income also relates to dividends received, currency exchange fees and currency profits and currency losses.

Other operating income

Other operating income relates to income from – among other things – custodial services, information services, software and service and support fees from partners. The income is recognized as income in the period in which the service is performed and provided to the customer.

Borrowing costs

Borrowing costs are charged to income in the period to which they refer. Borrowing costs referring to larger investments are capitalized during the investment phase and are depreciated over the same period as the rest of the investment

Taxes

Income taxes

The Group's tax consists of current and deferred tax. Income tax is recognized in the income statement unless it relates to items recognized in other comprehensive income or directly in equity. In such cases, taxes are also recognized in other comprehensive income or directly in equity.

Current tax is that paid or received pertaining to the current year, calculated applying tax rates that have been established (or to all intents and purposes established) on the balance sheet date. Any adjustment of current tax attributable to previous periods also belongs here.

Deferred tax is calculated based on temporary differences between the reported tax bases of assets and liabilities. Temporary differences are not taken into account in consolidated goodwill, or for differences arising on the initial recognition of assets and liabilities that are not business combinations that, at the time of the transaction, affect neither accounting nor taxable profit. Nor are temporary differences taken into account that relate to participations in subsidiaries, associates and affiliates and that are not expected to be reversed in the foreseeable future. The assessment of deferred tax is based on how the underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated applying the tax rates and regulations that have been established (or to all intents and purposes established) on the balance sheet date.

Deferred tax assets for deductible temporary differences and loss carry forwards are recognized to the extent that it is probable that the amounts can be utilized against future taxable income. The carrying amount for deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available. The reduction is reversed to the extent it is deemed likely that sufficient taxable profits will later be available.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to offset. This entails items relating to taxes levied by the same taxation authority on either the same taxable entity or a different taxable entity, where there is an intention either to settle these tax items net or to reclaim the tax asset at the same time as the tax liability is settled. Deferred tax assets and deferred tax liabilities are generally offset to the extent that this is permitted for current tax assets and current tax liabilities.

Tax on returns from pension funds

Subsidiary Nordnet Pensionsförsäkring AB also pays a tax on returns from pension funds. Tax on returns from pension funds is based on standard calculations of the return on net assets managed on behalf of policyholders. The expenses for this tax are reported as general administrative expenses in the income statement and among other liabilities in the balance sheet. In the subsidiary, it is recognized as a tax expense.

Segment reporting

An operating segment is a component of a company that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the company's management and for which discrete financial information is available.

Group management follows up on the development of the business in each country in terms of income items. This follow-up is reported in note 18. The allocation of balance items per country is not reported.

Parent company's accounting policies

The parent company's annual report is prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and with application of the Swedish Financial Reporting Boards RFR 2 Accounting for legal entities. This means that the IFRS valuation and disclosure rules are applied, with certain exceptions and additions, depending on legal provisions, mainly in the Swedish Annual Accounts Act, and also on the link between accounting and taxation. The differences between the Group's and the parent company's accounting policies are shown below.

Acquisitions

Transaction costs in connection with acquisitions are capitalized.

Classification

Fixed assets, long-term liabilities and provisions principally consist of amounts that are expected to be realized (recovered) or paid more than 12 months after the balance sheet date. Current assets and current liabilities principally consist of amounts that are expected to be realized (recovered) or paid within 12 months of the balance sheet date.

Shares in subsidiaries

Shares in subsidiaries are recognized in the parent company according to the cost method, which means that transaction costs are included in the carrying amount.

Shareholder contributions

Shareholder contributions are recognized directly against equity by the recipient and capitalized in shares and units by the issuer, to the extent that impairment is not required.

Non-current financial assets

The parent company does not apply IAS 39. Instead, financial instruments are recognized on the basis of cost in accordance with the Swedish Annual Accounts Act, which means that financial assets are measured at cost less impairment and current financial assets, according to the lowest value principle.

Untaxed reserves

The tax legislation in Sweden permits provisions in individual companies for special reserves and funds. This means that within certain limits, companies may allocate and retain recognized profits in the operations without

immediate taxation. These untaxed reserves are only subject to taxation when they are liquidated. However, in the consolidated accounts, untaxed reserves are divided into deferred tax liabilities and equity.

Mergers

The mergers have been recognized in accordance with BFNAR 1999:1 "Merger of a wholly-owned limited liability company." The group valuation method has been applied, which means that the assets and liabilities of the merged subsidiary have been recognized in the parent company at the values previously held by these in the consolidated accounts.

Group contributions

Group contributions received are reported as dividends under profit from participations in Group companies according to RFR 2.

Note 6 Transactions with related parties

The Group has certain transactions with related parties as detailed below. No provisions or expenses for bad debts involving related parties have been reported during the financial year.

E. Öhman J:or AB is a related party to Nordnet AB (publ) as E. Öhman J:or AB has a direct holding, and also because family members of the owners of E. Öhman J:or AB have direct holdings, in Nordnet AB (publ). Nordnet AB's debenture loan to related parties totals SEK 11.0 million (11.0).

Nordnet has a cooperation agreement with E. Öhman J:or Fonder AB, whose private customer stock Nordnet assumed responsibility for in 2011.

E. Öhman J:or Fondkommission AB is a subsidiary of the above-mentioned E. Öhman J:or AB. Nordnet Bank AB regularly enters into various business relations with E. Öhman J:or Fondkommission AB in the same way as it regularly does with other stockbrokers and banks. In 2014 an agreement was signed concerning the management of Nordnet fee-free index funds, The Superfunds, with E. Öhman J: or AB. According to the Board of Nordnet, these business relations have been entered into under market conditions. Over the period, Nordnet Bank AB has received commission income and other income amounting to a total of SEK 6,541 (4,788) thousand and paid commission expenses and other expenses of SEK 9,078 (3,755) thousand. The Group, in which E. Öhman J:or AB is the parent company, has an occupational pension agreement with Nordnet Pension AB.

The Emric Group and its parent company Emric AB are closely related parties to Nordnet AB (publ) in that E. Öhman J:or AB is a shareholder in the company. The Emric Group administers Nordnet Bank AB's unsecured loans. Over the year, Nordnet Bank AB has been invoiced for costs totalling SEK 22,683 (21,671) thousand by the Emric Group. On 31 December 2014, there were outstanding accounts payable of SEK 0 (50) thousand.

As regards the Boards, the CEOs and the senior managements salaries and other remuneration, expenses and obligations relating to pensions and similar benefits and agreements regarding severance pay, please see Note 12.

Nordnet Bank AB offers personnel credits to all employees of the Nordnet Group. On 31 December 2014, the company had margin lending to senior executives with approved limits totalling SEK 13,400 (11,308) thousand, of which utilized credits amounted to SEK 2,470 (1,129) thousand. On 31 December 2014, the company also had unsecured loans to senior executives amounting to SEK 1,482 (2,053) thousand. Interest on unutilized credits resulted in no tax imposed on fringe benefits.

Loans to senior executives must be disclosed in accordance with Chapter 5, Section 12 of the Annual Accounts Act (ÅRL) applying the alleviations available to credit institutions and securities companies according to Chapter 5, Section 2 of the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRK), including to the Group and the disclosure requirements included in RFR 1 and IAS 24, p.1. According to ÅRK, the size of the loans provided to senior executives shall be disclosed, as well as the nature of the pledged assets and the committed contingent liabilities and the amounts of the loans for which collateral has been pledged.

In addition to the above requirements, IAS 24 includes a requirement to disclose related party transactions such as loans to related parties and services obtained from, or provided to, related parties (see IAS 24.21). With regard to these transactions, the transaction amounts and the size of the outstanding balances, including their terms, shall be stated (IAS 24.18). In the event that the transactions have already been addressed through the legal requirement in ÅRL, the exemption in ÅRK applies regarding what details of the loans in question must be disclosed.

Note 7 Risks

Risk is defined as an exposure to a deviation from an anticipated financial outcome. Risk taking is an essential part of Nordnet's business. Nordnet's profitability is directly dependent on its capacity to identify, analyse, control and price risk. Risk management in Nordnet serves several purposes; to achieve desired profitability and growth, give a deliberately accepted level of risk and maintain a high level of trust from customers and the external community – trust that is essential for the Bank's long-term viability and existence.

How risk management is conducted is described in the risk management framework. The framework describes the strategies, processes, procedures, internal regulations, limits, controls and reporting procedures related to risk management. Combined, these are intended to ensure that Nordnet can, on an on-going basis, identify, measure, guide, internally report and maintain control over the risks to which Nordnet is, or is likely to be, exposed.

Risk culture is defined as the professional values, attitudes and behaviours crucial to how Nordnet manages its risks.

Nordnet's ambition is to be an innovative and fast growing company. Expansion and the development of additional services or external changes could lead to new risks emerging or existing risks changing. At the same time, a low risk level and market's confidence are high priorities for Nordnet.

Risk management shall be based on a risk culture that encompasses all relevant personnel and there shall be a clear understanding of the risks that Nordnet faces and how these should be managed taking Nordnet's risk appetite into account. All personnel are to be fully aware of their responsibilities with regard to risk management. Nordnet shall continuously inform and train all personnel to ensure they are familiar with the relevant aspects of Nordnet's risk management framework and their own responsibilities.

The Board shall determine the main principles of risk management and is ultimately responsible for ensuring that there is an effective system for managing Nordnet's risks and that Nordnet adheres to applicable directives, legislation and regulations. A framework for internal control is in place that encompasses the entire organization and the foundation for this shall consist of systems and procedures that ensure:

- Efficient and appropriate operations
- Adequate risk control
- Application of sound business principles
- Reliable reporting in terms of finance and other aspects
- Adherence to legislation, regulations, requirements from supervisory authorities and internal regulations

In assessing the effectiveness of the internal control within Nordnet, the Board primarily relies on the work carried out by the control functions. These consist of the Risk Control, Compliance and Internal Audit functions. These control functions shall be organizationally independent of the units that they monitor

The CEO is responsible for risks being managed in accordance with the Board's decisions and operations being conducted appropriately and in accordance with external rules in a practical sense.

Nordnet shall work with risks in accordance with the principles associated with the three lines of defence.

The first line of defence consists of the operations. In its on-going operations, Nordnet shall maintain efficient processes for the identification, measurement or assessment, monitoring, reporting and, where applicable, minimising of risks. These processes are called risk management. Under the supervision of the appropriate management, the business units and the administration are responsible for managing risks on a daily basis, taking into account Nordnet's risk appetite, as well as applicable policies, procedures and controls. Consequently, risk management shall not be limited to risk specialists or control functions.

The second line of defence is Risk Control and Compliance. They monitor, control and report on Nordnet's risks and its compliance with internal and external regulations.

The third line of defence comprises the Internal Audit function which performs a regular review of both management and Nordnet's internal controls, the work of the control functions and Nordnet's risk management. Within Nordnet, the internal audit is performed on direct assignment from the Board of Directors by external consultants.

The internal capital and liquidity assessment process (ICAAP and ILA) is a continuous process that evaluates capital and liquidity requirements in relation to Nordnet's risk profile. The result acts as a guide in the strategic decisions made to retain good capitalization in the long term and adequate liquidity. An ICAAP and ILA document is prepared annually and updated quarterly. Among other things, this forms the basis for the Board of Directors' work with Nordnet's capital planning. As part of the ICAAP

and ILA work, a comprehensive study and analysis of the risks in the operations is conducted. Nordnet is working for the entire organization to be involved in risk analysis. All employees are responsible for identifying risks and increasing their knowledge about these. The ICAAP and ILA process is part of the organization's work with risk and requires the active participation of risk owners and the employees concerned.

The risks to which the bank is exposed are divided into the following categories:

- Credit risk
- Market risk
- Financing risk/liquidity risk
- Operational risk
- Concentration risk
- Business risk
- Risks in the insurance operations

Credit risk

Credit risk is the risk of Nordnet not receiving payment as agreed and/or making a loss due to a counterparty's inability to fulfil its obligations or where potential securities do not cover Nordnet's receivables. Nordnet's credit risk mainly involves the granting of credits against security in quoted shares and fund units (mainly Nordic) and the provision of unsecured credits under the Konsumentkredit brand.

The main credit risks are divided as follows:

- The granting of secured credits
- The granting of unsecured credits
- Counterparty risks

Consequently, the largest exposure consists of lending to the public, which, at the end of the year, amounted to SEK 5,786 million (5,456) including lending backed by collateral in the form of cash and cash equivalents in foreign currencies of SEK 245 million (282).

At the end of the year, the unsecured lending amounted to SEK 2,326 million (2,146) distributed between approximately 27,000 (26,000) customers.

At the end of the year, Nordnet's secured lending totalled SEK 3,215 million (3,028) and the market value of the collateral amounted to SEK 13,127 million (12,530). Consequently, the average loan-to-value ratio amounted to 24 percent (24).

In the table below, secured lending is defined as very low risk. Under normal market conditions, negligible credit losses are incurred in this segment. Unsecured loans have been divided into three categories, relative to one another, based on the interest rates applied. This reflects the relative risk level as higher interest rates are applied to higher risk loans.

Credit quality	Amount (SEK million)		Percentage of total	
	2014	2013	2014	2013
Very low risk	3,460	3,309	60%	61%
Low risk	455	361	8%	7%
Moderate risk	1,694	1,595	29%	29%
High risk	177	191	3%	3%
Total	5,786	5,456	100%	100%

The granting of secured credits

The granting of credits is governed in accordance with the Credit Policy and Credit Instruction adopted by the Board. The crucial ground for assessment for Nordnet's lending is the security for the credit in the form of securities eligible as collateral, holdings in various currencies and the customers' creditworthiness. The securities for credits are evaluated in accordance with an internal model which is based on the liquidity and volatility of individual shares. Nordnet's credit department constantly monitors the lending situation at aggregated and individual level. It is Nordnet's view that there is no significant concentration of credit risks. The lending is spread well across the geographical markets as shown in the table below, with the aim of avoiding a high concentration of securities used as collateral. At the end of the year, there were approximately 11,000 (10,800) accounts utilizing credit.

Market	Credit utilised, net (SEKm)		Percentage of total credit volume		Average credit (SEK)	
	2014	2013	2014	2013	2014	2013
Sweden	1,535	1,557	48%	51%	318,000	320,000
Norway	403	529	13%	17%	167,000	208,000
Denmark	542	389	17%	13%	393,000	303,000
Finland	734	553	23%	18%	321,000	264,000
Total	3,215	3,028	100%	100%	300,000	274,000

The table below shows the volume of credit in certain amount ranges and the percentage of total outstanding loans against collateral.

Range	Number		Total, net (SEKm)		Percentage of total (%)	
	2014	2013	2014	2013	2014	2013
<10 KSEK	4,200	4,000	6	6	0%	0%
10-500 KSEK	5,400	5,500	724	726	23%	24%
501- 2 000 KSEK	1,100	1,100	1,014	1,000	32%	33%
>2 000 KSEK	300	200	1,471	1,296	46%	43%
Total	11,000	10,800	3,215	3,028	100%	100%

The table below shows the collateral value portion of the total collateral value of the loan portfolio for the single biggest securities at year-end.

	31/12/2014		31/12/2013
Nokia	7.5%	Nokia	6.0%
Volvo B	2.4%	DNO	2.7%
Hennes & Mauritz	2.3%	Volvo B	2.6%
Novo Nordisk	2.0%	Hennes & Mauritz	2.0%
Vestas Wind Systems	1.7%	Fortum	1.8%

As shown in the table above, there are no major concentrations in Nordnet's collateral (mortgaged securities). In a situation in which the collateral value of the securities does not cover the amount due to Nordnet from the customer, Nordnet has the option of selling securities to the extent required to rectify the arisen over-lending. If the value of the securities falls below the amount due to Nordnet, a provision will be made in accordance with Nordnet's credit instruction. For a description of Nordnet's credit losses, please see Note 15.

The granting of unsecured credits

The granting of unsecured credits consists of lending to private individuals in Sweden. The lending consists of unsecured loans of up to SEK 350,000; customer acquisition and credit approvals are carried out centrally. Individual pricing is applied, where the price reflects the risk at the time of application. At the end of the year, lending totalled SEK 2,326 million (2,146).

Credit quality and the management of credit risk

The Board regulates the risks by means of the credit policy and credit instructions. The aim is to ensure that credit is provided under good control and to state the overall credit risk strategy and credit risk appetite.

All credit decisions regarding unsecured loans are made by a separate department. The lending focuses on the management of large numbers of small individual commitments. As loans are provided without collateral, rigorous demands are imposed on the assessment of the customers' creditworthiness and future payment capacity. In the credit approval process, the credit assessment is based on scoring and rating models developed in-house, as well as using the customary credit information services. These scoring models and the statistics on which they are based were introduced at the outset of the operations and are updated continuously.

The internal risk rating systems used form a central component in the credit process and basis methods and decision-making processes for lending operations, credit review and the quantification of the credit risk in the portfolio. The system serves to assess the risk of default and to thus estimate future losses in the portfolio. The risk of future credit losses according to the model affects the interest rate offered to the individual customer when credit is approved. The credit risk in the credit process and the dynamics of the credit portfolio are regularly assessed and are aimed at monitoring the risk level's compliance with the risk appetite approved by the Board.

Provision methodology

Procedures for the monitoring of overdue payments and unsettled receivables serve to minimize credit losses through the prompt handling of payment demands. After 100 days, credits not serviced by customers are sold and a provision is made for the difference between the cost and the value of the receivable.

Counterparty risk

Counterparty risks are divided into the following:

- Issuer risks in the treasury portfolio
- Risks towards account holders (bank deposits)
- Liquidation risks (replacement costs for open transactions with customers and trading partners, including repos and OTC derivatives)
- Risks towards clearing houses and CCPs

Counterparty risk refers to a counterparty in a transaction to meet its obligations to pay for or deliver the agreed security or financial instrument. This refers to the risk of a counterparty defaulting prior to settlement of a transaction and that the price of the financial instrument will have changed when the transaction must be rearranged with a new counterparty. This costs corresponds to the liquidation risk. As a result, part of Nordnet's counterparty risk is related to the transaction flows from the stock markets in the Nordic countries. The risks are limited through the use of established clearing organizations, such as Euroclear and NASDAQ OMX.

Counterparty risks also occur when investing Nordnet's excess liquidity. The excess liquidity is invested in an account at a bank, in treasury bills, covered bonds or other interest-bearing assets.

The table shows Standard & Poor's rating of Nordnet's financial assets. For covered bonds, the ratings of the bonds have been used; otherwise, the counterparties' ratings have been used. A short-term rating has been provided for assets with a remaining maturity of less than one year, except for covered bonds and government bonds, where a long-term rating has been used, regardless of the remaining maturity. Assets where the Nordnet Pensionsförsäkring AB policyholders carry the investment risk are excluded. Available for sale financial assets with no long-term rating at Standard & Poor's have an Aaa rating with Moody's, with the exception of one that has an Aa2 rating. For loans to the public, credit quality is assured in accordance with the processes for the granting of secured and unsecured credits respectively.

31/12/2014		Rating according to Standard & Poors's												TOTAL	
Group, SEK million	Note	rating short duration				rating long duration									
		A-1+	A-1	A-2	A-3	no rating	AAA	AA+	AA-	AA	A+	A	A-	no rating	
Assets															
Loans to credit institutions	19	1,184	2,096	9	6	15									3,310
Loans to the general public	20					5,786									5,786
Financial assets at fair value	21													9	9
Available-for-sale financial assets	22	504	718	515			5,653	172		510	401	1,515	224	1,883	12,095
Total		1,688	2,814	524	6	5,801	5,653	172	0	510	401	1,515	224	1,892	21,200

31/12/2013		Rating according to Standard & Poors's												TOTAL	
Group, SEK million	Note	rating short duration				rating long duration									
		A-1+	A-1	A-2	A-3	no rating	AAA	AA+	AA-	AA	A+	A	A-	no rating	
Assets															
Loans to credit institutions	19	1,853	1,251	121	2	9									3,236
Loans to the general public	20					5,456									5,456
Financial assets at fair value	21													13	13
Available-for-sale financial assets	22	533	729	309		99	3,024			158	263	304	777	1,434	7,632
Total		2,387	1,980	430	2	5,564	3,024	0	0	158	263	304	777	1,447	16,337

Market risk

Market risk refers to the risk that the fair value of a financial instrument or future cash flows from a financial instrument are affected by changes in market prices. Nordnet is exposed to market risks in the form of interest risk, liquidity risk, and share price risk. Nordnet's operations are built up around customer trading and the business model does not therefore include exposing the company to market risks in its own name.

Interest rate risks

Interest rate risks occur when there is an imbalance in maturities between the company's assets and liabilities and in changes in the value of assets due to market fluctuations. Nordnet gives credit at flexible interest rates, and this credit is financed by deposits at flexible interest rates. The excess deposit is placed in accordance with the restrictions stipulated by the company's finance policy.

The interest rate sensitivity of the portfolio is measured and reported weekly to the Risk Control and the CFO. The interest rate risk is calculated at a 1-percentage point parallel displacement of the yield curve. At the end of each quarter, the sensitivity of the portfolio is also assessed in conjunction with the finance function's interest rate report to the Swedish Financial Supervisory Authority (Finansinspektionen).

At year-end, the interest rate risk in interest-bearing positions amounted to approximately SEK 48.7 million (36.8) in the event of a 1-percentage point change in the market interest rate. A list of Nordnet's fixed-interest terms can be found in Note 35. Subordinated liabilities amounted to SEK 175.7 million (175.7) and interest adjustments for these are made annually.

Foreign exchange risks

Foreign exchange risks occur when assets and liabilities in the same currency fail to match in terms of size. Nordnet manages arisen foreign exchange trading positions by carrying out several currency conversions each day, and only smaller flow-related foreign exchange positions can normally occur over more than one banking day.

At the end of the year, there was a total net exposure in foreign currency amounting to SEK 12.5 million (46.4). An unfavourable exchange rate development of 10 percent in the relevant currency entails a risk of approximately SEK 1.4 million (23.8). This includes net assets from foreign operations that are not hedged. For a more detailed description of assets and liabilities in foreign currency, see Note 36. Consequently, currency gains and losses are primarily attributable to the outcome of customers' currency exchange when trading in foreign equities.

Equity price risk

Equity price risk is the risk that the fair value of or future cash flows emanating from a share fluctuates due to changes in market prices. Nordnet's direct exposure to equity price risk is deemed to be low as the Group does not normally hold any positions of its own, with the exception of the "Experterna" analysis service.

At the year-end, the company's total own exposure to equity price risk amounted to SEK 2.1 million (13.5), see Note 22. Accordingly, a sudden negative market development of 10 percent for all shares entails a risk of approximately SEK 0.2 million (1.4). In connection with Nordnet's participation as a distributor in new share issues and spread offers, Nordnet can also opt to participate as a guarantor for part of the issue in the case of listing offers. No such guarantees were issued over the year-end.

Financing risk/liquidity risk

Liquidity risk refers to the risk that Nordnet would be unable to finance existing assets or meet its payment obligations, or only be able to do so at high costs. Liquidity risk can be divided into two components. The first comprises the risk that it will not be possible to finance operations and the other of the risk that it will not be possible to convert investment assets into liquidity.

Good payment readiness requires the asset side of the balance sheet to be liquid. Nordnet's assets mainly consist of cash and cash equivalents, loans to credit institutions and the general public and interest-bearing instruments.

Loans to credit institutions, consisting of credit balances in other banks, amounted to SEK 3,310 million (3,236) at year-end. The Groups cash and cash equivalents amounts to SEK 540.1 million (430.1), the Groups cash and cash equivalents including cash and cash equivalents in the insurance business amounted to, SEK 2,863 million (2,699) at year-end. Including in the cash and cash equivalents is 79 million (95) consisted of blocked funds, which is why immediately available cash and cash equivalents amounted to SEK 2,784 million (2,604) at year-end. Borrowing from the general public (households and companies) is Nordnet's most important source of finance. Nordnet's liquidity risk is reduced by the spreading of its financing over many customers and several geographical markets, and its payment readiness is deemed to be very good.

All of Nordnet's liabilities at the end of the year mature for payment in 2014 with the exception of deposits from the general public and liabilities in the insurance operations, which have no pre-set maturity date, and subordinated liabilities of SEK 175.7 million (175.7). The subordinated liabilities consist of Nordnet's two convertible loans of SEK 100 million and SEK 75 million. Nordnet intend to repurchase both loans during 2015. Permission has been received from Finansinspektionen (the Swedish Financial Supervisory Authority) to repurchase the loan of SEK 100 million and this took place in February 2015. It is planned to repurchase the remaining loan of SEK 75 million in September 2015. See note 31. New liquidity regulations will be introduced gradually in the wake of the financial crisis. The new requirements clarify the banks' responsibilities in managing liquidity risks. Against the background of these changes in regulations, Nordnet's liquidity management and risk control have been strengthened. The reporting of Nordnet's liquidity situation has been extended and more advanced stress tests are implemented.

Operational risks

Operational risk consists of the risk of losses due to inappropriate or failed processes, human error, faulty systems or external events. This definition includes legal risk. In addition to all of the risks that can be associated with human error and mistakes, typical examples of operational risks include: computer failure, dependence on key individuals, fraud, inadequate compliance

with legislation and internal regulations, or external events, such as fire, natural disasters, sabotage or changes in laws and regulations. To maintain good internal control of operational risks, well-functioning systems and procedures are required, as well as on-going training of employees. The principal responsibility for the management of operational risks lies with the individual departments and functions in the organization. Nordnet shall identify operational risks in its products, services, functions, processes and IT systems. In addition to supporting and guiding the departments in their work on risks, Risk Control shall also maintain the overarching perspective for operational risks. This includes compiling, analysing and following up on risks identified by the organization but also independently identifying and controlling operational risks. A special IT security function works on the identification, prevention and control of risks related to Nordnet's IT systems.

Since the company applies the base method to calculate the capital requirement for operational risk in accordance with pillar 1, there is a risk that Nordnet underestimates or overestimates the operational risk in the company since the base method takes the company's income as its point of departure and does not therefore take into account the actual operational risks in the company nor the efforts undertaken by the company to manage such risks.

As the basis for its analysis of operational risks, Nordnet identifies risks through the self-assessment conducted each year in connection with the internal capital assessment process.

Concentration risk

Commitments concentrated to a limited number of customers, a specific industry or geographical area, etc. create vulnerability and may constitute concentration risks. Nordnet's broad range of services and products is currently aimed at a broad spectrum of customers with a good geographical spread and considerable variation in their trading behaviour. All in all, Nordnet's customer base is therefore not deemed to constitute a concentration risk in the sense that Nordnet would be dependent on a small number of customers for its brokerage and interest income.

Business risk

Strategic risk

Strategic risk is defined as the risk of effects from institutional changes and changes in basic market conditions. This may, for example, entail earnings volatility and capital risks that arise as a consequence of changes in tax systems or bank regulations or an incapacity to adapt Nordnet to altered market conditions.

Earnings volatility risk

Earnings volatility risk refers to the risk of a weaker than expected on-going income trend that would thereby affect capital coverage.

Several factors can affect Nordnet's earnings. The most important of these factors are:

- customers' level of activity in share and mutual fund-based savings
- lending volumes.

As the product range is broadened, the dependency on trade-related net commissions may decrease. As at 31 December 2014, the cost coverage ratio was 95 percent (95).

Reputational risk

Reputational risk is defined as the risk of losing the good reputation among customers, shareholders, employees, authorities, media and the market. This can lead to decreased income or increased costs.

Brand value is one of the company's most important assets. The services offered are described with clarity and honesty to provide the customer the opportunity to reach well-considered decisions. Managing customers' money entails being entrusted with considerable responsibility and this trust must be tended with the greatest respect.

Nordnet's organization carefully monitors changes in regulations and practices, as well as the general discourse in the market and media on issues such as ethics and morals.

Risks in the insurance operations

Insurance risk

Premium and charge levels are based on product calculations and are reviewed each year. The insurance risks in the business are small. Any death benefits, survivors' pensions, premium waivers and health insurances are provided by an external party, and the risks are not carried by Nordnet.

Financial risks

The savings insurance in the insurance business relates to traditional policies with conditional bonuses and fund insurances where the insured party bears its own investment risk. This means that the company's financial risk is very limited. In traditional insurance policies with periodic pay-outs, there is a guarantee over the first five years of the pay-out period. The annual guarantee amount is 3 percent (3) of the customer's insurance capital at the time of the first payment.

Note 8 Group – net interest

	2014	2013
Interest income on loans to credit institutions	11,973	15,944
Interest income on interest-bearing securities	107,561	110,309
Interest income on loans to the general public	405,265	401,900
Other interest income	4,014	4,394
Total interest income	528,813	532,547
Interest expenses for liabilities to credit institutions	-13	-68
Interest expenses for deposits and loans to the general public	-25,211	-34,250
Interest expenses for subordinated liabilities	-12,741	-12,772
Other interest expenses	-12,275	-3,036
Total interest expenses	-50,240	-50,126
Net interest income	478,573	482,421
Of which attributable to financial assets and liabilities valued at fair value via the income statement.	-	29

The average interest on lending to the public* over the year was 4.25 percent (7.45).

The average interest on deposits and borrowing from the public over the year was 0.17 percent (0.29).

*Over the year, average interest on lending, excluding so-called account credits that are fully covered by pledged liquid funds in endowment insurance plans, was 4.53 percent (7.89).

Note 9 Group – net commission

	2014	2013
Commission income		
Securities commission	692,313	597,675
Insurance procurement commission, property insurance	-	85
Total commission income	692,313	597,760
Commission expenses		
Securities commission	-214,096	-194,430
Total commission expenses	-214,096	-194,430
Net commission	478,217	403,330
Of which attributable to financial assets and liabilities valued at fair value via the income statement.	-	-

Note 10 Group – net result from financial transactions

	2014	2013
Capital gains/losses, shares and participations	-1,823	5,108
Unrealised value changes, shares and participations	-472	806
Capital gains/losses, interest-bearing securities	3,829	2,058
Exchange income	84,911	57,315
Net result of financial transactions	86,445	65,287
Of which attributable to financial assets and liabilities valued at fair value via the income statement.	-	-

Note 11 Group – other operating income

	2014	2013
Other account-related side-income	10,752	10,442
Other operating revenue	31,923	27,506
Total other operating revenue	42,675	37,948

Of which attributable to financial assets and liabilities valued at fair value via the income statement. - -

Note 12 Group – general administrative expenses

General administration expenses	2014	2013
Personnel expenses	-316 221	-272 063
Rental and property expenses	-30 929	-30 258
Other operational leasing expenses	-1 735	-2 699
Information expenses	-45 947	-42 326
System and communication expenses	-92 441	-100 730
Purchased services	-76 140	-67 503
Other general administration expenses	-27 304	-34 208
Total general administration expenses	-590 717	-549 787

Average number of employees covers the following geographical markets	2014	2013
Sweden	273	258
- of whom women	104	102
- of whom men	169	156
Norway	20	16
- of whom women	5	4
- of whom men	15	12
Finland	39	34
- of whom women	17	15
- of whom men	22	19
Denmark	22	16
- of whom women	10	7
- of whom men	12	9
Total	354	325
- of whom women	136	128
- of whom men	218	197
Number of full-time employees at year-end	385	332

Distribution of personnel expenses	2014	2013
Salaries and other remuneration	-216 309	-185 016
Social insurance contributions	-50 946	-47 208
Pension expenses	-33 656	-29 620
Other personnel expenses	-22 678	-15 602
Total personnel expenses	-323 589	-277 446
Of which capitalized personnel expenses	7 368	5 383
Total expensed personnel expenses	-316 221	-272 063
Salaries and other remuneration		
Board members, Chief Executive Officer and corresponding officials	-22 453	-20 616
Other employees	-193 856	-164 400
Total salaries and other remuneration	-216 309	-185 016
Social security expenses		
Board members, Chief Executive Officer and corresponding officials	-6 169	-6 597
Other employees	-44 934	-40 611
Total social security expenses	-50 946	-47 208
Pension expenses		
Board members, Chief Executive Officer and corresponding officials	-4 894	-4 104
Other employees	-28 762	-25 516
Total pension expenses	-33 656	-29 620

Remuneration to senior executives

2014	Fixed remuneration	Benefits	Pension expenses	Fees	Total
Board Chairman					
Claes Dinkelspiel	-	-	-	-525	-525
Other Board members					
Anna Frick	-	-	-	-250	-250
Anna Settmann	-	-	-	-238	-238
Bo Mattsson	-	-	-	-338	-338
Kjell Hedman	-	-	-	-375	-375
Simon Nathansson	-	-	-	-288	-288
Tom Dinkelspiel	-	-	-	-375	-375
Ulf Dinkelspiel	-	-	-	-325	-325
Chief Executive Officer					
Håkan Nyberg	-4,418	-17	-1,496	-	-5,931
Other senior executives					
11 people on average	-15,267	-40	-3,398	-	-18,704
Total	-19,685	-56	-4,894	-2,713	-27,347

2013	Fixed remuneration	Benefits	Pension expenses	Fees	Total
Board Chairman					
Claes Dinkelspiel	-	-	-	-467	-467
Other Board members					
Anna Frick	-	-	-	-200	-200
Anna Settmann	-	-	-	-200	-200
Bo Mattsson	-	-	-	-300	-300
Kjell Hedman	-	-	-	-300	-300
Simon Nathansson	-	-	-	-250	-250
Tom Dinkelspiel	-	-	-	-267	-267
Ulf Dinkelspiel	-	-	-	-250	-250
Chief Executive Officer					
Håkan Nyberg	-4,259	-18	-1,383	-	-5,660
Other senior executives					
9.9 people on average	-14,017	-88	-2,721	-	-16,826
Total	-18,276	-106	-4,104	-2,234	-24,720

Chief Executive Officer

The fixed remuneration to the current CEO for 2014 amounted to SEK 350,000 (350,000) per month. In addition, the CEO is entitled to compensation for a car in the amount of SEK 10,000 per month. Provision to occupational pension for 2014 amounts to 35 percent (35) of pensionable salary. Pensionable salary refers to the basic salary including holiday pay.

The mutual notice period for the CEO is six months. The CEO will be entitled to severance pay equivalent to 12 months' fixed remuneration if dismissed by the company. Severance pay is also applicable if the CEO's employment is terminated as a consequence of a public buy-out bid concerning shares in the company.

The preparation and decision process applied with regard to remuneration and other terms for the CEO is a Board issue. The Board has appointed a remuneration committee for discussion of remuneration issues. The individuals included in the remuneration committee are noted in the section "Corporate Governance".

Board of Directors

Remuneration to the Board of Directors for the period April 2014-March 2015 amounts to SEK 2,250,000, of which SEK 500,000 would be paid to the Chairman and SEK 250,000 to each member. In addition to Board fees, remuneration of SEK 50,000 is payable to each member of a committee, the Chairman of the committee is paid SEK 100,000 as shown in the Fees column in the table above. No other remuneration has been paid to the Board apart from minor travel expenses. There are no other agreements concerning pensions or severance pay. Remuneration to the Board is decided at the Annual General Meeting.

In the table above; Remuneration to senior executives, includes costs for the remuneration to the Board during the fiscal year 2014.

The Board comprises 5 (6) men and 2 (2) women.

The discussion and decision process applied with regard to remuneration to the Chairman of the Board takes place within the Board. Remuneration to the Board has been distributed in accordance with the decision made by the Annual General Meeting.

For information on Board members' shareholdings, please see the section Board of Directors.

Other senior executives

The Group management team has changed over the year, and as at 31 December 2014 it amounted to 11 (11) people besides the CEO, of whom 8 (8) are men and 3 (3) are women. One person is employed within Nordnet Bank's Norwegian branch and one is employed in Nordnet Bank's Finnish branch – all others are employed in Sweden. Remuneration in the above table relates to the time each individual has been part of the management team. Any salary adjustments or other remuneration for the company's executive are proposed by the CEO to the remuneration committee, which has been commissioned by the Board to discuss such issues. There are no special benefits for the corporate executive except for company cars subject to arrangements which are cost-neutral to the employer and healthcare insurance.

Performance-Related Share Schemes 2014 and 2013, 2012

Performance-Related Share Scheme 2012

"Performance-Related Share Scheme 2012" refers to the long-term performance-related share incentive plan adopted on April 26, 2012 and covering approximately 25 individuals including the Chief Executive Officer.

Employees who participate in "Performance-Related Share Scheme 2012" can set aside an amount corresponding to a maximum of 5 percent of their gross remuneration to buy Nordnet shares on NASDAQ OMX Stockholm over a 12-month period from the implementation of each scheme. If the shares purchased are retained by the employee for at least three years after purchase, if the employee has been employed within the Nordnet Group during the entire three-year period and if the pre-agreed earnings-based performance targets are achieved, the employee can have the right to a compensation-free matching of those shares according to a predetermined amount.

The objectives of the scheme can be summarized as follows:

- The terms for performance matching are based on an increase in earnings per share over the financial years 2012-2014, taking into account risk-adjusted performance at the individual and team levels.
- In addition, a number of behavioural variables are assessed that are related to the Nordnet Group's values.

No performance matching was triggered based on Performance-Related Share Scheme 2012

Performance-related share programme 2013

"Performance-Related Share Scheme 2013" refers to the long-term performance-related share incentive plan adopted on April 24, 2013 and covering approximately 25 individuals including the Chief Executive Officer.

Employees who participate in "Performance-Related Share Schemes 2013" can set aside an amount corresponding to a maximum of 5 percent of their gross remuneration to buy Nordnet shares on NASDAQ OMX Stockholm over a 12-month period from the implementation of each scheme. If the shares purchased are retained by the employee for at least three years the date of the investment, if the employee has been employed within the Nordnet Group during the entire three-year period and if the pre-agreed earnings-based performance targets are achieved, the employee will have the right to a compensation-free matching of those shares according to a predetermined amount. For those participating in "Performance-Related Share Scheme 2013", one (1) non-performance-based matching share is also paid for each share that the participant holds.

The objectives of the scheme can be summarized as follows:

- Up to one third of the maximum award will vest if the average annual growth in the number of active customers (customers with balances of > 0 SEK) between financial year 2013 and financial year 2016 is between 5 and 20 percent. Performance matching commences at the threshold level of 5 percent and increases linearly to full vesting of this third at 20 percent.
- Up to one third of the maximum award will vest if the average annual growth in net savings between financial year 2013 and financial year 2016 is between 5 and 20 percent. Performance matching commences at the threshold level of 5 percent and increases linearly to full vesting of this third at 20 percent.
- Up to one third of the maximum award will vest if the average annual growth in earnings per share between financial year 2013 and financial year 2016 is between 0 and 15 percent. Performance matching commences at the threshold level of 0 percent and increases linearly to full vesting of this third at 15 percent.

Before the number of performance shares to be matched is finally determined, the Board shall examine whether the performance matching, including from a risk perspective, is reasonable in relation to the Group's financial performance and position, shareholder value trend, stock market conditions, conditions attributable to the individual participant's results and otherwise. If the Board determines that this is not the case, it shall reduce the number of performance shares to be matched to the lower number of shares it deems appropriate and, in extraordinary cases, the outcome may be zero.

Performance-Related Share Scheme 2014

“Performance-Related Share Scheme 2014” refers to the long-term performance-related share incentive plan adopted on April 23, 2014 and covering approximately 35 individuals including the Chief Executive Officer.

Employees who participate in “Performance-Related Share Scheme 2013” can set aside an amount corresponding to a maximum of 5 percent of their gross remuneration to buy Nordnet shares on NASDAQ OMX Stockholm over a 12-month period from the implementation of each scheme. If the shares purchased are retained by the employee for at least three years the date of the investment, if the employee has been employed within the Nordnet Group during the entire three-year period and if the pre-agreed earnings-based performance targets are achieved, the employee will have the right to a compensation-free matching of those shares according to a predetermined amount. For those participating in “Performance-Related Share Scheme 2014”, one (1) non-performance-based matching share is also paid for each share that the participant holds.

The objectives of the scheme can be summarized as follows:

- Up to one third of the maximum award will vest if the average annual growth in the number of active customers (customers with balances of > 0 SEK) between financial year 2013 and financial year 2016 is between 5 and 20 percent. Performance matching commences at the threshold level of 5 percent and increases linearly to full vesting of this third at 20 percent.
- Up to one third of the maximum award will vest if the average annual growth in net savings between financial year 2013 and financial year 2016 is between 5 and 20 percent. Performance matching commences at the threshold level of 5 percent and increases linearly to full vesting of this third at 20 percent.
- Up to one third of the maximum award will vest if the average annual growth in earnings per share between financial year 2013 and financial year 2016 is between 0 and 15 percent. Performance matching commences at the threshold level of 0 percent and increases linearly to full vesting of this third at 15 percent.

Before the number of performance shares to be matched is finally determined, the Board shall examine whether the performance matching, including from a risk perspective, is reasonable in relation to the Group’s financial performance and position, shareholder value trend, stock market conditions, conditions attributable to the individual participant’s results and otherwise. If the Board determines that this is not the case, it shall reduce the number of performance shares to be matched to the lower number of shares it deems appropriate and, in extraordinary cases, the outcome may be zero.

Due to the performance share incentive schemes, Nordnet’s 2014 Annual General Meeting decided to authorize the Board to conduct acquisitions and transfers of shares in Nordnet AB (publ) on the Nasdaq Stockholm exchange.

This authorization may be exercised on one or more occasions before the Annual General Meeting in 2015. A maximum of 1,330,000 shares may be acquired in order to ensure delivery of shares to participants in Performance-Related Share Programmes 2012, 2013 and 2014. Of these, a maximum of 306,500 shares may be purchased and transferred in order to cover general payroll taxes and other costs related to the programmes.

The year’s expenses for the performance-related share programmes amounted to SEK 4.2 million (-).

Pension policy

The Group’s pension policy is a defined contribution plan applicable to all personnel within the Group. Pension expenses for the Group amount on average to approximately 16 percent (16) of pensionable salary, depending on age and salary.

Audit expenses	2014	2013
Audit services		
Ernst & Young	-2,620	-2,441
	-2,620	-2,441
Audit services outside the assignment		
Ernst & Young	-204	-566
	-204	-566
Tax advice		
Ernst & Young	-150	-247
	-150	-247
Other services		
Ernst & Young	-713	-591
	-713	-591
Total	-3,687	-3,845

Audit services refer to the statutory audit, i.e. the reviewing of the annual report, the accounts and the administration by the Board of Directors and Managing Director. Audit services also include any other tasks that the company's auditor is required to perform.

Audit services outside the assignment involve quality assurance measures, that is to say, in part, any review of management, the Articles of Association, statutes or agreements intended to result in a report, certificate or other document addressed to a party other than the principal and, in part, advice or other assistance occasioned by observations made during an audit. Reviews of interim financial reports are included in the audit assignment outside the assignment.

Taxation counselling includes advice on income taxes and VAT.

Other services include consultation in accounting issues, services in connection with acquisitions or business changes, operational efficiency and assessment of internal control.

Operational leasing agreements	2014	2013
Expenses during the period		
Rent of premises	-25,182	-24,863
Operational leases of equipment	-1,735	-2,699
Total operational leases	-26,917	-27,562
Agreed future charges		
Premises		
Within one year	-24,595	-23,070
Between one and five years	-29,290	-36,441
Later than five years	-	-9,437.00
Future charges premises	-53,885	-68,948
Equipment		
Within one year	-3,827	-4,596
Between one and five years	-1,366	-2,073
Future charges equipment	-5,193	-6,669
Total future agreed leasing charges	-59,078	-75,617

Note 13 Group – amortization and depreciation of tangible and intangible assets

	2014	2013
Brands, amortization	-2,400	-2,400
Customer base, amortization	-29,644	-32,034
Capitalized expenditure on development work, depreciation	-22,527	-16,127
Tangible assets, depreciation	-16,411	-15,954
	-70,982	-66,515

Note 14 Group – other operating expenses

	2014	2013
Marketing and sales	-38,458	-35,068
Bank expenses	-4,646	-3,816
Corporate insurance	-1,055	-1,049
	-44,159	-39,933

Note 15 Group – credit losses, net

	2014	2013
A. Specific provision for individually valued loan receivables:		
1. Year's write-off of stated bad debt loss	-38,040	-36,901
2. Reversed provisions made previously for likely credit losses which are entered as confirmed losses in the accounts for the year	-2,478	-460
3. Year's provision for likely credit losses	-6,148	-3,285
4. Deposited for previous year's confirmed credit losses	51	165
5. Reversed, no longer required provisions for likely credit losses	3,687	1,786
6. Net expenses for the year	-42,928	-38,695
C. Homogeneous groups of loan receivables, valued groupwise, with limited value and similar credit risk:		
1. Year's write-off of stated bad debts	-	-
2. Reversed provisions made previously for likely credit losses which are entered as confirmed losses in the accounts for the year	-	-
3. Year's provision for likely credit losses	-153	-61
4. Deposited for previous year's confirmed credit losses	-	-
5. Reversed, no longer required provisions for likely credit losses	7	-
6. Net expenses for the year	-146	-61
Net expenses for the year for credit losses	-43,074	-38,756

All credit losses are attributable to receivables from the general public and amount to 0,74% (0,71%) of the book value of the loan receivables at year-end.

Note 16 Group – taxes

Tax charged to income	2014	2013
Current tax expense (-)/ tax income (+)		
Total tax on profit for the year	-73,084	-67,315
Deferred tax expense (-)/ tax income (+)		
Deferred tax related to temporary differences	12,741	7,165
Tax on net income for the year	-60,343	-60,150

Reconciliation of effective tax	2014	2013
Profit before tax	336,978	293,994
Tax as per current tax rate for the Parent Company	22.0% -74,135	22.0% -64,679
Effect of non-deductible expenses	0.2% -526	0.3% -756
Effect of non-deductible capital losses	0.0% -	0.0% -110
Effect of non-taxable income	0.0% 52	0.0% 15
Effect of profit charged with tax on returns	-4.5% 15,191	-2.8% 8,123
Effect of conversion of foreign branches	-0.3% 1,037	-0.3% 854
Effect of corrected tax from previous years	-0.5% 1,660	-0.1% 374
Effect of non-deductible foreign tax	1.0% -3,465	0.0% -
Effect of other	0.0% -157	1.4% -3,971
Reported effective tax	17.9% -60,343	20.5% -60,150

Deferred tax recognised in the balance sheet	2014	2013
Opening balance, deferred tax liabilities	-57,091	-60,718
Recognised in the income statement	12,741	7,165
Through acquisition	-	-3,520
Adjustment to prior year	-5,955	-
Conversion differences for the year	-664	-18
Closing balance, deferred tax liabilities	-50,969	-57,091
Deferred tax liabilities are attributable to:		
Untaxed reserves	-47,998	-54,344
Acquired intangible assets	-2,404	-3,109
Other provisions	-567	358
	-50,969	-57,091

The current tax asset of SEK 39,148 (99,894) thousand is mainly attributable to Nordnet Bank AB. Current tax liabilities of SEK 52,861 (42,807) thousand are mainly attributable to Nordnet Pension AB. These taxes will be paid during 2015.

Note 17 Group – earnings per share

Earnings per share	2014	2013
Earnings per share before dilution		
Profit for the year attributed to the shareholders of the Parent Company	276,634	233,844
Weighted average number of outstanding shares before dilution	175,027,886	175,027,886
Earnings per share before dilution	1.58	1.34
Earnings per share after dilution		
Profit for the year attributed to the shareholders of the Parent Company	276,634	233,844
Adjusted result	276,634	233,844
Weighted average number of outstanding shares after dilution	175,096,811	175,027,886
Earnings per share after dilution	1.58	1.34
Number of outstanding shares at beginning of the year	175,027,886	175,027,886
Average number of shares before dilution	175,027,886	175,027,886
Average number of shares after dilution	175,096,811	175,027,886
Number of shares after dilution at year-end	175,165,735	175,027,886

Note 18 Group – segments

2014					
Market (SEK million)	Sweden	Norway	Denmark	Finland	Total
Net interest income	355.8	53.9	31.8	37.0	478.6
Net commission income	231.5	63.8	80.7	102.2	478.2
Net result of financial transactions	41.3	10.5	23.9	10.8	86.4
Other operating income	28.2	3.1	1.0	10.3	42.6
Total operating income	656.8	131.3	137.4	160.3	1,085.8
Expenses	-342.7	-124.4	-101.5	-137.2	-705.8
Profit before credit losses	314.1	7.0	35.9	23.1	380.0
Net credit losses	-42.2	0.1	-0.9	0.0	-43.1
Operating profit	271.9	7.0	35.0	23.0	337.0
Operating margin	41%	5%	25%	14%	31%
Number of trades	6,742,114	2,169,385	2,604,893	3,126,120	14,642,512
Savings capital (SEKbn)	91.9	16.2	21.5	36.7	166.2
Net savings (SEKbn)	8.3	2.4	5.0	0.5	16.3
Number of active accounts	292,500	72,800	50,500	128,800	544,600
Number of active customers	221,800	61,900	38,500	110,400	432,600

2013					
Market (SEK million)	Sweden	Norway	Denmark	Finland	Total
Net interest income	364.6	58.7	24.7	34.4	482.4
Net commission income	200.2	58.8	52.4	91.8	403.3
Net result of financial transactions	33.2	8.3	15.7	8.1	65.3
Other operating income	27.4	2.1	0.6	7.8	37.9
Total operating income	625.4	127.8	93.5	142.2	989.0
Expenses	-332.5	-113.8	-85.8	-124.2	-656.2
Profit before credit losses	292.9	14.1	7.8	18.0	332.8
Net credit losses	-38.4	0.1	-0.4	-	-38.8
Operating profit	254.5	14.2	7.4	18.0	294.0
Operating margin	41%	11%	8%	13%	30%
Number of trades	6,705,255	2,150,732	1,871,115	2,838,640	13,565,742
Savings capital (SEKbn)	76.4	13.8	14.1	31.7	136.0
Net savings (SEKbn)	4.3	0.7	3.1	0.7	8.7
Number of active accounts	270,369	65,927	38,714	112,756	487,766
Number of active customers	209,600	57,100	30,400	97,600	394,700

The management follows up on the development of the business in each country in terms of income items. The allocation of balance items per country is not reported.

Note 19 Group – loans to credit institutions

	2014	2013
Remaining term		
Up to one month*	348,422	220,356
One to three months	191,715	209,755
More than three months but no more than one year	447,335	537,456
Total, loans to credit institutions	987,472	967,567
Average remaining term (years)	0.3	0.4

*Loans to credit institutions are affected negatively by liquid funds in Nordnet Pensionsförsäkring AB's customers' occupational and endowment insurance policies, private pension policies and endowment pension policies by SEK 3,225 million (2,508), as recognized under the heading Assets in the pensions business, see note 23.

Note 20 Group – lending to the public

	2014	2013
Loan receivables per category of borrower		
Loan receivables, gross	5,817,610	5,484,360
Of which unregulated loan receivables included in uncertain loan receivables	32,044	28,826
Of which unregulated loan receivables not included in uncertain loan receivables	16,739	12,629
Of which uncertain loan receivables	32,044	28,828
Less specific provisions for individually valued loan receivables	-31,486	-27,697
Less groupwise provisions for individually valued loan receivables	-	-719
Less provisions for homogeneous groups of loan receivables, valued groupwise	-558	-412
Loan receivables, net book value	5,785,566	5,455,533
Remaining term		
Up to one month	3,503,282	3,398,574
One to three months	26,967	24,516
More than three months but no more than one year	149,251	137,694
More than one but no more than five years	920,581	834,980
More than five years	1,185,486	1,059,769
	5,785,566	5,455,533
Average remaining term (years)	2.6	2.4
Given borrowers' places of domicile, the company's loan receivables are attributable to:		
Sweden	67.8%	69.8%
Norway	7.8%	11.0%
Finland	13.6%	10.9%
Denmark	10.7%	8.3%
	100.0%	100.0%
Loan receivables are distributed as follows:		
Entrepreneurial households	40,037	56,746
Other households	3,562,023	3,308,557
General public overseas	1,930,551	1,782,144
Non-financial corporate sector	248,586	293,446
Other	4,370	14,640
Total	5,785,566	5,455,533
Given borrowers' places of domicile, the company's reserve for anticipated credit losses is attributable to:		
Sweden	-18,673	-16,667
Norway	-6,462	-6,564
Denmark	-2,960	-1,921
Finland	-3,949	-3,676
	-32,044	-28,828

Of lending to the public, SEK 166.0 million (87.3) involves account credits that are fully covered by pledged liquid funds in endowment insurance plans and investment savings accounts (ISKs), the lending rate applied to the credits corresponds to the deposit rate on the pledged liquid funds.

The remainder of lending to the public is secured by collateral in the form of securities or unsecured loans.

Note 21 Group – financial assets at fair value

	2014	2013
Interest-bearing securities	0	0
Shares for trading	7,256	11,882
Other shareholdings	1,468	1,624
	8,724	13,506

Interest-bearing securities mainly entail corporate bonds. Shares for trade mainly pertain to the "Experterna" analysis service. Other shareholdings mainly entail holdings for Nordnet Bank that arise when customers participate in issues or transfer mutual fund participations.

Remaining term, interest-bearing securities

Up to one month	0	0
	0	0
Average remaining term (years)	0	0

Note 22 Group – available-for-sale financial assets

	2014	2013
Interest-bearing securities	12,094,254	7,632,163
Shares and participations, unlisted	364	26
	12,094,618	7,632,189

Interest-bearing securities entail investments of the company's surplus deposits – primarily in bonds.

Remaining term, interest-bearing securities

Up to one month	167,928	178,860
One to three months	768,041	223,575
More than three months but no more than one year	4,599,615	3,487,152
More than one but no more than five years	6,459,566	3,648,810
	11,995,150	7,538,397
		93,766
Average remaining term (years)	1.9	1.7

Note 23 Group – assets and liabilities in the insurance business

	2014	2013
Financial assets where the policyholder bears the risk of investments		
Shares and participations	23,576,439	19,101,908
Interest-bearing securities	1,705,964	1,770,601
Derivatives	360,794	384,606
Cash and cash equivalents	3,225,281	2,507,813
	28,868,478	23,764,928
Liabilities in the insurance business		
Life insurance provision	15,421	19,571
Claims outstanding	839	673
Fund insurance obligations	759,899	531,869
Conditional bonus	28,093,159	23,213,488
Total liabilities in the insurance business	28,869,319	23,765,601
Of which liabilities relating to investment contracts	28,869,319	23,765,601
Of which liabilities relating to insurance contracts	-	-

All assets in the insurance business entail assets for which the policy holders bear the direct investment risk. For liabilities in the insurance business pertaining to investment agreements, the policy holders bear the direct risk. This means that the policy holders receive a return but are also responsible for the risk that assets and liabilities in the insurance business incur. The Group is not entitled to cash flow attributable to the invested funds.

Both the assets and the liabilities are assessed according to the category financial assets and liabilities valued at fair value via the income statement. The net effect on earnings of acquired securities, unrealized changes in value, realized changes in value, interest and dividends received and value changes in the debt is zero.

Note 24 Group – intangible fixed assets

Group, SEK thousands	Goodwill		Brands		Customer base		Capitalized expenditure on development work		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Accumulated costs										
On 1 January	224,853	231,223	12,000	12,000	335,864	337,583	230,645	201,189	803,362	781,995
Acquisition	-	2,312	-	-	-	-	-	16,000	-	18,312
Additions	-	-	-	-	-	-	40,404	13,558	40,404	13,558
Divestments and disposals	-	-	-	-	-	-	-	-	-	-
Conversion differences for the year	-501	-8,682	-	-	2,288	-1,719	6	-102	1,793	-10,503
	224,352	224,853	12,000	12,000	338,152	335,864	271,055	230,645	845,559	803,362
Accumulated amortization and impairments										
On 1 January	-32,210	-32,206	-7,400	-5,000	-128,900	-97,986	-187,487	-171,461	-355,997	-306,653
Acquisition	-	-	-	-	-	-	-	-	-	-
Amortization for the year	-	-	-2,400	-2,400	-29,644	-32,028	-22,527	-16,133	-54,571	-50,561
Divestments and disposals	-	-	-	-	-	-	-	-	-	-
Conversion differences for the year	-	-4	-	-	-744	1,114	9	107	-741	1,217
	-32,210	-32,210	-9,800	-7,400	-159,288	-128,900	-210,005	-187,487	-411,309	-355,997
Carrying amount at the end of the year	192,142	192,643	2,200	4,600	178,864	206,964	61,050	43,158	434,250	447,365

Impairment testing for cash generating units containing goodwill

During the year, operations and customer relations were acquired that combined changed and strengthened the Group's size and market position. The acquisitions implemented have thus created today's Group and form part of the current Group's operations. Detailed below is the value of the remaining consolidated goodwill with regard to cash generating units.

SEK thousands	Goodwill		Brands		Customer base	
	2014	2013	2014	2013	2014	2013
AD Aktiedirekt AB	29,697	29,697	-	-	-	-
Deriva Financial Services AB	6,876	6,876	-	-	-	-
Konsumentkredit	63,749	63,749	2,200	4,600	80,339	97,105
eQ	-	-	-	-	65,621	72,233
Finska provinsbankerna (POP)	-	-	-	-	2,230	3,389
Stocknet Securities AS	83,609	84,110	-	-	30,134	33,415
Business acquired from Öhman	5,899	5,899	-	-	-	-
Customers acquired from Öhman	-	-	-	-	540	822
Shareville	2,312	2,312	-	-	-	-
	192,142	192,643	2,200	4,600	178,864	206,964

The value of the customer stock predominantly entails that in Konsumentkredit. In connection with the acquisition, this was calculated at SEK 152.0 million. This value is amortized over a period of nine years. The carrying amount is SEK 80.2 million, the remaining period of amortization is 4.8 years.

The customer stock in the acquisition of eQ was originally valued at SEK 148.0 million (EUR 14.1 million). This is amortized over an average of 11 years, reflecting the estimated useful life. The carrying amount is SEK 65.6 million (EUR 6.9 million), with a remaining period of amortization of 5.6 years.

The customer stock in the acquisition of the Finnish Province Banks (POP) was originally acquired at SEK 4.0 million (EUR 0.5 million) and is amortized over a period of eight years with a remaining period of amortization of 4.3 years. The carrying amount is SEK 2.2 million (EUR 0.2 million).

The customer stock value referring to Stocknet was identified in connection with the acquisition of Stocknet Securities ASA. The carrying amount is SEK 30.1 million (NOK 28.7 million). This is amortized over 20 years, reflecting the estimated useful life. The remaining period of amortization is 9.8 years.

The value of the customer stock which was acquired from Öhman in 2011 is SEK 0.5 million. This is amortized over five years, with a remaining period of amortization of 1.9 years.

The most significant items relating to capitalized development costs are the investments in CRM, the mobile application and Shareville. The carrying amount is SEK 7.4 million (2.4) for CRM, SEK 6.1 million (-) for the mobile application and SEK 5.2 million (0.2) for Shareville. Development is continuous and the amortization period is three years for CRM, the mobile application and Shareville.

Amortization of other intangible assets and capitalized expenditure for development takes place using a linear method. Capitalized expenditure for development work includes accumulated personnel expenses at a recognized value of SEK 5.3 million (7.0). Capitalization for the year amounts to SEK 2.8 million (5.8) while amortization for the year amounts to SEK 4.4 million (3.8).

Any need for impairment to be recognized in the company's cash-generating units emerges through a comparison between their utility value and their carrying amount in the consolidated accounts. The value in use is derived from a present value computation of projected cash flows. This calculation applies the pre-tax discount rate. Nordnet's core operations, securities trading over the Internet, have been divided up by country. In calculating the utility values of these units, future cash flows for core operations are forecast on a per-country basis, after which the current value of this cash flow is compared with the carrying amount for each country.

The future cash flows used for the core business are based on the Group's strategic plan, which extends until 2017. Cash flows after 2014 will be based on annual growth of 2 percent (2). The discount rate is set to 12.42-13.27 percent (12.04-12.84) before tax, which is equivalent to the calculated required return. Important assumptions – i.e. assumptions which have a major effect on cash flows – are assumptions concerning further growth in the number of safe deposits, safe deposit value and net income per safe deposit. A sensitivity analysis has been carried out whereby the discount rate has been changed by 5 percentage points with no impairment need arising.

Accumulated amortization and impairment of Group goodwill amounted to SEK 76.0 million (76.0).

Note 25 Group – tangible fixed assets

Group, SEK thousands	2014	2013
Accumulated cost		
On 1 January	174,641	157,388
Additions	15,224	16,545
Acquisition	-	45
Divestments and disposals	-	-500
Conversion differences for the year	783	1,163
	190,648	174,641
Accumulated depreciation		
On 1 January	-141,281	-125,623
Depreciation for the year	-16,411	-15,954
Acquisition	-	-16
Divestments and disposals	-	500
Conversion differences for the year	-675	-188
	-158,367	-141,281
Carrying amount at the end of the year	32,281	33,360

Accumulated acquisition values includes fees for improvement of someone else's property, amounting to SEK 37,488 (36,787) thousand, which relates to subsidiary Nordnet Bank AB. The depreciation plan is based on a useful life of 60 months, and the residual value according to plan amounts to SEK 4,532 (5,997) thousand. A linear method is used when depreciating tangible fixed assets.

Note 26 Group – other assets

Other assets	2014	2013
Liquid fund receivables	1,739,101	1,114,294
Other assets	31,234	26,724
Total	1,770,335	1,141,018

Gross liquid fund receivables amount to SEK 1,953,867 (2,815,778) thousand.

Other assets are made up entirely of current receivables due within a year.

31/12/2014			
SEK million	Gross amount for assets	Gross amount for liabilities set off against assets	Net amount in the Balance Sheet
Other assets			
Unsettled transactions	1,953.9	-214.8	1,739.1
Total	1,953.9	-214.8	1,739.1

31/12/2013			
SEK million	Gross amount for assets	Gross amount for liabilities set off against assets	Net amount in the Balance sheet
Other assets			
Unsettled transactions	2,815.8	-1,701.5	1,114.3
Total	2,815.8	-1,701.5	1,114.3

Note 27 Group – prepaid expenses and accrued income

Prepaid expenses and accrued income	2014	2013
Prepaid expenses	22,969	19,232
Accrued interest income	71,286	82,723
Other accrued income	50,484	36,910
Total	144,739	138,865

Prepaid expenses and accrued income are made up entirely of current assets.

Note 28 Group – Deposits and borrowing by the public

Borrowing from the general public is in Nordnet Bank AB payable in its entirety upon request. The Group has no deposits on fixed interest terms.

Note 29 Group – other liabilities

Other liabilities	2014	2013
Liquid fund liabilities	1,730,137	785,907
Accounts payable	10,576	16,827
Non-invested premiums in the insurance business	85	85
Other liabilities	919,618	227,534
Total	2,660,416	1,030,353

Gross liquid fund liabilities for the year amount to SEK 1,944,903 (2,487,391) thousand.

Other liabilities are current liabilities in their entirety; i.e. they fall due for payment within 12 months of the balance sheet date.

31/12/2014	Gross amount for liabilities	Gross amount for assets set off against liabilities	Net amount in the Balance sheet
Other liabilities			
Unsettled transactions	1,944.9	-214.8	1,730.1
Summa	1,944.9	-214.8	1,730.1

31/12/2013	Gross amount for liabilities	Gross amount for assets set off against liabilities	Net amount in the Balance sheet
Other liabilities			
Unsettled transactions	2,487.4	-1,701.5	785.9
Summa	2,487.4	-1,701.5	785.9

Note 30 Group – accrued expenses and deferred income

Accrued expenses and deferred income	2014	2013
Holiday pay liability	15,625	14,911
Accrued social expenses	7,550	6,968
Accrued special payroll tax	5,412	4,931
Other accrued payroll expenses	8,487	1,298
Accrued interest expense	7,720	7,700
Other accrued expenses	60,077	63,590
Total accrued expenses and deferred income	104,871	99,398

Accrued expenses and deferred income are current liabilities in their entirety; that is, they fall due for payment within 12 months of the balance sheet date.

Note 31 Group – subordinated liabilities

Subordinated liabilities	2014	2013
Dated subordinated loan	175,738	175,745
	175,738	175,745
Interest rates*	Nominal amount	Due date
7.25%/3m stibor + 8.25%	100,000	17/02/2020
7.25%/3m stibor + 8.25%	75,745	30/09/2020

* The interest rate of 7.25 percent refers to the first five years, for the following five years it is the three-month Stibor rate + 8.25 percent. Following permission from the Swedish Financial Supervisory Authority, the subordinated loans can be repaid after five years.

Note 32 Group – equity

Equity	2014	2013
Translation reserve		
Opening balance	-83,317	-84,211
Translation difference, foreign subsidiary	830	894
Closing balance	-82,487	-83,317
Fair value reserve		
Opening balance	22,195	28,243
Change in value, av ailable-for-sale assets	-4,527	-6,048
Closing balance	17,668	22,195
Total		
Opening balance	-61,122	-55,968
Translation difference, foreign subsidiary	830	894
Change in value, av ailable-for-sale assets	-4,527	-6,048
Closing balance	-64,819	-61,122

A summary of changes in equity can be found in the report on the Group's statement of changes in equity.

Over the year, SEK 4.5 million (6.0), included under change in value of assets held for sale above, have been transferred from equity to the income statement, attributable to financial assets for sale.

On 31 December 2014, share capital amounted to SEK 175,027,886 (175,027,886), distributed an equal number of Class B shares. All shares give the same entitlement to vote and equal rights to the company's profit and capital.

For the 2014 financial year, the Board proposes a dividend of SEK 1.00 (0.85) per share, totalling SEK 175.0 million (148.8). This proposed dividend is equivalent to 63 percent (64) of the profit for the Group after tax and will be presented to the Annual General Meeting on 23 April 2015 for adoption.

Reserve for translation differences

The reserve for translation differences comprises all foreign exchange differences arising on translation of the financial statements of foreign operations that prepare their financial statements in a currency other than that applied in the consolidated financial statements. Furthermore, the reserve consists of the change in value of the hedging instrument, as the Group hedges its net investment in a foreign operation. Accumulated value changes recognized in the reserve are reversed to profit on the disposal of foreign operations.

Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of holdings in the category of available for sale financial assets until the asset is removed from the statement of financial position. Any impairment is recognized in the income statement.

Note 33 Group – assets pledged

Assets pledged	2014	2013
Assets pledged for own liabilities		
Bonds and other interest bearing securities*	1,146,769	1,022,120
	1,146,769	1,022,120
The above assets are attributable to		
Deposits with credit institutions	497,274	450,592
Deposits with clearing organisations	649,495	571,528
	1,146,769	1,022,120
Contingent liabilities		
Funds managed on behalf of third parties (client funds account)	172,734	136,779
	172,734	136,779
Commitments		
Credit granted but not yet paid, unsecured loans	1,035,882	773,398
	1,035,882	773,398

Assets pledged for own liabilities consist partly of state bonds eligible as collateral, etc., which have been provided as security for customers' security loans, and for payment to clearing organizations. Counterparties in securities lending transactions are other credit institutions.

In addition to the commitments specified in the table above, SEK 4,839 million (4,294) of a credit facility related to possible securities-collateralized borrowing remained unutilized. For each customer, the credit size is restricted by the minimum amount of credit limit, which is set individually per customer by the company, and the collateral value of security holdings. Credit agreements can be terminated with 60 days' notice. The leverage value of a share can be changed instantly.

*This amount includes blocked funds of SEK 79 million (95).

Note 34 Group – categories of Financial assets and liabilities and their fair values

2014	Loans and accounts receivable	Financial assets at fair value		Available-for-sale financial assets	Reported value	Fair value
		Held for trading	Through P&L			
Assets						
Loans to credit institutions	987,472	-	-	-	987,472	987,596
Loans to the general public	5,785,566	-	-	-	5,785,566	5,785,566
Financial assets at fair value	-	-	8,724	-	8,724	8,724
Available-for-sale financial assets	-	-	-	12,094,618	12,094,618	12,094,618
Assets in the insurance business	3,225,281	360,794	25,282,403	-	28,868,478	28,868,478
Other assets	1,770,212	-	-	-	1,770,212	1,770,212
Accrued income	121,770	-	-	-	121,770	121,770
Total assets	11,890,301	360,794	25,291,127	12,094,618	49,636,840	49,636,964
		Financial liabilities at fair value		Other financial liabilities	Reported value	Fair value
Liabilities		Held for trading	Through P&L			
Deposits and borrowing from the general public	-	-	-	16,500,316	16,500,316	16,500,316
Liabilities in the insurance business	-	-	28,869,319	-	28,869,319	28,869,319
Other liabilities	-	-	-	2,649,005	2,649,005	2,649,005
Accrued expenses	-	-	-	67,797	67,797	67,797
Subordinated liabilities	-	-	-	175,738	175,738	178,699
Total liabilities			28,869,319	19,392,856	48,262,175	48,265,136

2013	Loans and accounts receivable	Financial assets at fair value		Available-for-sale financial assets	Reported value	Fair value
		Held for trading	Through P&L			
Assets						
Loans to credit institutions	967,567	-	-	-	967,567	967,815
Loans to the general public	5,455,533	-	-	-	5,455,533	5,455,852
Financial assets at fair value	-	-	13,506	-	13,506	13,506
Available-for-sale financial assets	-	-	-	7,632,189	7,632,189	7,632,189
Assets in the insurance business	2,507,813	384,606	20,872,509	-	23,764,928	23,764,928
Other assets	1,144,861	-	-	-	1,144,861	1,144,861
Accrued income	119,633	-	-	-	119,633	119,633
Total assets	10,195,407	384,606	20,886,015	7,632,189	39,098,217	39,098,784
		Financial liabilities at fair value		Other financial liabilities	Reported value	Fair value
Liabilities		Held for trading	Through P&L			
Deposits and borrowing from the general public	-	-	-	12,898,569	12,898,569	12,898,569
Liabilities in the insurance business	-	-	23,765,601	-	23,765,601	23,765,601
Other liabilities	-	-	-	1,030,353	1,030,353	1,030,353
Accrued expenses	-	-	-	71,290	71,290	71,290
Subordinated liabilities	-	-	-	175,745	175,745	184,525
Total liabilities			23,765,601	14,175,957	37,941,558	37,950,338

Description of fair value measurement

Loans to credit institutions

The fair value of loans to credit institutions that are not payable on demand has been calculated discounting expected future cash flows, with the discount rate being set as the lending rate currently applied. The fair value of receivables payable on demand is judged to be the same as the carrying amount.

Loans to the public

The fair value of loans to the public with securities as collateral is judged to be equal to the carrying amount, since the receivable can be redeemed on demand.

The fair value of unsecured loan receivables has been calculated discounting expected future cash flows, with the discount rate being set as the lending rate currently applied.

Assets in the insurance business

Fair value is based on a quoted price on an active market, or by using valuation models based on observable market data. Valuation models based on observable market data are applied for derivative instruments and certain interest-bearing securities.

Forward rate agreements are valued at fair value by discounting the difference between the contracted forward rate and the forward rate available on the balance sheet date for the remaining contract period. The discount rate is the risk-free rate based on government bonds.

Unlisted options are valued at fair value applying the Black-Scholes model based on underlying market data.

The fair value of interest-bearing securities has been calculated by discounting anticipated future cash flows, with the discount rate being set based on the current market interest rate.

Fund units not considered to be traded in an active market at listed prices are measured at fair value based on NAV (net asset value).

Other assets, accrued income, non-current liabilities and accrued expenses

For assets and liabilities in the balance sheet with a remaining maturity of less than six months, the carrying amount is considered to reflect the fair value.

Deposits and borrowing by the public

The fair value of deposits has been calculated discounting expected future cash flows, with the discount rate being set as the deposit rate currently applied. However, the fair value of a liability that is redeemable on demand is not recorded at an amount less than the amount payable on demand, but is discounted from the first date on which payment of the amount could be demanded.

Liabilities to policyholders

The fair value of liabilities in the insurance business follows the fair value of assets in the insurance business, with the exception of liabilities for insurance agreements that are not classified as financial liabilities.

Subordinated liabilities

The fair value of subordinated liabilities has been calculated at the current market price. Since the market is not deemed to be active, the holding has been placed at Level 2 in the valuation hierarchy.

	Level 1 Listed market price on active market	Level 2 Valuation model based on observable market data	Level 3 Estimated using valuation technique	Total
2014				
Financial assets at fair value				
Financial assets at fair value	8,724	-	-	8,724
Available-for-sale financial assets	12,094,254	-	364	12,094,618
Assets in the insurance business	13,942,893	14,925,585	-	28,868,478
Subtotal	26,045,871	14,925,585	364	40,971,820
Financial assets where fair value is given for information purposes				
Loans to credit institutions	-	987,596	-	987,596
Loans to the general public	-	5,785,566	-	5,785,566
Subtotal	-	6,773,162	-	6,773,162
Total	26,045,871	21,698,747	364	47,744,982
Financial liabilities at fair value				
Liabilities in the insurance business, investment contracts	13,942,894	14,926,425	-	28,869,319
Subtotal	13,942,894	14,926,425	-	28,869,319
Financial liabilities for which the fair value provided for information purposes				
Subordinated liabilities	-	178,699	-	178,699
Subtotal	-	178,699	-	178,699
Total financial liabilities at fair value	13,942,894	15,105,124	-	29,048,018
2013				
Financial assets at fair value				
Financial assets at fair value	13,184	-	322	13,506
Available-for-sale financial assets	7,632,163	-	26	7,632,189
Assets in the insurance business	12,934,359	10,830,569	-	23,764,928
Subtotal	20,579,706	10,830,569	348	31,410,623
Financial assets where fair value is given for information purposes				
Loans to credit institutions	-	967,815	-	967,815
Loans to the general public	-	5,455,852	-	5,455,852
Subtotal	-	6,423,667	-	6,423,667
Total	20,579,706	17,254,236	348	37,834,290
Financial liabilities at fair value				
Liabilities in the insurance business, investment contracts	12,934,359	10,831,242	-	23,765,601
Subtotal	12,934,359	10,831,242	-	23,765,601
Financial liabilities for which the fair value provided for information purposes				
Subordinated liabilities	-	184,525	-	184,525
Subtotal	-	184,525	-	184,525
Total financial liabilities at fair value	12,934,359	11,015,767	-	23,950,126

Level 1

Financial assets and financial liabilities, whose value is based solely on a quoted price from an active market for identical assets or liabilities. This category includes treasury bills, shareholdings and deposits.

Level 2

Financial assets and financial liabilities valued using valuation models principally based on observable market data. Instruments in this category are valued applying:

- Quoted prices for similar assets or liabilities, or identical assets or liabilities from markets not deemed to be active; or
- Valuation models based primarily on observable market data.

This category includes mutual funds, derivatives and certain interest-bearing securities.

Level 3

This category includes un-listed shareholdings valued at cost where a reliable value cannot be calculated.

Note 35 Group – periods of fixed interest

2014

Assets									No fixed	Total
	0-1 month	2-3 months	4-6 months	7-12 months	1-2 years	2-3 years	3-4 years	4-5 years	rates	
Loans to credit institutions	348,423	191,715	95,857	351,477	-	-	-	-	-	987,472
Loans to the general public	5,785,566	-	-	-	-	-	-	-	-	5,785,566
Financial assets at fair value	-	-	-	-	-	-	-	-	8,724	8,724
Available-for-sale financial assets	1,578,792	5,179,293	2,281,015	2,453,128	484,691	117,335	-	-	364	12,094,618
Other assets	-	-	-	-	-	-	-	-	31,250,084	31,250,084
Total assets	7,712,781	5,371,008	2,376,872	2,804,605	484,691	117,335	-	-	31,259,172	50,126,464
Liabilities										Total
Deposits and borrowing from the general public	16,500,316	-	-	-	-	-	-	-	-	16,500,316
Other liabilities	-	-	-	-	-	-	-	-	31,699,288	31,699,288
Subordinated liabilities	-	100,000	-	75,738	-	-	-	-	-	175,738
Equity	-	-	-	-	-	-	-	-	3,536	3,536
Total liabilities	16,500,316	100,000	-	75,738	-	-	-	-	31,702,824	48,378,878
Difference between assets and liabilities	-8,787,535	5,271,008	2,376,872	2,728,867	484,691	117,335	-	-	-443,652	1,747,586
Risk weight	0.04%	0.16%	0.36%	0.71%	1.39%	2.25%	3.07%	3.85%	-	-
Total net interest risk	-3,515	8,434	8,557	19,484	6,713	2,634	-	-	-	42,307

2013

Assets									No fixed	Total
	0-1 month	2-3 months	4-6 months	7-12 months	1-2 years	2-3 years	3-4 years	4-5 years	rates	
Loans to credit institutions	222,323	209,755	209,290	326,199	-	-	-	-	-	967,567
Loans to the general public	5,455,533	-	-	-	-	-	-	-	-	5,455,533
Financial assets at fair value	-	-	-	-	-	-	-	-	13,506	13,506
Available-for-sale financial assets	1,390,429	2,491,468	1,650,950	1,260,225	785,788	53,303	-	-	26	7,632,189
Other assets	-	-	-	-	-	-	-	-	25,625,430	25,625,430
Total assets	7,068,285	2,701,223	1,860,240	1,586,424	785,788	53,303	-	-	25,638,962	39,694,225
Liabilities										Total
Deposits and borrowing from the general public	12,898,569	-	-	-	-	-	-	-	-	12,898,569
Other liabilities	-	-	-	-	-	-	-	-	24,994,530	24,994,530
Subordinated liabilities	-	-	-	-	175,745	-	-	-	-	175,745
Equity	-	-	-	-	-	-	-	-	4,366	4,366
Total liabilities	12,898,569	-	-	-	175,745	-	-	-	24,998,896	38,073,210
Difference between assets and liabilities	-5,830,284	2,701,223	1,860,240	1,586,424	610,043	53,303	-	-	640,066	1,621,015
Risk weight	0.04%	0.16%	0.36%	0.71%	1.39%	2.25%	3.07%	3.85%	-	-
Total net interest risk	-2,332	4,322	6,697	11,327	8,449	1,197	-	-	-	29,660

The net interest risk shows how much the balance sheet or net interest is affected by a fluctuation in market interest rates of one percentage point up or down, see note 7.

Note 36 Group – measurement of assets and liabilities in foreign currency

	2014	2013
Assets		
Loans to credit institutions	987,472	2,237,274
Loans to the general public	1,891,959	1,736,718
Financial assets at fair value	6,003	9,470
Available-for-sale financial assets	6,007,367	3,169,153
Other assets	926,013	2,247,469
Total	9,818,814	9,400,084
Liabilities		
Deposits and borrowing from the general public	9,732,611	7,224,766
Other liabilities	968,095	2,128,875
Total	10,700,706	9,353,641

The list below details the combined corresponding value in SEK thousands of the assets and liabilities by currency:

2014	Assets	Liabilities	Net exposure	Exchange rate risk ¹⁾
NOK	1,757,498	2,096,864	-339,366	-33,937
DKK	2,707,630	2,934,260	-226,631	-22,663
USD	1,010,178	1,022,914	-12,736	-1,274
EUR	4,304,040	4,614,459	-310,419	-31,042
Other	39,468	32,209	7,260	-726
Total	9,818,814	10,700,706	-881,892	-89,641

2013	Assets	Liabilities	Net exposure	Exchange rate risk ¹⁾
NOK	3,056,689	3,150,785	-94,096	-9,410
DKK	1,994,782	1,985,182	9,600	-960
USD	655,555	657,475	-1,919	-192
EUR	3,660,912	3,533,189	127,723	-12,772
Other	32,145	27,011	5,134	-513
Total	9,400,084	9,353,641	46,443	-23,847

¹⁾ Shows the exchange rate risk in the case of an unfavourable exchange rate fluctuation of 10%.

Note 37 Capital requirements – financial conglomerate and the consolidated situation

Capital requirements for the financial conglomerate (SEK million)	2014	2013
Shareholder's equity, Group	1,751.1	1,625.4
Plus subordinated loan	140.6	175.7
Less demands on prudent valuation	-12.1	-
Less proposed/assumed dividend	-175.0	-148.8
Less intangible fixed assets and deferred tax receivables	-434.3	-447.4
Capital base	1,270.3	1,205.0
Risk exposures ¹⁾		
Exposure credit risk	5,650.2	4,831.0
Exposure market risk	18.1	211.2
Exposure operational risk	1,888.6	1,828.3
Exposure risk in insurance operations	402.7	407.5
Total exposure	7,959.6	7,278.0
Capital ratio	16.0%	16.6%

A capital ratio of 16.0 percent is equivalent to capital output ratio of 1.99.

Capital requirement	31/12/2014	31/12/2013
Exposure credit risk according to standardized approach	452.0	386.5
Market risk	1.5	16.9
Operational risk	151.1	146.3
Risk in insurance operations	32.2	32.6
Capital requirements	636.8	582.2

Capital ratios and buffers	31/12/2014	31/12/2013
Common equity tier 1 ratio, %	14.2%	14.1%
Tier 1 ratio, %	14.2%	14.1%
Total capital ratio, %	16.0%	16.6%
Institution-specific buffer requirements, %	2.5%	2.5%
of which capital conservation buffer requirement, %	2.5%	2.5%
Total capital requirement including buffer requirement, %	10.5%	10.5%
Common equity tier 1 capital available for use as a buffer, %	6.2%	6.1%

¹⁾ See note 7 - risks and note 20 - loans to the general public

Capital base and capital requirement in the consolidated situation

In accordance with the CRR, the European Capital Requirements Regulation, Nordnet reports a consolidated position consisting of Nordnet AB (publ) and Nordnet Bank AB. The consolidated situation did not exist on 31 December 2013 and consequently no comparative figures are available.

Capital requirements in the consolidated situation (SEK million)	31/12/2014
Total equity	1,688.1
Requirements for prudent valuation	-12.1
Deduction for expected dividend current year	-175.0
Deduction for intangible fixed assets and deferred tax receivables	-408.1
Tier 1 capital	1,092.9
Subordinated liabilities	140.6
Tier 2 capital	140.6
Capital base	1,233.5
Risk exposures ¹⁾	
Exposure credit risk according to standardized approach	5,648.3
Exposure market risk	12.8
Exposure operational risk	1,939.6
Total exposure	7,600.6
Capital ratio	16.2%
Capital requirements	31/12/2014
Credit risk according to standardized approach	451.9
Market risk	1.0
Operational risk	155.2
Capital requirement	608.1
Capital ratios and buffers	31/12/2014
Common equity tier 1 ratio, %	14.4%
Tier 1 ratio, %	14.4%
Total capital ratio, %	16.2%
Institution-specific buffer requirements, %	2.5%
of which capital conservation buffer requirement, %	2.5%
Total capital requirement including buffer requirement, %	10.5%
Common equity tier 1 capital available for use as a buffer, %	6.4%

¹⁾ See note 7 - risks and note 20 - loans to the general public

Information is provided solely for the buffer requirements in force.

Financial conglomerate

The financial conglomerate consists of Nordnet AB (publ) and its subsidiaries Nordnet Bank AB and Nordnet Pensionsförsäkring AB. Consequently, the financial conglomerate includes all companies in Nordnet Group.

For the determination of the financial conglomerate's regulatory capital requirement, the Law (2006:531) on special supervision of financial conglomerates and the Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2011:26) on the special supervision of financial conglomerates are applicable. The financial conglomerate includes all companies within the Group. The capital base and capital requirement have been calculated in accordance with the consolidation method.

On 1 January 2014, CRR was introduced entailing increased quality requirements for capital included in the capital base and a raised capital requirement. The upcoming Solvency II regulations entail new requirements for capital levels in Nordnet Pensionsförsäkring AB. Nordnet's assessment is that the current level of capital is sufficient even given the new regulations. With the continued growth of the operations, the levels of capital requirement are also expected to increase in the future.

Consolidated situation

The consolidated situation pertains to Nordnet AB (publ) and its subsidiary Nordnet Bank AB, which is fully consolidated. Consequently, the difference between the financial conglomerate and the consolidated situation is that the financial conglomerate also consolidates Nordnet Pensionsförsäkring AB. The shareholding in this subsidiary is deducted from the capital base in the consolidated situation, since Nordnet AB (publ) is also the parent company of the insurance company, pursuant to Article 36 of Regulation (EU) No. 575/2013.

Information in this note regarding Nordnet's capital adequacy is provided in accordance with FFFS 2008:25, Chapter 6, §§ 3-4, and the references in this regulation to Regulation (EU) No 575/2013 Articles 92.3 d) and f), 436, 437 b) and 438, and (FFFS 2014:12) on regulatory requirements and capital buffers and column A, Annex 6 of the Commission Implementing Regulation (EU) No 1423/2013.

Other required information according to FFFS 2014:12 and Capital Adequacy Regulation (EU No 575/2013) are available on Nordnet website www.nordnetab.com.

Internal capital adequacy assessment

In accordance with the current capital adequacy rules, Nordnet establishes an annual internal capital adequacy assessment (ICAAP). The ICAAP work aims to analyse, assess, and ensure that the company is adequately capitalized relative to the risks it is exposed to through its activities and for future developments. The process and a summary of the results shall be reported annually to the Board, and provide the basis for the Board's decisions on the conglomerate's capital planning. Upon specific request, the ICAAP shall be reported to the Swedish Financial Supervisory Authority.

In addition to the minimum capital requirement, it is Nordnet's assessment that the risks identified within the ICAAP process should hold SEK 78.0 million (71.0) for having a satisfactory capital position with regard to the operations Nordnet conducts. Learn more about ICAAP in Note 7. The capital ratio is constantly monitored and, if so required, results are reviewed by the external auditors over the current financial year.

Note 38 Parent company – net sales

Net sales are made up entirely of internal Group invoicing, referring to administrative services.

Note 39 Parent company – other external expenses

Other external expenses	2014	2013
Audit services		
Ernst & Young	-531	-600
Audit services beyond the assignment		
Ernst & Young	-204	-219
Tax consultancy		
Ernst & Young	-	-
Other services		
Ernst & Young	-	-39
Total audit services	-735	-858

Note 40 Parent company – personnel expenses

	2014	2013
Salaries and other remuneration		
Board members, Chief Executive Officer and corresponding officials ¹⁾	-7,131	-6,493
Total salaries and other remuneration	-7,131	-6,493
Social security expenses		
Board members, Chief Executive Officer and corresponding officials	-2,214	-1,888
Total social securities expenses	-2,214	-1,888
Pension expenses		
Board members, Chief Executive Officer and corresponding officials	-1,496	-1,383
Total pension expenses	-1,496	-1,383
Other payroll expenses	-28	-175
Total personnel expenses	-10,868	-9,939

¹⁾ The parent company's personnel expenses include compensation to the CEO and the Board. For other disclosures regarding personnel expenses and remuneration to the Board, CEO and other senior executives, please see Note 12.

Average number of employees	2014	2013
Total	1	1
of whom women	-	-
of whom men	1	1

All employees within the parent company are located in Sweden.

Note 41 Parent company – profit from participations in Group companies

Income from participations in Group companies	2014	2013
Dividend from subsidiaries	175,000	182,000
Group contributions received	10,990	11,148
Total	185,990	193,148

Note 42 Parent company – other interest income and expenses

Other interest income and interest expenses	2014	2013
Intra Group interest income	7,250	7,250
Other interest income, external counterparties	41	52
Other interest income, external counterparties	-12,746	-12,801
Total	-5,455	-5,499

Note 43 Parent company – taxes

Tax charged to income	2014	2013
Current tax expense (-)/tax income (+)		
Total tax on profit for the year	-	-
Tax on profit for the year	-	-
Reconciliation of effective tax	2014	2013
Profit before tax	173,903	180,443
Tax as per current tax rate for the Parent company	22.0% -38,259	22.0% -39,697
Effect of dividend from subsidiaries	-22.1% 38,500	-22.2% 40,040
Effect of other non-deductible expenses	0.1% -247	0.2% -347
Effect of non-taxable income	0.0% 6	0.0% -
Reported effective tax	0.0% 0	0.0% -

Note 44 Parent company – participations in Group companies

Name	Corporate ID	Headquarters	% of share capital	% of votes	Number of shares	Book value 2014	Book value 2013
Nordnet Pensionsförsäkring AB	516406-0286	Stockholm	100.00%	100.00%	285,000	60,000	60,000
VCW Internet Services AB	556541-8752	Stockholm	100.00%	100.00%	150,003	9,000	9,000
- Deriva Financial Services AB	556687-3575	Stockholm	100.00%	100.00%			
TeleTrade Solutions AB	556541-9057	Stockholm	100.00%	100.00%	3,200,000	59,654	59,654
- Shareville AB	556806-7200	Stockholm	71.90%	71.90%			
Nordnet Bank AB	516406-0021	Stockholm	100.00%	100.00%	480,001	1,021,750	1,021,750
- Nordnet Securities Oyj (tidigare eQ Oyj)	0767347-8	Helsingfors	100.00%	100.00%			
Total						1,150,404	1,150,404

	2014	2013
Accumulated acquisition value		
On 1 January	1,342,009	1,342,009
Total	1,342,009	1,342,009
Accumulated impairments		
On 1 January	-191,605	-191,605
Total	-191,605	-191,605
Carrying amount	1,150,404	1,150,404

Since Nordnet Bank AB and Nordnet Pension AB are regulated entities which are supervised by the Financial Supervisory Authority, they must comply with the capital requirements of the Regulation (EU) No 575/2013 and the Insurance Business Act (2010: 2043). The capital requirement limits the Group and the above-mentioned companies' ability to transmit or distribute capital to shareholders, parent companies and affiliates, since a certain capital ratio must be maintained. Further there are limitations in how the company's assets can be used, for example through debt coverage rules for the insurance business and liquidity rules for the bank business. These rules impose restrictions on which assets that can be used to settle the debts.

Note 45 Parent company – other receivables

Other receivables	2014	2013
Tax receivable	3,784	3,784
Other	294	297
	4,078	4,081

Note 46 Parent company – prepaid expenses and accrued income

Prepaid expenses and accrued income	2014	2013
Prepaid insurance expenses	1,005	974
Other prepaid expenses	141	258
	1,146	1,232

Note 47 Parent company – equity

Details of changes in equity are given in the statement of changes in parent company equity. As per 31 December 2014, registered share capital amounted to 175,027,886 (175,027,886) series B shares with a quoted value of SEK 1.00 per share. Nordnet holds no treasury shares.

The number of shares outstanding amounts to 175,027,886 (175,027,886).

Restricted equity pertains to share capital of SEK 175,028 (175,028) thousand.

Note 48 Parent company – other non-current liabilities

Other liabilities	2014	2013
Interest-bearing subordinated loans ¹⁾	175,738	175,745
	175,738	175,745

¹⁾ See note 31.

Note 49 Parent company – other current liabilities

	2014	2013
Accounts payable	350	135
Other liabilities	175	223
	525	358

Other liabilities are current liabilities – that is, they fall due for payment within 12 months of the balance sheet date. For further information on interest-bearing subordinated loans, please see note 31.

Note 50 Parent company – accrued expenses and deferred income

Accrued expenses and prepaid income	2014	2013
Accrued social security contributions	224	239
Accrued holiday pay	336	340
Accrued payroll tax	372	352
Accrued interest expenses	7,720	7,700
Other accrued expenses	4,755	3,952
	13,407	12,583

Note 51 Parent company – details of purchases and sales between Group companies

Of the parent company's total purchases and sales in terms of SEK, – percent (-) of purchases and 100 percent (100) of sales pertain to other Group companies.

Not 52 – Events after the reporting date

On February 17, Nordnet has exercised its call option to repurchase the subordinated loan of SEK 100 million. Nordnet has additional debentures of 75 million which is planned to be repurchased in September 2015.

Nordnet plans to transfer operations from Nordnet Pensionsförsäkring AB's Norwegian branch to a newly established subsidiary Nordnet Livförsäkring AS. The new company is started and the operation is planned to be transferred in April.

Jan Dinkelspiel, Chief Innovation Officer and member of the Group Management team, announced during January 2015 that he is leaving Nordnet. Jan remains in his position until June 2015.

Key figures

Group	2014	2013	2012	2011	2010
Operating margin, %	31%	30%	24%	32%	24%
Profit margin, %	25%	24%	20%	25%	19%
Investments in tangible assets SEK millions	15.2	16.5	13.7	15.0	24.2
Investments in intangible assets, SEK millions	40.4	13.6	12.8	10.4	23.7
Of which internal charges for development, SEK millions	7.4	5.4	4.3	3.0	1.9
Profit after tax per share before dilution, SEK	1.58	1.34	1.08	1.54	1.21
Profit after tax per share after dilution, SEK	1.58	1.34	1.08	1.54	1.19
Cash flow from current operations per average number of shares	26.74	11.02	-0.16	13.62	-4.82
Return on assets, %	0.6%	0.6%	0.6%	0.9%	0.7%
Return on equity, %	16%	15%	13%	20%	18%
Equity per share, SEK	9.98	9.26	8.65	8.17	7.09
Dividend per share ¹⁾	1.00	0.85	0.70	0.65	0.50
Share price, SEK	28.20	26.00	16.80	15.60	23.30
Market capitalisation at end of period, SEK millions	4,936	4,551	2,940	2,730	4,078
Share turnover rate, %	28%	17%	19%	19%	14%
Equity, SEK millions ²⁾	1,747.6	1,621.0	1,514.0	1,429.3	1,241.1
Capital base, SEK millions	1,270.3	1,205.0	1,091.9	977.9	774.7
Capital coverage ratio	16.0%	16.6%	18.3%	15.8%	12.8%
Average number of shares before dilution	175,027,886	175,027,886	175,027,886	175,027,886	169,475,689
Average number of shares after dilution	175,096,811	175,027,886	175,027,886	175,027,886	171,537,967
Number of outstanding shares at year-end	175,027,886	175,027,886	175,027,886	175,027,886	175,027,886
Number of employees at year-end	385	332	329	330	352
Customer-related key figures:					
Number of active customers	432,600	394,700	366,600	344,000	313,500
Number of active accounts at end of period	544,600	487,800	444,300	405,500	360,000
Total savings capital at end of period, SEK billions	166	136	104	90	102
Average savings capital per active account at end of period, SEK	305,200	278,800	233,400	221,400	283,900
Cash deposits at end of period, SEK millions	21,095.9	16,899.6	12,815.3	14,046.9	11,233.1
Lending including pledged cash and cash equivalents at end of period, SEK millions	5,785.6	5,455.5	4,737.3	4,629.7	6,016.3
Lending excluding pledged cash and cash equivalents at end of period, SEK millions	5,619.6	5,368.3	4,708.7	4,629.7	6,016.3
Lending/deposits, %	27%	32%	37%	33%	53%
Number of trades per year	14,642,500	13,565,700	12,739,100	15,311,500	16,163,900
Number of trades per trading day	59,281	54,700	51,161	60,760	63,388
Number of trades per active account per year	32.0	32.9	33.6	44.2	44.9
Number of trades per active account per month	2.7	2.7	2.8	3.7	3.7
Average net commission income per deal closed, SEK	25	24	22	26	30
Average net commission per trading day, SEK	2,146,000	1,925,300	1,721,200	2,287,500	2,885,100
Annual income/average savings capital, %	0.7%	0.8%	0.9%	1.1%	1.1%
Average annual income per account, SEK	2,099	2,118	2,150	2,794	3,232
Average annual operating expense per account, SEK	-1,348	-1,391	-1,539	-1,918	-2,454
Average annual profit per account, SEK	751	727	611	876	778

¹⁾ Year 2014 - Board's proposal

²⁾ Excluding minority

Proposed distribution of profit

The following profits are at the disposal of the Annual General Meeting (SEK):

Share premium reserve	173,628,222
Non-restricted reserve	262,110,645
Profit brought forward	460,475,615
Profit for the year	173,903,000
Total	1,070,117,482

The Board proposes the following allocation:

To shareholders, a dividend of SEK 1.00 per share (175,027,886 x 1.00), total	175,027,886
Carried forward to next year	895,089,596
Total	1,070,117,482

The proposed dividend to shareholders reduces the capital coverage relation of the financial conglomerate, of which Nordnet AB (publ) is the parent company, by 2.2 percentage points from 18.2 percent to 16.0 percent. The capital ratio is satisfactory, given that it has been assessed that the operations of the company and the Group will continue to be conducted with good profitability. It has been assessed that it will be possible to maintain the liquidity in the company and the Group at an equally satisfactory level. Unrealized changes in the values of assets and liabilities measured at fair value have affected equity by a net SEK 17.7 million (22.2). With reference to the above and otherwise to the best of knowledge of the Board of Directors, the Board of Directors is of the opinion that an all-round assessment of the company's and the Group's financial position justifies the proposed dividend with reference to the requirements such as the nature, scope and risks of the business with regard to the scope of the company's and the Group's equity and the company's and Group operations' consolidation needs, liquidity and position in general.

The Board of Directors and the CEO provide their assurance that the annual accounts have been prepared in accordance with generally accepted accounting practices in Sweden and that the consolidate accounts have been prepared in accordance with the international accounting standards as stipulated by the European Parliament and Council's regulation (EC) No. 1606/2002 of 19 July 2002 on the application of international accounting standards and give a fair account of the parent company and Group's position and earnings. Furthermore, assurance is given that Board of Directors' report provides an accurate overview of the operations, position and earnings of the parent company and the Group, and that it describes the principal risks and sources of uncertainty faced by the parent company and the companies within the Group.

Stockholm, 12 March 2015

Claes Dinkelspiel
Chairman of the Board

Anna Frick
Board Member

Anna Settman
Board Member

Bo Mattson
Board Member

Kjell Hedman
Board Member

Tom Dinkelspiel
Board Member

Ulf Dinkelspiel
Board Member

Håkan Nyberg
CEO

Our auditor's report was submitted on 17 March 2015.
Ernst & Young AB

Peter Strandh
Authorized Public Accountant

Auditor's report

To the annual meeting of shareholders in Nordnet AB (publ), corporate identity number 556249-1687

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Nordnet AB (publ) for the year 2014, except for the corporate governance statement on pages 28-40. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 21-96.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 28-40. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Nordnet AB (publ) for the year 2014. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement on pages 28-40 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act, Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have obtained a sufficient basis for our opinion. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and the consolidated accounts.

Stockholm 17 March 2015

Ernst & Young AB

Peter Strandh
Authorized Public Accountant

Definitions

Active customer

Physical person or legal entity holding at least one active account.

Active account

Account with a value of > SEK 0 or a credit commitment.

Return on equity

Profit for the year in relation to average equity over the period.

Return on assets

Profit for the year in relation to average total assets.

Trades

A registered transaction on the stock exchange or in the marketplace. Orders sometimes involve several trades.

Market capitalization

The number of outstanding shares multiplied by the share price.

Equity per share

Equity in relation to the number of shares at the end of the period.

Average number of shares after dilution

A weighted average of shares outstanding over the year plus potential new shares in accordance with IAS 33.

Average number of shares before dilution

A weighted average of shares outstanding over the year in accordance with IAS 33.

Borrowing

Borrowing including borrowing attributable to liabilities in the insurance business.

Cost coverage

Non-transaction-related income relative to costs.

Net commission income

Commission income per trade, less commission expenses and non-transaction related net commission income.

Net commission per trade

Total net commission income divided by total number of trades during the period.

Net savings

Deposits, less withdrawals, of cash and cash equivalents and securities.

Earnings per share before and after dilution

Profit for the year in relation to the average number of shares over the period before and after dilution.

Operating expenses

Expenses for operations, excluding credit losses and impairment of goodwill.

Operating margin

Operating profit in relation to operating income.

Total savings capital

Total of cash and cash equivalents and value of securities for all active accounts.

Profit margin

Profit for the year in relation to operating income.

While every care has been taken in the translation of this report, readers are reminded that the original report is the Swedish version.