Interim Report

January–March 2018

nordnet

The quarter in brief

Strong customer growth despite turbulent stock market - 29,200 new customers choose to start saving at Nordnet during the quarter

We welcomed 3,500 visitors to the Nordic region's largest savings event - Nordnet Live

Nordnet moves headquarters into new premises on Alströmergatan 39, Kungsholmen in Stockholm

January–March

Income
SEK 340.8 million
(323.8)

Expenses[1]
SEK -297.2 million
(-224.1)

Operating profit
SEK 43.6 million
(99.6)

New customers
29,200 customers
(26,900)

Net savings
SEK 11.5 billion
(3.6)

Number of trades
6,745,200
(6,860,800)

Customers
698,500 customers
(593,600)

Savings capital
SEK 287 billion
(246)

Lending[2]
SEK 12.6 billion
(9,8)

[1] Total expenses including credit losses
[2] Excluding lending against pledged cash and equivalents

This is Nordnet

Nordnet is a digital bank for investments and savings with operations in Sweden, Norway, Denmark and Finland. We started up in the mid-90s and we are motivated by the desire to grant private individuals greater control over their money. This is why we digitized share trading and lowered the prices. We redefined our industry, and we still maintain that approach today.

Our operations

Nordnet's core business is savings and investments. With user-friendliness, availability, a broad offering and low prices, we give our customers the opportunity to make good investments. Our customers can invest in shares, mutual funds, ETFs, options, certificates, structured products and they can make pension savings at low commission and without fixed charges.

Most of Nordnet's customer base consists of Nordic private individuals. Nordnet also partners with advisors and other banks that act as agents for Nordnet, bringing in new customers and acting by proxy on customers' behalf.

Different customers have different needs and wishes. Therefore, we have created a number of different ways you can use Nordnet. Whether you are an experienced trader or just starting to save, we offer user-friendly, fast and stable trading applications. Our website is the most common way to use Nordnet. Here you get a full overview of your entire savings and the accounts you have with Nordnet.

With our mobile apps, you can keep track of your investments, and the markets and securities that interest you. For the more active investors, we offer the trading tools Infront Web Trader and Nordnet Autotrader. We also offer a variety of digital advisory services in the form of, for example, Robosave and the Fund Advisor.

Nordnet offers three kinds of loans: personal loans (unsecured loans), margin lending, and mortgages. In the Swedish market, we offer personal loans in Nordnet's own name and under the product name Konsumentkredit. Margin lending with securities as collateral, available in all four of our markets, gives our customers the possibility to borrow against their portfolios to increase their investments, or for other purposes. Residential mortgages are offered in the Swedish market, aimed at the Private Banking segment.

Nordnet operates the Nordic region's largest social investment network Shareville, with nearly 190,000 members. Here you can share your Nordnet account with other members, and follow how other savers act. Notifications are sent to you as soon as someone you follow makes changes in their portfolio. You do your business directly through your account on Nordnet, and trade with your real money. You can be completely anonymous, and what appears to others is just the distribution of securities in your portfolio, your trades and your development. How much money your savings are worth in money does not appear on Shareville.

Comments from CEO

Customers and trading activity

The first quarter of 2018 was a turbulent period for global stock markets, with challenging conditions for private savers. Three out of four Nordic exchanges declined during the quarter, and growing inflation concerns and rising interest rates have put broad pressure on shares as an asset class. Toward the end of the quarter, US developments regarding increased tariffs and growing trade war concerns contributed to lower stock prices and reduced investment interest.

The trading activity of Nordnet as a whole was in line with the first quarter of 2017, however with greater variation between the months than in the previous year. Private savers' trading at the start of the year was at a high level. On 6 February, a new trading record for a single day was reached when Nordnet's customers made over 202,000 transactions. However, from the middle of the quarter onwards, private savers' willingness to invest declined significantly, and the average number of transactions per day was almost 20 percent lower in March than in January and February.

"We are a small enough bank to care about each individual customer but also large enough to provide the utmost in cutting edge technological solutions, trading and administration."

Despite the lower pace on the stock market, Nordnet's customer growth reached record levels. During the period January–March, 29,200 new savers chose Nordnet as a financial supplier and, in the last twelve months, our customer base has increased by 18 percent. Viewed from a Nordic perspective, Finland and Denmark experienced the strongest inflow of new customers.

Savings and lending

Our customers' total savings capital amounts to a record-high SEK 287 billion, and net savings in the first quarter of the year was the strongest ever at SEK 11.5 billion. All our markets showed positive net flows, and Sweden stands out as the country where the savers have entrusted us with the most capital. One of the reasons for the high inflow of savings capital is that we have seriously established ourselves as an alternative for start-ups and entrepreneurs, especially in the field of tech companies. I believe we at Nordnet are considered to be a good mix of flexibility and professionalism – we are a small enough bank to care about each individual customer but also large enough to provide the utmost in cutting edge technology, trading and administration.

Within the area of lending, Nordnet offers three products – unsecured personal loans, margin lending with securities as collateral and residential mortgages. We have high ambitions for this area and we are constantly assessing how we can improve and simplify our offering for our customers. For personal loans, we offer Sweden's lowest interest rate of 2.95 percent, amortization-free for the first year with no administration fee. With interest rates at a low 0.99 percent, we have the best interest rate on margin lending, on a Nordic basis, for those customers with highly diversified savings. We are increasing user-friendliness in this area and have recently introduced a completely digital application and payment process in Norway. Within mortgages, we expanded our offering during the autumn, for which there has been very significant interest from our customers. With an interest rate of 0.69 percent, we currently have Sweden's lowest list rate for households with large savings.

Our focus on customer value in the area of lending is reflected in strong growth, and our loan portfolio has grown by nearly 30 percent over the last year with the brightest star being our residential mortgage, which showed a volume increase of 170 percent.

Products and innovation

During the second half of 2017, we launched a variety of new products, including digital financial advising, loans, cash transfers and user interface. Privata Affärer awarded us "Bank of the Year", with the motivation that we have led the way in launching services that truly improve and simplify savers' everyday lives.

During the end of last year and in the beginning of 2018, significant resources have been invested in adapting to Mifid2 and other regulations, as well as platform and infrastructure development in order to adapt scalability to larger Nordic operations. We also have conducted forward-looking product development and now have a number of exciting launches ahead of us. Soon, through Tink's technology, our customers will be able to see their total savings in shares and funds regardless of where they are stored – a feature I believe will provide great value for our customers. We are meeting our commitment to guide our customers to better savings and, before the summer, we will announce a number of new items within the area of digital financial advising. Within residential mortgages, the power of innovation in the market is at a high level, and the traditional banks are now being exposed for the first time to real competition from newly established players. At Nordnet, we currently have Sweden's lowest list rates for private banking customers as households with one million in total assets including occupational pensions. Our ambition is, however, to make our residential mortgages available for an even broader customer group.

Financial results

For the three-month period January–March, Nordnet was able to show the highest underlying income ever for a single quarter, SEK 341 million. At the same time, our cost level is higher than before, which means that our operating profit for the period remained at almost SEK 44 million. We are still making investments to build the new Nordnet and enable future growth. Among other things, this entails strengthening our analytical capacity and developing our ability to better understand our customers – insights that we translate into product development and communication. During the quarter, investments have also been made in our technological platform, marketing and systems for proactive communication to inspire our customers to make better investments.

The new Nordnet

At Nordnet, we are the proud organizers of Nordnet's largest savings event, Nordnet Live. In mid-February, the event was organized for the sixth time, with guests such as Jacob Wallenberg, Leif GW Persson, Michael Wolf and Annie Lööf.

During March, we moved into new premises on Alströmergatan at Kungsholmen in Stockholm. We have developed the property in a direction that suits Nordnet's identity and business. The building has undergone a complete renovation, focusing on much of the original architecture. By increased the ceiling height, restoring window openings, creating open spaces and letting in more daylight, I feel we have successfully created the perfect mix of industrial qualities and a fintech environment – offices that are the physical manifestation of the new Nordnet we are in the process of building. If you're in the neighbourhood, please stop by for a coffee and a share account.

Peter Dahlgren, @CEOnordnet

Operations

The Market

Weak beginning of the year in Stockholm

For global stock markets, 2018 had a weak beginning, and the Nasdaq Stockholm exchange declined by 2.6 percent in the first quarter. The index was burdened by weak development in banks and engineering companies. The drama within H&M continued during the first quarter and its declining share trend was relentless during the first months of the year. The share fell by 25 percent and reached a new bottom and the lowest share price levels since 2005.

The tobacco company Swedish Match is traditionally a defensive investment that is usually resilient to stock market turbulence. The share went against the overall trend and was the best share in the OMXS30 index, with a 25 percent increase during the quarter.

Salmon farming in Norway on top

The Oslo Stock Exchange declined by almost one percent in the first quarter. Salmon farming shares were strong due to favourable salmon prices, constituting the best-performing sector on the Oslo Stock Exchange. The aluminium company Norsk Hydro was the first quarter's loser, with a drop of just over 25 percent. The share has been pressured by US trade negotiations. The company also has problems with its operations in Brazil, which are under pressure by authorities after a prior flood and demands for production reductions.

Helsinki's only Nordic stock exchange was up

The Helsinki Stock Exchange stood out after the first quarter as the only stock exchange to see an increase. The OMXH25 index withstood the general stock market decline and ended the quarter with a two percent increase. Nokia was one of the winners after a period of weak share price development. Nokia's year-end report included positive forecasts of future profitability, which contributed to a share price increase of just under 15 percent during the quarter.

Copenhagen declined the most

The Copenhagen Stock Exchange was the worst-performing Nordic stock exchange during the first quarter, and the OMXC20 index declined by almost five percent. The index was burdened by index giants such as Novo Nordisk and Danske Bank. Novo Nordisk's year-end report was worse than analysts' expectations, both in terms of sales and earnings. The share fell by over ten percent during the quarter. Telecommunications operator TDC went against the trend following a bid on the company. A consortium of Danish pension funds and the Australian Macquarie submitted a bid of SEK 50 per share, which led to a 30-percent increased during the quarter.

Customers and savings

The number of active customers with Nordnet as at 31 March was 698,500 (593,600), corresponding to an increase of 18 percent compared with a year ago.

Our customers' total savings capital amounted to SEK 287 billion (246), an increase of 17 percent compared with the end of March 2017.

Net savings for the period January–March 2018 amounted to SEK 11.5 billion (3.6). Calculated in relation to savings capital at the end of March 2017, net savings for the past 12 months correspond to 10 percent.

Nordnet's customers made an average of 108,800 (108,000) trades per day during the period January–March, an increase of 1 percent compared with January–March 2017.

Lending

Lending excluding lending against pledged cash and cash equivalents was up by 28 percent compared with 12 months ago, amounting to SEK 12.6 billion (9.8).

Nordnet has three types of lending: lending with securities as collateral, personal loans and residential mortgages. Nordnet has well-developed procedures for managing credit risk in these products.

Residential mortgages are offered only to natural persons in Sweden, with a tenant-owner apartment or single-family home situated in Sweden as collateral. The maximum loan-to-value ratio permitted for a mortgage to be granted is 50 percent. The credit risk in this part of Nordnet's lending is

Number of customers and accounts	**31/03/2018**	**31/12/2017**	**30/9/2017**	**30/6/2017**	**31/3/2017**
Customers	698,500	669,300	640,200	616,100	593,600
Whereof personal loans	27,600	27,700	27,600	27,700	27,600
Accounts	923,300	884,500	837,700	801,400	771,200

Net savings and savings capital (SEK billion)	**31/03/2018**	**31/12/2017**	**30/9/2017**	**30/6/2017**	**31/3/2017**
Net savings	11,5	4,0	4,1	5,6	3,6
Savings capital	287,2	272,4	267,5	259,7	245,7

Number of trades	**31/03/2018**	**31/12/2017**	**30/9/2017**	**30/6/2017**	**31/3/2017**
During the period (quarter)	6,745,200	6,944,200	6,350,300	6,026,000	6,860,800
On average per day	108,800	111,100	97,700	103,900	108,000

Lending (SEK billion)	**31/03/2018**	**31/12/2017**	**30/9/2017**	**30/6/2017**	**31/3/2017**
Margin lending[1]	5,6	5,4	5,1	5,3	5,4
Personal loans	3,8	3,7	3,5	3,4	3,3
Mortgage	3,2	2,4	1,8	1,4	1,2
Total	**12,6**	**11,4**	**10,4**	**10,1**	**9,8**

[1] Excluding lending with pledged cash and cash equivalents

considered to be lower than the credit risk within Nordnet's other lending products.

Similar to residential mortgages, personal loans are offered only to natural persons in Sweden. Nordnet applies a tried and tested scoring model to assess the credit risk of private individuals applying for credit. The model assesses the risk associated with each loan application and provides the basis for approval and pricing. The credit risk in these lending operations is to be considered higher than in Nordnet's other operations, although this is matched by higher interest margins.

Net profit

Group

January–March 2018

Operating income in the first quarter of the year increased by 5 percent, amounting to SEK 340.8 million (323.8). Net interest income decreased by SEK 4.9 million, due to lower margins on loan capital, lower return on surplus liquidity due to zero and negative interest rates in several currencies and increased costs to the Swedish National Debt Office for the resolution fee. Net commission income rose by SEK 16.3 million, mainly involving non transaction-related income from Nordnet Markets and increased mutual fund savings.

Operating expenses before credit losses rose by 34 percent compared with the first quarter last year and amounted to SEK 287.2 million (214.6). This is mainly explained by increased Group-wide expenses. The item includes expenses related to a restructuring of operations with increased focus on automation, IT development and digital presence in various channels. Marketing expenses and staff increases within sales increased compared with the first quarter the previous year.

Operating profit decreased by 56 percent to SEK 43.6 million (99.6), and the operating margin was 13 percent (31). Profit after tax for the period decreased by 61 percent to SEK 31.8 million (81.0), resulting in a profit margin of 9 percent (25).

Operating income excluding transaction-related net commission income for the quarter rose by 9 percent compared with the same quarter the previous year. Cost coverage, i.e. operating income excluding transaction-related net commission income in relation to expenses, amounted to 72 percent (87).

Parent Company

January–March 2018

The Parent Company is a holding company and conducts no operations beyond its role as the owner of Nordnet Bank AB and Nordnet Pensionsförsäkring AB and the Group's other companies. Operating income for January–March 2018 amounted to SEK 1.1 million (2.6) and relates to intra-Group administrative services. Loss after financial investments amounted to SEK 0.2 million (loss 0.2), mainly consisting participations in Group companies.

The Parent Company's loss after financial items for the period January–March 2018 amounted to SEK 1 million (2.4). The Parent Company's cash and cash equivalents amounted to SEK 41.3 million (2.2), and its equity to SEK 1,211.1 million (1,255.6).

Development in our markets

Sweden

During the January–March period, income increased by 3 percent, mainly attributable to commissions from increased mutual fund savings. Expenses increased by 31 percent, due to higher Group-wide expenses and staff increases within sales. Marketing costs also increased during the quarter. The operating margin was 14 percent (31).

Nordnet in Sweden had 310,100 (278,100) active customers as at the end of March 2018, which corresponds to an increase of 12 percent in the last 12-month period.

Net savings for the period January–March amounted to SEK 7.4 billion (negative 1.7). Calculated in relation to savings capital at the end of March 2017, net savings for the past 12 months correspond to 9 percent. The number of trades among Swedish customers during the period January–March decreased by 2 percent compared with the corresponding period the previous year.

Nordnet offers three different types of loans on the Swedish market: mortgages, personal loans, and margin lending. Nordnet's mortgages, aimed at Private Banking customers, were launched in April 2016. In September 2017, we broadened our mortgage offering to more customer groups and now offer Sweden's lowest list rate for customers with large savings. Demand for Nordnet's mortgages remains high and, as at the end of March, SEK 3.2 billion (1.2) in loans with residential property as collateral had been paid out. Personal loans (unsecured loans) are offered under the product names Nordnet Toppenlånet and Konsumentkredit. As at 31 March 2018, 27,600 customers (27,600) were using this product. The total lending volume was SEK 3.8 billion (3.3), with an interest income of about 6.0 percent after adjustment for loan brokering. During the year, the lending volume for personal loans to Nordnet's customers increased by 3 percent compared with the start of the year. Margin lending as at the end of March amounted to SEK 2.1 billion (2.3), a decrease of 7 percent compared with the end of March 2017.

In the first quarter, we welcomed our customers and others interested in savings to the sixth instalment of Nordnet Live. With 3,500 visitors, 33 presenters on stage and over 150,000 viewers online, Nordnet Live is the Nordic region's largest event for savers. This year, we brought in guests such Jacob Wallenberg, Annie Lööf, Ian Lundin, Camilla Läckberg and Rune Andersson.

Norway

During the period January–March, income increased by 2 percent, related to increased commission income from savings capital in funds, higher trading volumes, and a larger share of foreign trading generating income from currency exchange. Expenses increased by 38 percent, mainly due to higher Group-wide costs and staff increases within sales. The operating margin amounted to negative 1 percent (27) during the period January–March.

As at the end of March 2018, the number of active customers in Norway amounted to 101,400 (87,400), which corresponds to customer growth of 16 percent over the past 12-month period.

The transition period for private individuals to move shares and funds to the new account type aksjesparekonto (ASK) without taxation effects has been extended throughout 2018. Demand for the aksjesparekonto account type, therefore, remains high in the market and among customers. During 2017, about one-third of the Norwegian private savers opened an aksjesparekonto account and transferred capital. Nordnet estimates that at least an additional one-third will take advantage of the opportunity in 2018.

The number of trades during the period fell by 15 percent compared with the year-earlier period. Increased uncertainty, major fluctuations and fear of further stock market decline contributed to a more challenging market climate in February and March, leading to reduced activity among savers.

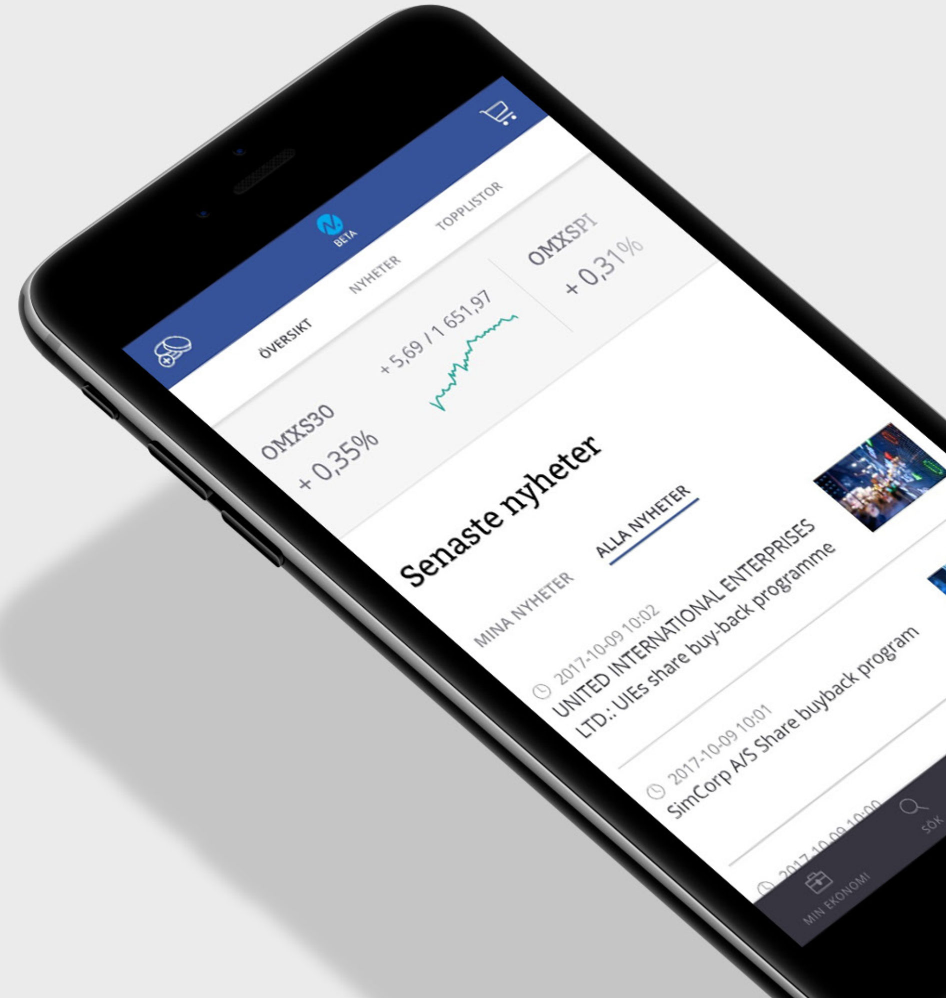
Net savings for the January–March period totalled SEK 1.3 billion (1.5). Calculated in relation to savings capital as at the end of March 2017, net savings for the past 12 months correspond to 18 percent.

In connection with new legislation for the savings form IPS (Individuell pensjonssparing), we have discontinued the provision of the previous product and, in early 2018, we converted all IPS accounts to Pensjonskapitalbevis (pension fund certificates). A total of 1.3 million Norwegians have one pension fund certificate with a total of just over 70 billion in saved capital and, in the first quarter, pension funds have been included in Nordnet's product range. During the second quarter, we plan to launch the new IPS savings form, which will be more advantageous from a fiscal perspective and allow our customers to save NOK 40,000 per year.

Bank of the Year 2017

“The bank that has reached the forefront of making savings easier speeds up the pace. The jury likes several effective services that can improve our readers’ finances.”

Privata Affärer
ÅRETS BANK
2017



During the quarter, a new savings economist was appointed to Nordnet Norway, Bjørn Erik Sættem, who will focus on increasing public awareness about pension savings and long-term savings. Nordnet's Norwegian podcast #pengepodden, which previously focused mainly on investing in shares, has now broadened its focus for long-term savings in order to reach a broader target group.

Margin lending amounted to SEK 0.8 billion (0.7), an increase of 6 percent in 12 months.

Denmark

During the period January–March, income increased by 6 percent, related to non-transaction-related income from Nordnet Markets as well as higher net commission income from trading. However, income was dampened by a deteriorated net interest income related to negative returns on surplus liquidity.

Expenses increased by 39 percent. The increase in expenses is primarily due to higher Group-wide expenses, but also investments in the sales organization in Denmark. The operating margin was 26 (44) percent.

Good customer growth continued in the Danish market. The number of active customers as at the end of March 2018 amounted to 89,300 (72,500), an increase of 23 percent over the past 12-month period.

Within pensions, Nordnet Danmark entered into a collaboration with Pensionsselskabet during the first quarter. Now, Nordnet's Danish customers can save in annuities, subscribe to insurance products and receive free pension advice through Pensionsselskabet. The collaboration gives Nordnet's customers new opportunities to subscribe to annuities and other risk insurance in addition to the existing banking-based pension products that Nordnet has offered at one of the lowest prices in the market for over eight years.

Net savings for the period amounted to SEK 1.7. billion (3.2). Calculated in relation to savings capital as at the end of March 2017, net savings for the past 12 months correspond to 15 percent.

Our services continue to be appreciated and awarded. During the quarter, Økonomisk Ugebrev named us as the bank with the best prices among private banking customers in the Danish market.

As with other stock exchanges, the Copenhagen Stock Exchange was also characterized by challenging conditions in the first quarter, affecting trading activity among Danish savers. The number of trades during the period January–March 2018 decreased by 2 percent compared with the corresponding period the previous year.

Margin lending remained at the same level as in the previous year, amounting to SEK 1.2 billion (1.2) as at the end of March.

Finland

During the period January–March, income in our Finnish operations increased by 15 percent, mainly due to increased commission income from trading and increased income from currency exchange from foreign trading. A deteriorated interest rate with a negative return on surplus liquidity dampened income. Expenses increased by 32 percent. The increase in expenses is due to higher Group-wide costs. The operating margin was 5 percent (18) percent.

In the Finnish market, customer growth was also good during the first quarter. The number of active customers as at the end of March was 197,700 (155,700), corresponding to an increase of 27 percent compared with the end of March 2017.

Net savings for the January–March period totalled SEK 1.2 billion (0.5). Calculated in relation to savings capital as at the end of March 2017, net savings for the past 12 months correspond to 5 percent.

During the quarter, Rahastoneuvoja, a digital fund advisor, was launched in the Finnish market. Since our launch in January, our Finnish customers have shown great interest in the investment tool and in digital personal investment advice.

Profit per country

January-March	Sweden		Norway		Denmark		Finland		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Operating income	171,6	166,1	50,4	49,5	64,9	61,5	54,0	46,7	340,8	323,8
Operating expenses	-139,0	-105,8	-50,1	-36,2	-47,4	-34,2	-50,7	-38,4	-287,2	-214,6
Profit before credit losses	**32,6**	**60,3**	**0,3**	**13,3**	**17,5**	**27,2**	**3,3**	**8,3**	**53,6**	**109,2**
Credit losses	-8,4	-9,5	-0,5	0,0	-0,5	0,0	-0,5	0,0	-10,0	-9,5
Operating profit	**24,2**	**50,8**	**-0,3**	**13,2**	**17,0**	**27,3**	**2,7**	**8,3**	**43,6**	**99,6**
Operating margin	14%	31%	-1%	27%	26%	44%	5%	18%	13%	31%
Number of customers	310,100	278,000	101,400	87,400	89,300	72,500	197,700	155,700	698,500	593,600
Number of accounts	444,500	389,700	138,700	108,500	114,900	93,600	225,200	179,400	923,300	771,200
Net savings (SEK billion)	7,4	-1,7	1,3	1,5	1,7	3,2	1,2	0,5	11,5	3,6
Savings capital (SEK billion)	128,9	115,3	36,1	28,5	59,4	49,6	62,7	52,3	287,2	245,7
Number of trades	3,526,400	3,584,400	1,005,000	1,185,200	1,066,800	1,084,300	1,147,000	1,006,900	6,745,200	6,860,800
Margin lending (SEK billion)[1]	2,1	2,3	0,8	0,7	1,2	1,2	1,6	1,2	5,6	5,4
Personal Loans (SEK billion)	3,8	3,3							3,8	3,3
Mortgage (SEK billion)	3,2	1,2							3,2	1,2

[1] Lending excluding pledged cash and equivalents

The Helsinki Stock Exchange was the only one of the Nordic exchanges that ended the quarter with an upturn. Trading activity among our Finnish savers remained high during the quarter, especially in January when we reached a new record in foreign trading. The number of trades during the period January–March increased by 14 percent compared with the year-earlier period. Activity was also high within the IPO area. During the quarter, four new companies were listed on the Helsinki Stock Exchange, of which Nordnet offered participation in the new issues that preceded the listings in three of these companies.

Margin lending amounted to SEK 1.6 billion (1.2), an increase of 33 percent in 12 months.

Financial position

Nordnet's deposit surplus is mainly invested in covered bonds, government securities, the Swedish Riksbank, the Danish National Bank and the Nordic banking system. Consolidated cash and cash equivalents as at the end of March amounted to SEK 820.3 million (211.5), of which blocked funds were SEK 86 million (74). In addition, interest-bearing investments were held with a total fair value of SEK 14,300.4 million (13,505.6).

The Group's equity amounted to SEK 2,025.3 million (2,062.8).

As regards the financial conglomerate in which NNB Intressenter AB[1] is the parent company, the capital base amounted to SEK 1,457.0 million (1,373.5) and total risk exposure amounted to SEK 8,826.4 million (8,080.9). As at the end of the period, the capital ratio was 16.5 percent, compared with 17.0 percent at the same time last year.

Cash flow

In the first quarter, cash flow from operating activities was positively affected by increased liquidity in customer deposits due to the purchase of securities for SEK 0.02 billion and securities transactions under settlement, "settlement receivables". Cash flow from operating activities was also negatively affected by SEK 1.3 billion due to higher lending. During the quarter, cash flow in investing activities was positive due to disposals of bonds and other fixed-income securities for SEK 0.5 billion.

Employees

As at 31 March 2018, the company had 508 full-time employees (435). Full-time employees include temporary employees but not employees on parental or other leave. The average number of full-time employees for the period January–March was 494 (428).

During the first quarter, a number of changes took place in Nordnet's Group Management. From 5 February, Jakob Bergfeldt, Chief Lending Officer, is a member of Nordnet's Group management. Sylvia Ndikumasabo, former Head of Personal Loans, has entered the role as Chief Credit Risk Officer and remains a member of Group management. During the quarter, Tuva Palm, former CPO and CTO, entered the role of Chief Customer Experience Officer (CXO) in charge of Nordnet's product development. A CTO with overall responsibility for Nordnet's operations, development and IT security will be recruited. Niklas Odenwall, Country Manager of the Danish operations, will leave Nordnet in July 2018. Niklas has worked at Nordnet since 2011, first as Country Manager of the Finnish operations and, since the end of 2016, as Country Manager for Denmark. Recruitment of a replacement is underway.

Events after 31 March 2018

No significant events have occurred after the end of the period.

[1] For further information, see Note 7

Signature from CEO

The CEO provide his assurance that this interim report for the period January–March 2018 provides an accurate overview of the operations, position and earnings of the Group and the Parent Company, and that it also describes the principal risks and uncertainty factors the Parent Company and the companies within the Group face.

This report has not been reviewed by the Company's auditors.

Stockholm, 26 April 2018

Peter Dahlgren
CEO

Financial statements

Consolidated income statement

SEK million	Note	3 months jan-mar 2018	3 months jan-mar 2017	12 months rolling apr-mar 2018	12 months jan-dec 2017
Interest income		108,6	110,0	430,3	431,7
Interest expenses		-13,3	-9,8	-48,9	-45,4
Commission income		248,2	235,0	918,3	905,1
Commission expenses		-67,5	-70,6	-261,5	-264,6
Net result of financial transactions		48,9	45,1	166,2	162,4
Other operating income		15,8	14,1	56,7	54,9
Total operating income		**340,8**	**323,8**	**1,261,1**	**1,244,1**
General administrative expenses		-241,8	-176,8	-883,8	-818,8
Depreciation, amortization and impairments of intangibles and equipment		-24,2	-22,9	-91,9	-90,5
Other operating expenses		-21,2	-15,0	-58,5	-52,2
Total expenses before credit losses		**-287,2**	**-214,6**	**-1,034,1**	**-961,5**
Profit before credit losses		**53,6**	**109,2**	**227,0**	**282,6**
Credit losses, net	2	-10,0	-9,5	-35,7	-35,3
Operating profit		**43,6**	**99,6**	**191,3**	**247,3**
Tax on profit for the period		-11,9	-18,6	-27,8	-34,5
Profit for the period		**31,8**	**81,0**	**163,5**	**212,8**
Of which, attributable to:					
Shareholders of the Parent Company		31,8	81,0	163,5	212,8

Consolidated statement of other comprehensive income

SEK million	3 months jan-mar 2018	3 months jan-mar 2017	12 months rolling apr-mar 2018	12 months jan-dec 2017
Profit for the period	**31,8**	**81,0**	**163,5**	**212,8**
Items that will be reversed to the income statement				
Change in value of financial assets recognized at fair value through other comprehensive income	-6,8	-	-6,8	-
Tax on change in value of financial assets recognized at fair value through other comprehensive income	1,5	-	1,5	-
Changes in value of available-for-sale assets	-	6,4	-11,4	-5,0
Tax on changes in value of available-for-sale assets	-	-1,4	2,5	1,1
Translation of foreign operations	14,6	-2,8	14,4	-3,0
Tax on translation of foreign operations	0,5	0,6	-1,6	-1,5
Total other comprehensive income after tax	**9,8**	**2,8**	**-1,4**	**-8,4**
Total profit or loss and other comprehensive income	**41,6**	**83,8**	**162,1**	**204,4**
Of which, attributable to:				
Shareholders of the Parent Company	41,6	83,8	162,1	204,4

Consolidated balance sheet

SEK million	Note	31/03/2018	31/03/2017	31/12/2017
Assets				
Cash and balances in Central banks		544,2	-	392,3
Treasury bills and other interest bearing securities eligible for refinancing		15,828,0	14,622,5	15,903,2
Loans to credit institutions		276,0	211,5	272,6
Loans to the general public	2	13,211,2	10,455,5	11,852,1
Bonds and other interest bearing securities		1,480,5	1,405,3	1,949,0
Shares and participations		48,9	13,2	59,2
Assets in the insurance business		47,637,4	44,284,6	46,515,7
Intangible fixed assets		396,0	371,5	382,2
Tangible fixed assets		82,4	33,9	41,9
Current tax assets		94,8	103,4	76,8
Other assets		3,024,5	3,203,5	2,749,7
Prepaid expenses and accrued income		153,3	130,6	140,8
Total assets		**82,777,2**	**74,835,6**	**80,335,4**
Liabilities				
Deposits and borrowing from the general public		29,930,2	24,846,7	29,063,7
Liabilities in the insurance business		47,637,4	44,285,9	46,515,7
Other liabilities		2,870,0	3,367,0	2,544,0
Current tax liabilities		93,1	88,2	8,0
Deferred tax liabilities		39,3	42,7	34,4
Accrued expenses and deferred income		181,8	142,3	147,9
Total liabilities		**80,751,9**	**72,772,8**	**78,313,8**
Equity				
Share capital		175,0	175,0	175,0
Other capital contributions		481,1	481,1	481,1
Other reserves		-58,1	-56,6	-67,9
Retained earnings including profit for the period		1,427,3	1,463,3	1,433,4
Total equity		**2,025,3**	**2,062,8**	**2,021,6**
Total liabilities and equity		**82,777,2**	**74,835,6**	**80,335,4**

Consolidated statement of changes in equity

SEK million	31/03/2018	31/03/2017	31/12/2017
Opening equity	**2,021,6**	**1,978,9**	**1,978,9**
Profit for the period	31,8	81,0	212,8
Total other comprehensive income	9,8	2,7	-8,4
Effect of changed accounting principles IFRS 9	-37,9	-	-
Dividend	-	-	-174,5
Equity provided, share programme	-	0,2	-9,2
Repurchase of own shares	-	-	22,0
Closing equity	**2,025,3**	**2,062,8**	**2,021,6**

Consolidated cash flow

SEK million	3 months jan-mar 2018	3 months jan-mar 2017	12 months rolling apr-mar 2018	12 months jan-dec 2017
Operating activities				
Cash flow from operating activities before changes in working capital	217,8	155,2	366,5	303,9
Cash flow from changes in working capital	-546,0	-30,2	1,772,2	2,288,0
Cash flow from operating activities	**-328,1**	**125,0**	**2,138,8**	**2,591,9**
Investing activities				
Purchases and disposals of intangible and tangible fixed assets	-71,0	-27,1	-161,0	-117,1
Net investments in financial instruments	549,7	-651,1	-1,255,2	-2,456,0
Cash flow from investing activities	**478,7**	**-678,2**	**-1,416,2**	**-2,573,1**
Financing activities				
Cash flow from financing activities	-	-	-115,8	-115,8
Cash flow for the period	**150,6**	**-553,2**	**606,8**	**-97,1**
Cash and cash equivalents at the start of the period	**664,9**	**765,5**	**211,5**	**765,5**
Exchange rate difference for cash and cash equivalents	4,8	-0,8	2,0	-3,6
Cash and cash equivalents at the end of the period	**820,3**	**211,5**	**820,3**	**664,9**
whereof cash and cash equivalents in Central Banks	*544,2*	-	*544,2*	*392,3*
whereof loans to credit institutions	*276,0*	*211,5*	*276,0*	*272,6*

Parent Company income statement

SEK million	3 months jan-mar 2018	3 months jan-mar 2017	12 months rolling apr-mar 2018	12 months jan-dec 2017
Net sales	1,1	2,6	17,7	19,2
Total operating income	**1,1**	**2,6**	**17,7**	**19,2**
Other external costs	-1,3	-2,2	-4,4	-5,3
Personnel costs	-0,1	-2,3	-16,2	-18,4
Other operating expenses	-0,5	-0,4	-1,4	-1,3
Operating profit	**-0,8**	**-2,2**	**-4,3**	**-5,7**
Result from financial investments:				
Result from participations in Group companies	-	-	108,4	108,4
Interest expense and similar items	-0,2	-0,2	-0,8	-0,8
Result from financial investments	**-0,2**	**-0,2**	**107,6**	**107,7**
Profit after financial items	**-1,0**	**-2,4**	**103,3**	**101,9**
Tax on profit for the year	0,2	0,5	-0,3	-
Profit for the period	**-0,8**	**-1,9**	**103,0**	**101,9**

Parent Company statement of comprehensive income

SEK million	3 months jan-mar 2018	3 months jan-mar 2017	12 months rolling apr-mar 2018	12 months jan-dec 2017
Profit for the period	**-0,8**	**-1,9**	**103,0**	**101,9**
Total other comprehensive income	**-**	**-**	**-**	**-**
Total profit or loss and other comprehensive income	**-0,8**	**-1,9**	**103,0**	**101,9**

Parent Company balance sheet, summary

SEK million	31/03/2018	31/03/2017	31/12/2017
Assets			
Financial fixed assets	1,239,1	1,202,3	1,239,1
Current assets	39,9	70,2	39,0
Cash and bank balances	41,3	2,2	48,9
Total assets	**1,320,4**	**1,274,7**	**1,327,0**
Equity and liabilities			
Restricted equity	175,0	175,0	175,0
Non-restricted equity	1,036,1	1,080,6	1.036,9
Current liabilities	109,2	19,1	115,1
Total equity and total liabilities	**1,320,4**	**1,274,7**	**1,327,0**

Notes

Since February 2017, NNB Intressenter is the parent company of Nordnet AB (publ). NNB Intressenter is not an operating company and its sole business consists of holding shares in Nordnet AB (publ). This Interim Report relates to the Nordnet Group, with the exception of Note 7 Capital requirements for the financial conglomerate and the consolidated situation, which includes NNB Intressenter AB.

Note 1 Accounting principles

This Interim Report for the Group has been compiled in accordance with IAS 34, Interim Financial Reporting. In addition, the Group adheres to the Annual Accounts Act of Credit Institutions and Securities Companies and the Financial Supervisory Authority's regulations (FFFS 2008:25) and RFR1 Supplementary Accounting Rules for Groups. The Parent Company's Interim Report has been 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.

The accounting principles applied in this Interim Report are those described in the 2017 Nordnet Annual Report, Note 5, the section entitled "Accounting principles applied". Accounting principles and accounting principles applied remain essentially unchanged from the 2017 Annual Report, except for the following changes.

As of 1 January 2018, Nordnet applies IFRS 9 Financial Instruments to replace IAS 39 Financial Instruments: Recognition and Measurement, and IFRS 15 Revenue from Contracts with Customers. The new standard affects Nordnet in the following three areas: Classification and measurement of financial instruments, Impairment and General hedge accounting. In the section "Note 3 Changed accounting principles" in Nordnet's 2017 Annual Report, the transition effects for

IAS 39	IFRS 9	IAS 39	IFRS 9	Effect of change in loss reserve
31 December 2017	**1 January 2018**	**31 December 2017**	**1 January 2018**	
Specific reservations for individually valued loan receivables		37		-37
	Financial assets recognized at amortized cost			
	Step 1		20	20
	Step 2		26	26
	Step 3		39	39
	Total of expected credit losses at financial assets recognized at amortized cost			
	Financial assets recognized at fair value through other comprehensive income			
	Step 1		-	-
	Total of expected credit losses at financial assets at fair value through other comprehensive income			
	Tax effect upon transition to IFRS 9		-11	
Total		**37**	**85**	**48**

Reserves in accordance with IAS 39, as a whole, refer to reserves for financial assets classified as Loans and Receivables.

implementation of IFRS 9 are described. The table on page 21 presents a reconciliation of the provisions in accordance with IAS 39 against the opening balance of loss reserves determined in accordance with IFRS 9. Refer also to the table under "Consolidated statement of changes in equity" regarding the effect of changed accounting principles.

Following the transition to IFRS 9, Nordnet applies the following classification:

Classification under IAS 39	Measurement in accordance with IFRS 9
Loans and receivables	Amortized cost
Instruments held for maturity	Amortized cost
Available-for-sale financial assets	Fair value through other comprehensive income
Other financial liabilities	Amortized cost

Nordnet has evaluated the business model for its portfolios of financial instruments based on how they are managed and evaluated. The liquidity portfolio, which until 31 December 2017 was reported according to "Held to maturity" and "Available for sale" will, from 1 January 2018, be classified according to "Hold to collect" and "Hold to collect and sell".

The transition in general will not cause any material differences compared with how the financial instruments were measured previously and will thereby not have any financial impact on Nordnet.

Accounting principles as of 1 January 2018

IFRS 9 Financial instruments

Financial assets

Financial assets recognized in the balance sheet include, on the asset side, Cash and balances in central banks, treasury bills eligible for refinancing, etc. Assets in the insurance business, Loans to credit institutions, Loans to the general public, Bonds and other interest-bearing securities, Shares and participations, Other assets and Accrued income. Currency derivatives are reported as either assets or liabilities, depending on whether the fair value is positive or negative.

Acquisitions and disposals of financial assets are recognized on the transaction date, which represents the day on which the company undertakes to acquire or dispose of the asset. A financial asset is de-recognized frombalance sheet when the contractual rights to cash flow cease or when the Group for all material purposes has transferred all risks and benefits associated with ownership of the financial asset. The same applies to parts of financial assets.

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.

When a financial asset, with the exception of accounts receivable, is initially recognized it is measured at fair value plus – as regards a financial asset not belonging to the category of financial assets measured at fair value via the income statement – transaction expenses directly attributable to the acquisition or issue of the financial asset. Accounts receivable that do not have a significant financing component are measured at their transaction price. The financial assets are then classified either as measured at amortized cost, fair value through other comprehensive income or fair value via the income statement.Classification is based on the Group's business models for managing financial assets and the characteristics of the contractual cash flows from the financial asset.

Financial assets measured at amortized cost

Debt instruments are measured at amortized cost when they:

- are held in the context of a business model the objective of which is to hold financial assets for the purpose of collecting the contractual cash flows and;

- the agreed terms of the financial asset, at fixed dates, give rise to cash flows that are solely payments of principal and interest on the outstanding principal.

Measurement occurs at amortized cost less deductions for expected credit losses. For accounting of expected credit losses, see Note 2 “Lending to the general public”. Financial assets recognized at amortized cost are: Cash and balances in central banks, Treasury bills eligible for refinancing, etc. Assets in the insurance business, Loans to credit institutions, Loans to the general public, Bonds and other interest-bearing securities, Shares and participations, Other assets and Accrued income.

Financial liabilities measured at fair value via other comprehensive income

Debt instruments are measured at fair value via other comprehensive income when they:

- are held in the context of a business model the objective of which is achieved both by collecting contractual cash flows and selling financial assets and;
- the agreed terms of the financial asset, at fixed dates, give rise to cash flows that are solely payments of principal and interest on the outstanding principal.

The value change is recognized in other comprehensive income, except for expected credit losses 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. For accounting of expected credit losses, see Note 2 “Lending to the general public”. Financial assets recognized at fair value via other comprehensive income are Treasury bills eligible for refinancing, etc., and Bonds and other interest-bearing securities.

Financial liabilities measured at fair value via the income statement

Equity instruments measured at fair value via the income statement refer to instruments held for trading. Changes in value are recognized in the income statement. These consist of: Shares and participations.

Financial liabilities

Financial liabilities recognized in the balance sheet include, on the liability side: Deposits and borrowing from the general public, Liabilities in the insurance business, Other liabilities and Accrued expenses.

When a financial liability is initially recognized, it is measured at fair value plus – as regards a financial liability not belonging to the category of financial assets measured at fair value via the income statement – transaction expenses directly attributable to the incurrence or issue of the financial liability. Financial liabilities subsequently classified are either as measured at amortized cost or fair value via the income statement.

Liabilities in the insurance business are measured at fair value via the income statement, as this is deemed to lead to more relevant information as it significantly reduces the inconsistencies in measurement and recognition (“Lack of conformity in the reporting”).

Other financial liabilities are measured at amortized cost.

Impairment of financial assets

Nordnet applies a three-step method to measure expected credit losses for financial assets measured at amortized cost and fair value via other comprehensive income as well as loan commitments. Nordnet has identified four different categories for recognizing expected credit losses:

- Margin loans
- Granting of unsecured credits
- Residential mortgages
- Treasury portfolio

There are no expected credit losses for share investments because they are not covered by the standard model.

Financial assets with the exception of Other financial instruments measured at amortized cost are subject to the following three steps, based on the change in creditworthiness since the first reporting date:

Step 1: 12-month expected credit losses. For exposures where there has been no significant deterioration of the creditworthiness since the first reporting date, the part of lifetime expected credit losses related to the probability of default is reported within the next 12 months.

Step 2: Lifetime expected credit losses - underperforming assets. For exposures where there has been a significant deterioration of the creditworthiness from the initial reporting date, but that are not considered to have defaulted, lifetime expected credit losses (i.e., that which reflects the remaining life of the financial asset) are reported.

Step 3: Lifetime expected credit losses - non-performing assets. Exposures are deemed to have defaulted when one or more events that have an adverse effect on the estimated future cash flows for the asset have occurred. For exposures that have defaulted, lifetime expected credit losses and interest income are calculated using the effective interest rate on the depreciated amount (net after disposal) rather than the gross carrying amount.

Other financial instruments measured at amortized cost comprise accounts receivables without any significant financing component. For these financial assets, lifetime expected credit losses are recognized at the first reporting date according to the simplified model.

Determining categorization of impairment

At each reporting date, Nordnet assesses whether there has been a significant deterioration of the creditworthiness from the initial reporting date of exposures by comparing the risk of default over the life expectancy between the balance sheet date and the first reporting date. Nordnet acts on the basis on reasonable and verifiable data that is available without undue expenses or efforts. This includes quantitative and qualitative information as well as forward-looking information. For further information, refer to Note 2.

An exposure will be subject to the credit loss categories as credit quality deteriorates. If credit quality improves in a subsequent period and also reverses a previously assessed significant deterioration of creditworthiness, a provision for doubtful receivables will be turned from lifetime expected credit losses to 12 months'.

Provision for doubtful receivables for exposures that have not deteriorated significantly since the first reporting date or where the deterioration remains within what, according to Nordnet's investment rating criteria, is considered to have low credit risk based on 12-months' expected credit losses.

When an asset has defaulted, it is depreciated against the provision that is attributable to the exposure. Such assets are depreciated after all necessary procedures have been completed and the loss amount has been determined. Recovering amounts previously depreciated reduces the cost in the income statement. For the Treasury portfolio, Nordnet carries out the credit risk assessment on an individual basis. For the other categories, the assessment is done collectively. In the collective assessment of impairment requirements, the financial instruments are grouped on the basis of common credit risk characteristics such as credit ratings, first reporting date, remaining maturity, geographical location of borrowers and other relevant factors.

Measurement of expected credit losses

Expected credit losses are derived from objective and probability-weighted estimates of expected losses and are measured as follows:

- Financial assets that have not fallen due on the balance sheet date: as the present value of any cash loss over the expected useful life of the financial asset discounted with the effective interest rate. The cash loss is the difference between the cash flows that Nordnet is entitled to under agreements and the cash flows Nordnet is expected to receive.

- Financial assets that have defaulted on the balance sheet date: as the difference between the reported value gross and the present value of estimated future cash flows discounted by the effective interest rate.

- Unutilized loan commitments: as the present value of the difference between the contractual cash flows that Nordnet is entitled to if the commitment is utilized and the cash flows that Nordnet expects to receive.

Cont'd Note 1 Accounting Principles

Expected credit losses are recognized through a provision for doubtful receivables in the income statement. In the case of financial instruments measured at fair value through other comprehensive income, the measurement of expected credit losses is based on the three-step strategy applied for financial assets at amortized cost. Nordnet recognizes the provision in the income statement with the corresponding amount reported in other comprehensive income without any impairment of the carrying amount of the asset in the balance sheet.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers are based on the principle that income is reported when the customer receives control ofthe sold item or service and has the opportunity to use and receive benefit from the goods or service. The standard will provide users of financial reports with more useful information about the company's income. The expanded disclosure obligation entails that information about type of income, timing of regulation, uncertainties linked to income recognition and cash flow attributable to the company's customer contracts must be disclosed. The income standard applies to all contracts with customers. Nordnet has analyzed the contract based on the five steps in IFRS 15 and concluded that the standard has no impact on income recognition. However, IFRS 15 will increase disclosure requirements in future annual reports.

Note 2 Loans to the general public

As at 31 mars 2018, SEK 658.5 million (615.1) of lending to the general public involves account credits that are fully covered by pledged cash and cash equivalents in endowment insurance plans and investment savings accounts (ISKs). The lending rate applied to the credits corresponds to the deposit rate on the pledged cash and cash equivalents. The remainder of lending to the general public is secured by collateral in the form of securities and property or consists of unsecured loans.

Lending to the general public has been affected by IFRS 9 , applied from 1 January 2018. The principle for calculating anticipated credit losses has been changed. For transition effect, see Note 1.

Lending to the general public is reported after deduction of realized and anticipated credit losses. At the end of the period, the provision for impaired credit losses amounted to 88 (85 as at 1 January 2018). The change in the accumulated provision for anticipated credit losses has affected first quarter earnings by SEK 3 million. For further information on the quarter's credit losses, refer to the table below.

Consolidated credit loss reserve	**12-month espected credit losses**	**Expected maturity credit losses (no default)**	**Expected maturity credit losses (default)**	**Total**
Initial classification applying IFRS 9				
Opening balance 2018-01-01	**20,6**	**26**	**39**	**85,5**
Currency effects and other	0,0	0,1	0,9	**1,1**
Write-downs recognized credit losses	0,0	-3,9	-0,1	**-4,1**
New financial assests	2,4	0,4	0,3	**3,1**
Transfers:				
-to 12-month ecpected credit losses	0,6	-4,5	-0,1	**-4,0**
-to expected maturity credit losses (no default)	-0,9	9,6	0,0	**8,7**
-to expected maturity credit losses (default)	0,0	0,0	0,6	**0,6**
Removed financial assets	-2,0	-0,3	0,1	**-2,2**
Changes in models/parameters	0,0	0,0	0,0	**0,0**
Closing balance 2018-03-31	**20,8**	**27,1**	**40,8**	**88,7**

Note 3 Transactions with related parties

E. . Öhman J:or AB with subsidiaries ("Öhman Group") and Nordic Capital Fund VIII ("Nordic Capital") are closely related to Nordnet AB (publ) through NNB Intressenter AB ("NNB Intressenter"). Family members of the owners Öhman Group also possess direct ownership in NNB Intressenter.

Nordnet Bank AB regularly enters into business relations with Öhman Group in the same way as is regularly done with other financial players. Nordnet's no-fee index funds, the Super funds, are managed by E. Öhman J:or Fonder AB, a company within the Öhman Group. The agreement has been entered into on market terms. For additional information, please refer to Note 6 in the 2017 Annual Report.

Note 4 Significant risks and uncertainties

Risk taking is an essential part of Nordnet's business. Nordnet's profitability is directly dependent on its capacity to identify, analyze, control and price risk. Risk management in Nordnet serves several purposes. Partly to achieve desired profitability and growth, given a deliberately accepted level of risk and to maintain a high level of trust from customers and the external community. A trust that is essential for Nordnet's long-term profitability 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.

A detailed description of Nordnet's risk exposure and risk management can be found in the 2017 Annual Report, Note 7. No significant risks have occurred during the first quarter of 2018.

Note 5 Group – Financial instruments

Categorization of financial instruments

31/03/2018 Assets	Amortized cost	Fair value through P&L	Fair value through other comprehensive income	Non financial instruments	Total
Cash and balances in Central banks	544,2	-	-	-	**544,2**
Treasury bills and other interest bearing securities eligible for refinancing	7,144,7	-	8,683,3	-	**15,828,0**
Loans to credit institutions	276,0	-	-	-	**276,0**
Loans to the general public	13,211,2	-	-	-	**13,211,2**
Bonds and other interest bearing securities	646,7	-	833,9	-	**1,480,6**
Shares and participations	-	48,9	-	-	**48,9**
Assets in the insurance business	1,266,7	41,587,5	4,783,2	-	**47,637,4**
Intangible fixed assets	-	-	-	396,0	**396,0**
Tangible fixed assets	-	-	-	82,4	**82,4**
Other assets	3,024,5	-	-	94,8	**3,119,3**
Prepaid expenses and accrued income	153,3	-	-	-	**153,3**
Total assets	**26,267,4**	**41,636,4**	**14,300,4**	**573,1**	**82,777,2**
Liabilities					
Deposits and borrowing from the general public	29,930,2	-	-	-	**29,930,2**
Liabilities in the insurance business	-	47,637,4	-	-	**47,637,4**
Other liabilities	2,870,0	-	-	132,4	**3,002,4**
Accrued expenses and deferred income	181,8	-	-	-	**181,8**
Total liabilities	**32,982,0**	**47,637,4**	**-**	**132,4**	**80,751,9**

31/03/2017	Loans and accounts receivable	Financial assets at fair value		Financial assets held to maturity	Available-for-sale financial assets	Reported value	Fair value
Assets		Held for trading	Through P&L				
Treasury bills and other interest bearing securities		-	-	5,164,6	9,457,9	**14,622,5**	**13,568,4**
Loans to credit institutions	211,5	-	-	-	-	**211,5**	**211,5**
Loans to the general public	10,455,5	-	-	-	-	**10,455,5**	**10,455,5**
Bonds and other interest bearing securities	-	-	-	-	1,405,3	**1,405,3**	**1,405,3**
Shares and participations	-	-	13,2	-	-	**13,2**	**13,2**
Assets in the insurance business	2,654,9	236,1	38,751,2	-	2,642,4	**44,284,6**	**44,284,6**
Other assets	3,125,8	-	-	-	-	**3,125,8**	**3,125,8**
Prepaid expenses and accrued income	83,0	-	-	-	-	**83,0**	**83,0**
Total assets	**16,530,7**	**236,1**	**38,764,4**	**5,164,6**	**13,505,6**	**74,201,4**	**73,147,3**

Cont'd Note 5 Group – Financial instruments

Categorization of financial instruments

31/03/2017	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	-	-	24,846,7	24,846,7	**24,846,7**
Liabilities in the insurance business	-	44,285,9	-	44,285,9	**44,285,9**
Other liabilities	-	-	3,354,4	3,354,4	**3,354,4**
Accrued expenses and deferred income	-	-	98,7	98,7	**98,7**
Total liabilities	**-**	**44,285,9**	**28,299,8**	**72,585,7**	**72,585,7**

31/12/2017	Loans and accounts receivable	Financial assets at fair value		Financial assets held to maturity	Available-for-sale financial assets	Reported value	Fair value
Assets		**Held for trading**	**Through P&L**				
Treasury bills and other interest bearing securities	-	-	-	6,562,3	9,340,9	**15,903,2**	**15,919,5**
Loans to credit institutions	272,6	-	-	-	-	**272,6**	**272,6**
Loans to the general public	11,852,0	-	-	-	-	**11,852,0**	**11,852,0**
Bonds and other interest bearing securities	-	-	-	717,2	1,231,8	**1,949,0**	**1,949,0**
Shares and participations	-	-	59,2	-	-	**59,2**	**59,2**
Assets in the insurance business	1,895,0	363,2	40,874,9	-	3,382,6	**46,515,7**	**46,515,7**
Other assets	2,749,7	-	-	-	-	**2,749,7**	**2,749,7**
Prepaid expenses and accrued income	140,8	-	-	-	-	**140,8**	**140,8**
Total assets	**16,910,1**	**363,2**	**40,934,1**	**7,279,5**	**13,955,3**	**79,442,2**	**79,458,5**

31/12/2017	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	-	-	29,063,7	29,063,7	**29,063,7**
Liabilities in the insurance business	-	46,515,7	-	46,515,7	**46,515,7**
Other liabilities	-	-	2,528,4	2,528,4	**2,528,4**
Accrued expenses and deferred income	-	-	147,9	147,9	**147,9**
Total liabilities	**-**	**46,515,7**	**31,740,0**	**78,255,7**	**78,255,7**

Cont'd Note 5 Group – Financial instruments

Determination of fair value of financial instruments

When the Group determines fair values for financial instruments, different methods are used depending on the degree of observability of market data in the valuation and the market activity. An active market is considered either a regulated or reliable trading venue where quoted prices are easily accessible with regularity. An ongoing assessment of the activity is done by analyzing factors such as differences in buying and selling prices.

The methods are divided into three different levels:

Level 1 – Financial assets and financial liabilities measured on the basis of unadjusted listed prices from an active market for identical assets or liabilities.

Level 2 – Financial assets and financial liabilities measured on the basis of input data other than that included in Level 1, either directly (prices) or indirectly (derived from prices) observable. Instruments in this category are measured applying:

a) Quoted prices for similar assets or liabilities, or identical assets or liabilities from markets not deemed to be active; or

b) Valuation models based primarily on observable market data.

Level 3 – Financial assets and financial liabilities measured on the basis of observable market data.

The level of the fair value hierarchy to which a financial instrument is classified is determined based on the lowest level of input data that is significant for the fair value in its entirety.

In cases where there is no active market, fair value is determined using established valuation methods and models. In these cases, assumptions that cannot be directly derived from a market can be applied. These assumptions are then based on experience and knowledge about valuation in the financial markets. However, the goal is always to maximize the use of data from an active market. In cases when deemed necessary, relevant adjustments are made to reflect a fair value, in order to correctly reflect the parameters contained in the financial instruments and to be reflected in its valuation.

For financial instruments recognized at fair value via the income statement, mainly assets in the insurance operations, fair value is determined based on quoted purchase prices on the balance sheet date for the assets. Liabilities in the insurance operations receive an indirect asset valuation, which classifies them as Level 2 instruments, with the exception of liabilities relating to insurance contracts not classified as a financial liability.

Forward rate agreements are measured 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.

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).

For lending and deposits with floating interest rates, including lending with financial instruments or housing as collateral, which are reported at amortized cost, the carrying amount is considered to correspond to fair value. 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.

Financial instruments are recognized at fair value

31/03/2018				
SEK million	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value				
Treasury bills and other interest bearing securities eligible for refinancing	8,683,3	-	-	**8,683,3**
Bonds and other interest bearing securities	833,8	-	-	**833,8**
Shares and participations [1]	4,0	-	44,9	**48,9**
Assets in the assurance business [2]	47,637,4	-	-	**47,637,4**
Subtotal	**57,158,5**	**-**	**44,9**	**57,203,4**
Financial assets where fair value is given for information purposes				
Loans to credit institutions	-	276,0	-	**276,0**
Loans to the general public	-	13,211,2	-	**13,211,2**
Financial assets held to maturity	-	7,791,4	-	**7,791,4**
Subtotal	**-**	**21,278,7**	**-**	**21,278,7**
Total	**57,158,5**	**21,278,7**	**44,9**	**78,482,0**
Financial liabilities at fair value				
Liabilities in the insurance business	-	47,637,4	-	**47,637,4**
Total	**-**	**47,637,4**	**-**	**47,637,4**

[1] Shares and participations in Level 3 refer to unlisted shares.

[2] SEK 4,783 refers to re-investments in bonds and SEK 1,2677 relates to cash and cash equivalents.

31/03/2017	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Treasury bills and other interest bearing securities eligible for refinancing	9,457,9	-	-	**9,457,9**
Bonds and other interest bearing securities	1,405,3	-	-	**1,405,3**
Shares and participations	13,2	-	-	**13,2**
Assets in the assurance business [1]	43,999,6	285,0	-	**44,284,6**
Subtotal	**54,876,0**	**285,0**	**-**	**55,161,0**
Financial assets where fair value is given for information purposes				
Loans to credit institutions	-	211,5	-	**211,5**
Loans to the general public	-	10,455,5	-	**10,455,5**
Financial assets held to maturity	-	5,164,6	-	**5,164,6**
Subtotal	**-**	**15,831,6**	**-**	**15,831,6**
Total	**54,876,0**	**16,116,6**	**-**	**70,992,6**
Financial liabilities at fair value				
Liabilities in the insurance business	-	44,285,9	-	**44,285,9**
Total	**-**	**44,285,9**	**-**	**44,285,9**

[2] SEK 2,642 refers to re-investments in bonds and SEK 2,655 relates to cash and cash equivalents.

Cont'd Note 5 Group – Financial instruments

Financial instruments are recognized at fair value

31/12/2017	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Treasury bills and other interest bearing securities eligible for refinancing	9,340,9	-	-	**9,340,9**
Bonds and other interest bearing securities	1,231,8	-	-	**1,231,8**
Shares and participations[1]	14,3			**59,1**
Assets in the assurance business [2]	46,216,4	299,4	44,8	**46,515,8**
Subtotal	**56,803,4**	**299,4**	**44,8**	**57,147,6**
Financial assets where fair value is given for information purposes				
Loans to credit institutions	-	272,6	-	**272,6**
Loans to the general public	-	11,852,0	-	**11,852,0**
Financial assets held to maturity	-	7,279,5	-	**7,279,5**
Subtotal	**-**	**19,404,1**	**-**	**19,404,1**
Total	**56,803,4**	**19,703,5**	**44,8**	**76,551,7**
Financial liabilities at fair value				
Liabilities in the insurance business	-	46,515,7	-	**46,515,7**
Total	**-**	**46,515,7**	**-**	**46,515,7**

[1] Shares and participations in Level 3 refer to unlisted shares.

[2] SEK 3,383 refers to re-investments in bonds and SEK 1,895 refers to cash and cash equivalents.

Description of valuation levels

Level 1 mainly contains shares, mutual funds, bonds, treasury bills and standardized derivatives where the quoted price has been used in the valuation.

Level 2 contains substantially less liquid bonds measured on curves and liabilities in the insurance operations, the value of which is indirectly linked to a specific asset value measured based on observable input data. For less liquid bond holdings, credit spread adjustments are based on observable market data such as the credit derivatives market. This category includes mutual funds, derivatives and certain interest-bearing securities.

Level 3 contains other financial instruments for which own internal assumptions have a significant effect on the calculation of fair value. Level 3 contains mainly unlisted equity instruments. When valuation models are used to determine fair value of financial instruments in Level 3, the consideration paid or received is considered to be the best assessment of fair value on initial recognition.

When the Group determines the level at which financial instruments are to be recognized, each one is individually assessed in its entirety.

During the year, there have been no transfers of financial instruments between valuation levels 1 and 2. Financial instruments are transferred to or from Level 3 depending on whether internal assumptions have changed for the valuation.

Note 6 Pledged assets, contingent liabilities and commitments

SEK million	31/03/2018	31/03/2017	31/12/2017
Pledged assets and comparable collateral for own liabilities	none	none	none
Other pledged assets and comparable collateral			
Bonds and other interest bearing securities [1]	2,092,8	2,118,6	1,968,5
of which deposits with credit institutions	*1,806,6*	*1,814,3*	*1,692,2*
of which deposits with clearing organisations	*286,2*	*304,3*	*276,3*
Contingent liabilities	none	none	none
Commitments			
Credit granted but not yet paid, unsecured loans	892,5	144,6	907,0
Funds managed on behalf of third parties			
Client funds	160,8	221,2	189,6

[1] This amount includes blocked funds of SEK 86 million (74).

In the insurance business as at the balance sheet date of 31 March 2018, registered assets amounted to SEK 47,638 million (44,284), for which the policyholders have priority rights.

Note 7 Capital adequacy information

The rules on capital adequacy are the legislator's requirement for how much capital in the form of a capital base an institution must have in relation to the level of risk it takes. The regulations aim to strengthen the link between risk taking and capital requirements in the Group's operations. The legal capital requirements are calculated in accordance with Regulation 575/2013 of the European Parliament and of the Council (CRR), as well as the 2013/36 EU (CRD IV) Directive.

Information in this note is provided in accordance with Regulation (EU) 575/2013 of the European Parliament and of the Council on supervisory requirements for credit institutions and investment firms ("the supervisory regulation") and regulations supplementing the supervisory regulation, the Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) on the annual accounts of credit institutions and securities companies and the Swedish Financial Supervisory Authority's regulations (FFFS 2014:12) on supervisory requirements and capital buffers. Other required information is provided in a separate pillar 3 report available on Nordnet's website, see www.nordnetab.com.

Capital base and capital requirement of the financial conglomerate

The financial conglomerate comprises NNB Intressenter AB, Nordnet AB (publ) and all its subsidiaries. As a consequence of the solvency rules, the item Solvency capital, which refers to the estimated future present value of the insurance companies (Nordnet Pensionsförsäkring AB) including the subsidiary Nordnet Livsforsikring AS) includes cash flows generated by the policyholders' capital.

The capital requirement for units in the Insurance operations is affected by the policyholders' assets. The capital requirements for the banking operations vary primarily in terms of the size and credit quality of the bank's exposures. Nordnet Pension Insurance's solvency capital requirements and capital base are calculated in accordance with the standard model

Cont'd Note 7 Capital adequacy information

under Solvency II. The model requires assumptions that are determined by both the authorities and the Board of the insurance company.

The conglomerate's capital base shall cover the minimum capital requirements under the Supervision regulation and the Solvency Requirement under the Insurance Companies Act. The rules contribute to strengthening the Group's resilience to financial losses and thereby protecting customers. For the determination of the financial conglomerate's regulatory capital requirement, 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 capital base and capital requirement have been calculated in accordance with the consolidation method. The Group-based accounts have been compiled in accordance with the same accounting principles as the consolidated accounts.

Capital base and capital requirements for the consolidated situation

The consolidated situation consists of NNB Intressenter AB, Nordnet AB (publ) and Nordnet Bank AB. Consequently, the difference between the financial conglomerate and the consolidated situation is that the financial conglomerate also consolidates the insurance operations.
In order to establish statutory capital requirements for the consolidated situation, Regulation (EU) 575/2013 of the European Parliament and of the Council on supervisory requirements for credit institutions and investment firms, Capital Requirements

The financial conglomerate

SEK million	31/03/2018	31/03/2017	31/12/2017
Total equity	2,026,9	2,108,6	2,024,7
Less, profit that have not been subject to audit	-30,3	-55,3	0,0
Less requirements on prudent valuation	-14,3	-13,5	-14,0
Less expected dividend for current year	-100,0	-175,0	-100,0
Total equity for the financial conglomerate	**1,882,3**	**1,864,7**	**1,910,7**
Less fixed intangible assets and deferred tax receivables	-396,0	-371,5	-382,2
Solvency capital (VIF)	533,9	792,1	679,9
depart risk margin	-105,0	-139,8	-122,2
Capital base	**1,915,2**	**2,145,6**	**2,086,2**
Capital requirement per sector			
Exposure regulated entities, insurance sector	376,1	532,4	480,9
Exposure regulated entities, the banking and securities sector	957,8	910,2	944,1
Capital requirement	**1,333,9**	**1,442,6**	**1,424,9**
Excess capital	**581,3**	**702,9**	**661,3**
Capital base/capital ratio	**1,4**	**1,5**	**1,5**

Cont'd Note 7 Capital adequacy information

regulation; the Capital Buffers Act (2014:966), and the Swedish Financial Supervisory Authority's regulations (FFFS 2014:12) on supervisory requirements and capital buffers all apply.

The capital base shall cover minimum capital requirements for credit, settlement market operative risk and the combined buffer requirement (capital conservation and countercyclic buffer) and additional Pillar 2 requirements (interest rate risk in the bankbook, concentration and pension risk).

Nordnet applies the standard method for calculating capital requirements for credit risk, which entails seventeen exposure classes with a variety of risk weights within each class. Credit risk is calculated on all asset items in the balance sheet not deducted from the capital base. Capital base requirement for exchange rate risk comprises all items in and outside the balance sheet measured at current market value and converted to Swedish kronor at the balance sheet date. Capital base requirements for operational risk are calculated according to the base method, which implies that the capital requirement amounts to 15 percent of the average operating income for the last three financial years.

Capital requirements for the trading portfolio are calculated according to the rules for credit risk. The combined buffer requirement amounts to 4.2 percent of risk-weighted exposure amounts and consists of a capital conservation buffer (2.5 percent) and a countercyclical buffer (1.7 percent).

Core Tier 1 capital consists of equity reduced for items not included in the capital base, such as intangible assets, deferred tax assets and value adjustments. Deductions for value adjustments are made using the simplified method for financial instruments measured at fair value as regulated by Regulation (EU) 2016/101 on prudent valuation. Profit for the period or year is included in the event that external auditors have verified the profit and permission has been obtained from the Swedish Financial Supervisory Authority. Deductions are made for foreseeable costs and possible dividends under Commission Delegated Regulation (EU) 241/2014.

Internally assessed capital requirement

The minimum requirement for capital under Pillar 1 amounts to 8 percent. In addition to the minimum requirement, Nordnet maintains capital to meet the combined buffer requirement as well as to cover the total capital requirement resulting from the Bank's annual internal capital and liquidity assessment (IKLU) carried out under Pillar 2. This is governed by EU directive on capital adequacy 2013/36/EU Article 73 and the Financial Supervisory Authority's Regulations (FFFS 2014:12 Chapter 10). The capital evaluation aims at analyzing and highlighting risks that may be underestimated in calculating capital base requirements under Pillar 1 and identifying other significant risks to which the bank is exposed. IKLU also includes an assessment of the liquidity requirement in relation to future developments as well as buffers to cover outflows under highly stressed conditions.

The internal capital evaluation is based on Nordnet's business plan, current and future regulatory requirements as well as different scenario analyses. 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. The Financial Supervisory Authority reviews and evaluates Nordnet's risk management and as regards sufficient capital is kept for the significant risks to which the bank is exposed.

In addition to the minimum capital requirement and the buffer requirements, Nordnet has calculated the internal capital requirement for the consolidated situation to be SEK 236.4 (263.8) million. This is considered to be a satisfactory capital situation with regard to the activities that Nordnet conducts. Capital ratio is monitored continuously and, if necessary, results are reviewed during the current financial year by the company's external auditors, to be included in the capital base.

Cont'd Note 7 Capital adequacy information

The consolidated situation

SEK million	31/03/2018	31/03/2017	31/12/2017
Total equity	1,977,9	1,955,9	1,986,8
Less, profit that have not been subject to audit	-23,7	-40,0	-
Less requirements on prudent valuation	-14,3	-13,5	-14,0
Less expected dividend for current year	-100,0	-175,0	-100,0
Less intangible fixed assets and deferred tax receivables	-382,9	-353,9	-368,1
Tier 1 capital	**1,457,0**	**1,373,5**	**1,504,6**
Capital base	**1,457,0**	**1,373,5**	**1,504,6**
Risk exposures			
Exposure to credit risk according to the standardized method	6,669,5	5,943,9	6,543,3
Exposure market risk	11,6	38,7	6,6
Exposure operational risk	2,145,4	2,098,3	2,098,3
Total exposure	**8,826,4**	**8,080,9**	**8,648,2**
Capital ratio	**16,5%**	**17,0%**	**17,4%**

Capital base	31/03/2018	31/03/2017	31/12/2017
Credit risk according to the standardized method	533,6	475,5	523,5
Market risk	0,9	3,1	0,5
Operational risk	171,6	167,9	167,9
Capital requirement Pillar 1	**706,1**	**646,5**	**691,9**
Capital requirement Pillar 2	**236,4**	**263,8**	**252,2**
Total capital requirement	**942,5**	**910,2**	**944,1**
Capital ratio and buffers			
Common equity tier 1 ratio, %	16,5%	17,0%	17,4%
Tier 1 ratio, %	16,5%	17,0%	17,4%
Total capital ratio, %	16,5%	17,0%	17,4%
Institution-specific buffer requirements, %	4,2%	4,1%	4,2%
of which capital conserv at ion buffer requirement , %	2,5%	2,5%	2,5%
of which countercyclical buffer requirement, %	1,7%	1,6%	1,7%
Total capital requirement including buffer requirement, %	14,8%	15,3%	15,1%
Tier 1 capital available for buffer requirement, %	8,5%	9,0%	9,4%

Definitions

Active customer[1]
Physical person or legal entity holding at least one active account.

Active account[1]
Account with a value of > SEK 0 or a credit commitment.

Amount traded[1]
Amount traded refers to our customers' trade in shares, warrants, ETFs, certificates, bonds and similar instruments.

Cash market[1]
Cash market refers to trade in shares, warrants, ETFs, certificates, bonds and similar instruments.

Capital base[2]
The sum of Core Tier 1 capital and Tier 2 capital.

Capital ratio[2]
Capital base in relation to total risk-weighted exposure amount.

Client funds[1]
Cash and cash equivalents at Nordnet held on behalf of a third party.

Core Tier 1 capital[2]
Equity excluding proposed dividend, deferred taxes and intangible assets and some further adjustments in accordance with the EU capital requirements regulation no. 575/2013 (CRR) and EU 241/2014.

Core Tier I ratio[2]
Core Tier 1 capital divided by total risk-weighted exposure amount.

[1] Alternative performance measures
[2] Definitions in accordance with IFRS and the EU's capital requirement regulation no. 575/2013 (CRR) and the EU's Solvency II directive 2015/35

Cost coverage[1]
Non-transaction-related income relative to expenses.

Deposits[1]
Deposits including deposits attributable to liabilities in the insurance operations.

Lending[1]
Lending to the general public, excluding lending through "account credits" that are fully covered by pledged cash and cash equivalents on endowment insurance plans and investment savings accounts (ISKs), where the lending rate applied to the credits corresponds to the deposit rate on the pledged cash and cash equivalents.

Net commission income[1]
Commission income less commission costs and non-transactional net commission income.

Net commission per trade[1]
Total net commission income divided by total number of trades during the period.

Net savings[1]
Deposits of cash and cash equivalents and securities, less withdrawals of cash and cash equivalents and securities.

Operating expenses[2]
Expenses for operations, excluding credit losses and impairment of goodwill.

Operating margin[1]
Operating profit in relation to operating income.

Definitions

Personal loans[1]
Unsecured loans.

Profit margin[1]
Profit for the period in relation to operating income.

Risk exposure amounts[2]
Assets on and commitments outside of the balance sheet, risk-weighted according to the capital adequacy rules for credit risk and market risk. For operational risks, a capital requirement is calculated that is then expressed as risk-weighted assets. This only applies to the consolidated situation, i.e. excluding insurance operations, and not to exposures that have been directly deducted from the capital base.

Return on assets[1]
12-month rolling profit for the period in relation to average total assets.

Return on equity[1]
12-month rolling profit for the year in relation to average equity.

[1] Alternative performance measures
[2] Definitions in accordance with IFRS and the EU's capital requirement regulation no. 575/2013 (CRR) and the EU's Solvency II directive 2015/35

Alternative performance measures
Alternative Performance Measures (APM) are financial measures of historical or future financial development, financial position or cash flow that are not defined in applicable reporting regulations (IFRS) or in the fourth capital requirement directive (CRD IV) or in the EU capital requirement regulation no. 575/2013 (CRR) or the EU's Solvency II directive 2015/35. Nordnet uses alternative key performance measures when it is relevant to describe our operations and monitor our financial situation. These measures are not directly comparable with similar key figures presented by other companies.

Solvency capital (NPV)[2]
The estimated present value of expected profits in the existing insurance business.

Solvency capital requirements (SCR)[2]
Estimated capital requirements as per Solvency II regulations.

Total savings capital[1]
Total of cash and cash equivalents and value of securities for all active accounts.

Trade[1]
A registered transaction on the stock exchange or in the marketplace. Orders sometimes involve several trades.

Turnover rate[1]
The number of shares bought or sold during the year divided by the number of shares outstanding at year-end.

Nordnet AB (publ)
Box 30099, SE-104 25 Stockholm
Visiting address: Alströmergatan 39
Tel: +46 8 506 330 00, E-mail: info@nordnet.se
Registered company no.: 556249-1687

For more information on Nordnet and financial reports, go to nordnetab.com

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