

# Interim report January–March 2016

Nordnet is a bank for investments and savings and has operations in Sweden, Norway, Denmark and Finland. The concept behind Nordnet is to give customers control of their money, and our vision is to become the no. 1 choice for savings in the Nordics. Nordnet AB (publ) is listed on the Nasdaq Stockholm exchange.

Visit Nordnet's website [www.nordnetab.com](http://www.nordnetab.com) for reports, news and current information on Nordnet.

## January–March 2016

- Operating income decreased by 9 percent to SEK 301.5 million (329.8)
- Profit after tax for the period fell by 34 percent to SEK 72.0 million (108.5)
- Earnings per share before and after dilution were down 33 percent to SEK 0.41 (0.62)

## Highlights

- Large fluctuations in the market and high trading activity
- Steady growth of the personal loan business
- Launch of the mobile app for the Shareville service

<b>Operating profit</b> January–March	<b>Savings capital</b> 31 March
<b>SEK 89.2</b> (136.3) million	<b>SEK 197</b> (193) billion
<b>Active customers</b> 31 March	<b>Net savings</b> January–March
<b>507,100</b> (449,900) customers	<b>SEK 2.6</b> (8.2) billion
<b>Trades</b> January–March	<b>Lending*</b> 31 March
<b>5,893,800</b> (4,907,400) trades	<b>SEK 7.4</b> (6.2) billion

\* Lending excluding pledged cash and equivalents.

# The first quarter according to CEO Håkan

The 2016 trading year had a tough start and all Nordic exchanges declined in the first quarter. The beginning of the period was particularly turbulent and at most, the Nordic markets were down 15-20 percent, making it the worst beginning to a year since the 2008 financial crisis. Low oil prices, falling stock prices in China and negative key interest rates are events that influenced the stock market in the first quarter.

The high level of activity that concluded last year continued in the first three months of this year even if some slowing occurred in March. In total, this many trades have never before passed through Nordnet's system in a single quarter. This is due to a number of causes. Firstly, more and more private individuals are choosing Nordnet as their savings partner. During the quarter, we surpassed half a million customers in the four countries in which we are active, and our customer base has increased by 13 percent in the past 12 months. Secondly, low interest rates mean that money continues to be invested in the stock market. However, the tensions on the stock market have led to a larger share of our transactions being made by the more active customers. The challenging market climate has simply attracted event-driven traders more than long-term private savers.

Lending is becoming an increasingly prioritized area for Nordnet. In one year, our total loan volume increased by 20 percent, including both margin lending and personal loans. Our latest new product is mortgage with Sweden's lowest interest rate, which was launched just after the end of the quarter. The loan targets private banking customers and is offered at several different interest rates. The customers who have savings of SEK 5 million with Nordnet can borrow for their home at an interest rate as low as 0.79 percent. The mortgage complements our already strong offering in lending, and Nordnet can now offer Sweden's most competitive family of loan products.

Although both lending and the number of trades increased compared with the same period last year, our revenues for both commissions and net interest income decreased by 8-9 percent. The lower net commission income may be due in part to the effect of the changed price model introduced in 2015 in the Swedish market now having had a greater impact, and in part to the customers that made the most trades during the quarter trading at a lower price. The lower net interest income is attributable to the falling market rates, which had an effect in the form of lower interest rates to customers and lower return on our deposit surplus.

On the cost side, we are sticking to the plan we previously announced, and are continuing to invest in IT, product development and skills development. We want to create a company that is suited to the high rate of change in our surroundings. A short distance between idea and finished product and rapid response to consumers' changing preferences or competitors' initiatives are essential to success in the digital financial world.

But we do not need to do everything on our own. Nordnet Ventures is one of our new initiatives where we will make investments in the fintech area. The ambition is to contribute capital, knowledge and customers to relatively newly established Nordic companies with innovative savings products that can strengthen our offering. Shareville is an example of an earlier successful investment we made in this area. The service was launched one and a half years ago and is today the Nordic region's largest social investment network with more than 80,000 users. During the quarter, we launched a mobile app for Shareville that has been very much in demand.

Thank you for following Nordnet. If you have any comments or questions that you would like to share, you can find me on Twitter.

**Håkan Nyberg**

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# Operations

## About Nordnet

Nordnet is a bank for investment and saving 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 digitised share trading and lowered the prices. We redefined our industry, and we still maintain that approach today. We give our clients the knowledge, inspiration and tools they need to be able to invest independently and receive the best possible return on their money. Our vision is to be the first choice for savers in the Nordic region when it comes to savings and investments.

At Nordnet, we stand for transparency. Transparent Banking is the way we live and work. It is aimed at transparency in our business, making expertise available, clarity in communication about, for example, rates, terms and products, and openness to the public and customers.

Nordnet's core business consists of trading in securities via the internet. Our customers can invest in shares, mutual funds, ETFs, options, commercial papers, structured products and they can make pension savings at low commission and without fixed charges. In the Swedish market, we also offer personal loans.

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

Nordnet AB (publ) is listed on the Nasdaq Stockholm Mid Cap list under the NN B ticker.

## Market

### January-March 2016

The year has begun negatively for the Nordic stock exchanges, and as the first few months of the year are normally a strong period for shares, the past quarter is sort of a trend breaker in relation to what we have become accustomed to in recent years. Several factors are behind the decline and there are plenty of things for investors to be worried about. Among other things, the U.S. Federal Reserve's first key rate increase at the end of 2015 is a trend break after several years of a zero interest policy. It signals that a new phase has begun and is a threat to the stimulating environment we have had in recent years that strongly benefited the stock market.

At the same time, there are plenty of deflationary tendencies around the world with pressure on commodities and negative interest rates in many countries. At the beginning of January, the price of oil dropped below USD 30 per barrel and thereby reached its lowest level in more than a decade. Several central banks lowered the key interest rate during the quarter, including the Swedish Central Bank. In January, the Japanese Central Bank joined the countries with negative key interest rates.

The situation in China is also a cause for concern, which primarily struck the markets at the beginning of the year. Signs of slowdowns and large price drops in the Chinese stock market indicate problems for one of the world's largest economies. General disorder in connection with the war in Syria and the flows of refugees from Syria also contribute to the tensions in the EU and a risk of discord and an uncertain future for the Union. The decline on the stock market this year is also a continuation of a larger downward phase that has now been under way for more than a year.

For the fourth quarter, the reports gave no clear guidance where decent earnings and report outcomes were mixed with generally uncertain future outlooks for the companies.

## Customers and savings

The number of active customers with Nordnet as at 31 March was 507,100 (449,900), corresponding to an increase of 13 percent compared with a year ago. The number of active accounts was 650,500 (570,800), corresponding to an increase of 14 percent compared with the end of March 2015. Each customer has an average of 1.28 (1.27) accounts.

Our customers' total savings capital amounted to SEK 197 billion (193), an increase of 2 percent compared with the end of March in the previous year. Savings capital is made up of 68.4 percent (64.7) in shares/derivatives/bonds, 18.7 percent (23.6) in mutual funds and 13.0 percent (11.8) in cash.

Net savings for January-March 2016 totalled SEK 2.6 billion (8.2). Calculated in relation to savings capital at the end of March 2015, net savings for the past 12 months correspond to 4 percent. The lower level of net savings is mainly a result of the previously announced reduced partner cooperation with Söderberg & Partners in the Swedish market. Of their clients' capital, SEK 2.2 billion was transferred out of Nordnet in the first quarter.

Nordnet customers made an average of 98,200 trades (79,200) per day during the period January-March, an increase of 24 percent compared with the corresponding period in 2015. Lending excluding pledged cash and cash equivalents was up 20 percent compared with 12 months ago, amounting to SEK 7.4 billion (6.2), of which SEK 2.7 billion (2.3) is personal loans and SEK 4.7 billion (3.8) is margin lending.

There were approximately 112,600 accounts (96,500) within pensions and insurance as per 31 March, representing an increase of 17 percent compared with 31 March 2015. Total savings capital within this category increased by 9 percent, amounting to SEK 44.6 billion (40.8) at the end of March, of which some SEK 24.8 billion (24.4) is in the form of endowment insurance.

Table: Account overview

Number of accounts	31/03/2016	31/12/2015	30/09/2015	30/06/2015	31/03/2015
<b>Investments &amp; savings</b>	<b>510,700</b>	<b>492,700</b>	<b>476,500</b>	<b>462,200</b>	<b>447,800</b>
of which trading accounts	473,000	451,800	439,500	425,600	411,700
of which savings accounts	37,700	40,900	37,000	36,600	36,100
<b>Pension</b>	<b>112,600</b>	<b>107,800</b>	<b>103,700</b>	<b>100,000</b>	<b>96,500</b>
of which endowment insurance	46,900	45,800	45,000	44,300	43,500
of which occupational pension	21,500	20,000	18,700	17,400	16,600
of which other pension	44,200	42,000	40,000	38,300	36,400
<b>Personal loans</b>	<b>27,200</b>	<b>27,000</b>	<b>26,800</b>	<b>26,300</b>	<b>26,500</b>
<b>Total</b>	<b>650,500</b>	<b>627,500</b>	<b>607,000</b>	<b>588,500</b>	<b>570,800</b>

Table: Savings capital by account type and investment type

Savings capital (bn)	31/03/2016	31/12/2015	30/09/2015	30/06/2015	31/03/2015
<b>Investments &amp; savings</b>	<b>152.1</b>	<b>155.1</b>	<b>143.7</b>	<b>149.0</b>	<b>152.6</b>
of which trading accounts	150.1	153.1	141.6	146.8	150.4
of which savings accounts	2.0	2.1	2.1	2.2	2.1
<b>Pension</b>	<b>44.6</b>	<b>44.9</b>	<b>41.6</b>	<b>42.1</b>	<b>40.8</b>
of which endowment insurance	24.8	25.4	24.3	24.8	24.4
of which occupational pension	6.1	6.0	5.3	5.2	5.0
of which other pension	13.7	13.5	12.0	12.1	11.4
<b>Total</b>	<b>196.7</b>	<b>200.0</b>	<b>185.3</b>	<b>191.0</b>	<b>193.3</b>
of which shares/derivatives/bonds	134.4	136.4	120.4	122.1	125.0
of which mutual funds	36.7	39.7	39.3	42.9	45.6
of which cash	25.5	23.9	25.7	26.1	22.8
<b>Total</b>	<b>196.7</b>	<b>200.0</b>	<b>185.3</b>	<b>191.0</b>	<b>193.3</b>

Table: Lending

Lending	31/03/2016	31/12/2015	30/09/2015	30/06/2015	31/03/2015
Margin lending excluding pledged cash and cash equivalents, see note 5	4.7	4.5	4.1	3.8	3.8
Personal loans	2.7	2.6	2.5	2.4	2.3
<b>Total</b>	<b>7.4</b>	<b>7.1</b>	<b>6.6</b>	<b>6.2</b>	<b>6.2</b>

\*For information on pledged cash and cash equivalents, see Note 5.

## Revenues and expenses

### January-March 2016

Operating income for the quarter decreased by 9 percent to SEK 301.5 million (329.8). The decrease is due to lower net interest income and net commission income. Net interest income decreased by SEK 9.3 million, which is attributable to lower market interest rates. Net commission income decreased by SEK 14.2 million, which is attributable to lower net commissions per trade. 5.9 million (4.9) trades were made, which is an increase of 20 percent compared with the first quarter of 2015. Net commission per trade was SEK 21 in the quarter, compared with SEK 27 in the same quarter in 2015. Operating expenses before credit losses rose by 12 percent compared with the same quarter last year and amounted to SEK -204.1 million (-181.7). The increase in expenses is attributable to, among other things, investments in IT, product and skills development and occupational pensions in Sweden.

Operating profit decreased by 35 percent to SEK 89.2 million (136.3), and the operating margin was 30 percent (41). Profit after tax for the period decreased by 34 percent to SEK 72.0 million (108.5), resulting in a profit margin of 24 percent (33). Earnings per share before dilution fell by 33 percent to SEK 0.41 (0.62). Earnings per share after dilution fell by 33 percent to SEK 0.41 (0.62).

Operating income excluding transaction-related net commissions for the quarter decreased by 8 percent compared with the first quarter of 2015. Cost coverage, i.e. operating income excluding transaction-related net commission in relation to operating expenses, amounted to 85 percent (101).

## Development in our markets

### Sweden

The number of trades among Swedish customers rose by 38 percent compared with the first quarter of 2015. Despite higher trade, revenues decreased during the first quarter by 14 percent, mainly due to lower commission income related to price changes on share trading in Sweden. Costs increased by 9 percent, which was mainly due to higher marketing costs, an expanded workforce in sales of occupational pensions, and investments in product and infrastructure. The operating margin was 32 (44) percent. At the end of March 2016, Nordnet Sweden had 243,300 (226,000) active customers. That corresponds to an increase of 8 percent over the past 12 months. Net savings for the period January-March amounted to SEK -0.8 billion (3.1). Calculated in relation to savings capital at the end of March 2015, Swedish operations in the past 12 months showed a negative net savings of 5 percent. The negative net savings are mainly due to the decrease in the collaboration with Söderberg & Partners that was announced previously. Of their customers' capital, SEK 2.2 billion was moved out of Nordnet during the quarter. The first part of the reduced partnership with Söderberg & Partners is finished, which means that SEK 9.5 billion in total has been moved from Nordnet since the change in the cooperation was first announced. During 2016, additional capital will be moved from Nordnet's platform. In total, Söderberg & Partners today have about SEK 15 billion at Nordnet, whereof about half may be subject to moving.

In addition to services for savings and investments, Nordnet also offers personal loans on the Swedish market under the Nordnet Toppenlånet and Konsumentkredit product names. At 31 March 2016, number of personal loan customers amounted to 27,200 customers (26,500). The total lending volume was SEK 2.7 billion (2.3), with an average interest rate of about 8.6 percent. In the first quarter of the year, the lending volume for personal loans to Nordnet's customers increased by 5 percent compared with the start of the year. Personal loans contributed 46 percent (25) of operating profit in Sweden for the period January-March.

In the first quarter, we welcomed our customers and others interested in savings to the fourth edition of Nordnet Live. The more than 4,000 registered participants and everyone who streamed the event online were able to listen to many exciting business leaders, such as the price rocket Fingerprint's CEO Jörgen Lantto. In the first three months, we also had greater focus on women's savings, and have therefore entered a cooperation agreement with Feminvest, an investment network for women.

During the quarter, the fund rating firm Morningstar launched a uniform standard for the classification of funds based on a sustainability perspective, something that has long been in demand among private savers. We have taken the first step toward making Morningstar's model visible on our web service with the aim of make it easier for investors to choose funds that invest sustainably.

### Norway

Income rose by 4 percent, largely related to increased commission income. Costs increased by 13 percent, due to greater marketing and share of increased personnel expenses in Nordnet's product development and IT. The operating margin decreased to 19 (25) percent during January-March. As per 31 March 2016, the number of active customers amounted to 73,500 (64,800), which corresponds to a customer growth of 13 percent over the past 12-month period. Net savings for the period January-March amounted to SEK 1.1 billion (1.5). Calculated in relation to savings capital at the end of March 2015, net savings for the past 12 months correspond to 20 percent. The number of trades among Nordnet's Norwegian customers during the quarter rose by 10 percent compared with the period January-March 2015.

For the first time in Nordnet's history, the savings event Nordnet Live was arranged in Norway. Guests in attendance at Folketeateret in Oslo could follow a programme filled with discussions by stock exchange experts and the business community on opportunities and challenges for Norwegian technology and industry linked to the situation in the global economy. Those who were not there were able to follow the event via nordnet.no or Norway's largest online newspaper for finance and business e24.no. At the end of March, Tom Hauglund took office as Nordnet's new investment economist. In this role, Tom will inspire sounder investments and represent the interests of private savers in the financial debate.

## Denmark

The number of trades among Nordnet's Danish customers rose by 11 percent compared with the period January-March 2015. OMXC20 dropped 7 percent in the first quarter, which initially led to a high level of activity, but towards the end of the period, savers took a more wait-and-see approach to share investments.

Revenues increased by 15 percent, mainly related to higher commission income and income from currency exchanges where customers trade outside their home markets. The costs increased 18 percent in the period January-March 2016 compared with the same period the year before. The cost increase was due to a larger workforce and share of increased personnel expenses in Nordnets product development and IT. The operating margin was 45 (47) percent.

Awareness of Nordnet is growing in the Danish market and growth in our Danish customer base remains high. The number of active customers at the end of March 2016 amounted to 58,300 (43,600), which is an increase of 34 percent over the past 12-month period. Net savings for the quarter totalled SEK 1.8 billion (3.2). Calculated in relation to savings capital at the end of March 2015, net savings for the past 12 months correspond to 30 percent.

In the first quarter, the NGM exchange in Denmark was launched, and Nordnet's customers were the first to be offered the opportunity to trade on this marketplace. In cooperation with Commerzbank, we offer Danish savers the opportunity to invest in certificates from Commerzbank throughout 2016 with no commission charges. Certificate trading is relatively new in the Danish market and this offer is therefore a good opportunity for Danish savers to become familiar with the simple trade in commodities, indexes and bull and bear products with leverage.

## Finland

The revenues in our Finnish operations decreased by 20 percent in the period January-March 2016 compared with the year-before period, which is due to lower commission income and income from currency exchanges in connection with foreign trading. The costs increased 15 percent in the period January-March 2016 compared with the same quarter the year before. The cost increase was due to marketing and a share of increased personnel expenses in Nordnets product development and IT. As a result of lower revenues and higher costs, the operating margin decreased to 10 (38) percent. The Finnish stock exchange declined 5 percent in the first three months of the year and the number of trades among our Finnish customers decreased by 2 percent compared with the first quarter of 2015.

Nordnet is the most recommended bank for savings and investments according to a survey done by the independent analyst firm YouGov on behalf of Nordnet. Having satisfied customers that recommend us to their friends and colleagues is important for growth. At year-end, we had 132,000 active Finnish customers (115,500), corresponding to an increase of 14 percent compared with the end of March 2015. Net savings for the period January-March amounted to SEK 0.6 billion (0.5). Calculated in relation to savings capital at the end of March 2015, net savings for the past 12 months correspond to 2 percent. Growth in the Finnish economy is weak, which to some extent explains the low net savings.

In March, Nordnetblogi.fi (the Nordnet blog) was named the best finance blog in Finland by Cision. During the quarter, our Finnish share strategist Jukka Oksaharju was also ranked among the 10 most influential opinion-formers in Finland. The survey was carried out by the Finnish finance newspaper Kauppalehti.

Table: Profit per country

January-March	Sweden		Norway		Denmark		Finland		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Operating income	158.2	184.8	41.6	39.9	58.6	50.9	43.1	54.1	301.5	329.8
Operating expenses	-99.1	-90.5	-33.8	-30.0	-32.4	-27.5	-38.8	-33.8	-204.1	-181.7
<b>Profit before credit losses</b>	<b>59.1</b>	<b>94.3</b>	<b>7.8</b>	<b>10.0</b>	<b>26.2</b>	<b>23.4</b>	<b>4.4</b>	<b>20.4</b>	<b>97.5</b>	<b>148.1</b>
Credit losses	-8.4	-12.1	0.1	0.0	0.0	0.4	0.0	0.0	-8.3	-11.8
<b>Operating profit</b>	<b>50.8</b>	<b>82.2</b>	<b>7.9</b>	<b>9.9</b>	<b>26.2</b>	<b>23.8</b>	<b>4.4</b>	<b>20.3</b>	<b>89.2</b>	<b>136.3</b>
<b>Operating margin</b>	<b>32%</b>	<b>44%</b>	<b>19%</b>	<b>25%</b>	<b>45%</b>	<b>47%</b>	<b>10%</b>	<b>38%</b>	<b>30%</b>	<b>41%</b>
Number of customers	243,300	226,000	73,500	64,800	58,300	43,600	132,000	115,500	507,100	449,900
Number of accounts	331,900	302,400	89,600	76,900	76,000	56,900	153,000	134,600	650,500	570,800
Net savings (SEK billion)	-0.8	3.1	1.1	1.5	1.8	3.2	0.6	0.5	2.6	8.2
Savings capital (SEK billion)	99.2	104.9	20.3	18.7	35.7	27.6	41.4	42.2	196.7	193.3
Number of trades	3,023,800	2,198,100	764,200	693,100	1,121,000	1,009,200	984,800	1,007,000	5,893,800	4,907,400

## Financial position, liquidity and cash flow

Nordnet offers two types of lending – loans with securities as collateral and personal loans. For both, Nordnet has well developed procedures for dealing with credit risks.

For personal loans, a tried and tested scoring model is used 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.

Nordnet's deposit surplus is mainly invested in covered bonds, sovereign securities, the Swedish Riksbank, the Danish National Bank and the Nordic banking system.

Consolidated cash and cash equivalents at the end of December amounted to SEK 260.7 million (745.1), of which frozen assets were SEK 88 million (72). In addition, the Group has interest-bearing investments with a total fair value of SEK 13,184.9 (14,933.3). The Group's equity, excluding minority interests, amounted to SEK 1,954.4 million (1,854.5), and including minority interests equity amounted to SEK 1,958.0 million (1,857.9). The equity, excluding minority interests, is divided over 174,384,363 outstanding shares at SEK 11.21 per share (10.60), or SEK 11.23 (10.61) including minority interests.

For the financial conglomerate where Nordnet AB (publ) is the Parent Company, the capital base amounted to SEK 1,887.8 million (1,878.9) and total exposure amount is SEK 12,638.1 million (12,581.3). At the end of the period, the capital ratio was 14.9 percent, compared with 14.9 percent at the same time last year.

## Cash flow

In the first quarter, cash flow from operating activities was affected by increased liquidity in customer deposits due to selling of securities for some SEK 2.2 million and securities transactions under settlement, "settlement receivables".

During the quarter, cash flow in investing activities is negativ due to buying of bonds and other fixed income securities for some SEK -1.5 million, as a result of excess deposits.

# Other

## Parent Company

The Parent Company is a holding company. Operating income for January-March 2016 amounted to SEK 2.3 million (1.9) and relates to Group administrative services. The loss from financial investments amounted to SEK 0.4 (1.4) million and consisted primarily of interest expenses and similar charges. The Parent Company's loss after financial items for the period January-March amounted to SEK 3.2 million (3.5). The Parent Company's cash and cash equivalents amounted to SEK 11.1 million (19.7), and shareholders' equity amounted to SEK 1,291.4 million (1,242.4).

## Employees

As of 31 March 2016, the company had 433 full-time employees (390). Full-time employees include temporary employees but not employees on parental or other leave. The average number of full-time positions for the January-March period was 411 (378).

Klas Ljungqvist, Chief Technology Officer and a member of Group management, resigned from his position at Nordnet in January 2016 and was replaced in February 2016 by Tuva Palm, previously at Klarna.

## Significant risks and uncertainty factors

Nordnet's operations are influenced by a number of external factors, the effects of which on the Group's profit and financial position can be controlled to varying degrees. When assessing the Group's future development, it is important to take into account the risk factors alongside any opportunities for profit growth. A description of Nordnet's exposure to risk and handling of risks can be found under Note 7 in the 2015 Annual Report. No significant changes have occurred since then.

## Closely related transactions

In the first quarter, similar transactions took place with closely related parties and to the same extent as previously. E. Öhman J:or AB is associated with Nordnet AB (publ) as E. Öhman J:or AB has a direct holding, and the owners of E. Öhman J:or AB have a direct holding in Nordnet AB (publ). Nordnet has a cooperation agreement with E. Öhman J:or Fonder AB. Since 2014, an agreement has been entered with E. Öhman J:or AB on the management of Nordnet's no-fee index funds, the Super Funds.

The Emric Group and its parent company Emric Partners AB are 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 personal loans. For additional information, please refer to Note 6 in the 2015 Annual Report.

## The Share

The Nordnet share price was SEK 34.70 (33.00) at 31 March 2016, which corresponds to a 5.2 percent rise since 31 March 2015. During the same period, the OMXSPI index declined 11.0 percent.

In the first quarter, 34,467 Nordnet shares (-) were repurchased due to a performance-related share programme decided upon by the Annual General Meeting. See section entitled "Performance-related share programme" for further details.

Nordnet owns a total of 643,523 (-) treasury shares.

## Performance-related share programme

In accordance with decisions by the Annual General Meetings of 24 April 2013, 23 April 2014 and 23 April 2015, Nordnet has established three long-range performance-related share incentive programmes. 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 future recruitment of key personnel.

### Performance-Related Share Scheme 2015

"Performance-Related Share Scheme 2015" refers to the long-term performance-related share incentive plan adopted on 23 April 2015 and covering approximately 40 individuals including the Chief Executive Officer.

Employees who participate in the "Performance-related share programme 2015" can set aside an amount corresponding to maximum 5 percent of their gross compensation for share purchases on the Nasdaq Stockholm exchange during the 12-month period from the implementation of the programme. 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, then the employee will be allocated an equivalent number of shares compensation-free. In addition to this award, the above-mentioned key employees will be offered a further allocation of matching shares based on the following conditions:

The terms for the allocation of matching shares is 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.

- Up to one third of the maximum award will vest if the annual growth (compound annual growth rate, CAGR) in the number of active customers (customers with balances of > SEK 0) between financial year 2014 and financial year 2017 is between 5 and 20 percent. Performance matching commences at the threshold level of 5 percent CAGR and increases linearly to full vesting of this third at 20 percent CAGR.
- In relation to the savings capital at the start of the year, up to one third of the maximum award will vest if the average annual growth in net savings between financial year 2014 and financial year 2017 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 annual growth (compound annual growth rate, CAGR) in earnings per share between financial year 2014 and financial year 2017 is between 0 and 15 percent. Performance matching commences at the threshold level of 0 percent CAGR and increases linearly to full vesting of this third at 15 percent CAGR.

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. Further limitations in terms of allocations, penalties, demands, etc. are specified in the remuneration policy in force within the Company at any given time.

For further information on the performance-related share programmes 2013 and 2014, please see Note 12 of the 2015 Annual Report.

The Board proposes a performance-related share programme 2016, which will be decided upon at the Annual General Meeting, held on April 21, 2016.

## Future prospects

In Nordnet's assessment, the Nordic savings market is growing. One factor making a strong contribution is the restructuring of the pension system that is in progress, where the individual is expected to assume greater responsibility for his/her pension. Nordnet targets customers who seek to be actively involved in decisions regarding their savings and this segment is also expected to grow. In an environment where digital technology allows customer reviews to spread quickly, and offerings and prices can easily be compared, it is increasingly difficult for banks to lock customers in, requiring their total commitment. Savers' increasing awareness often leads them to choose banks such as Nordnet with its transparent, affordable offering within a defined area.

Nordnet's vision is to become the first choice for savings in the Nordic region and we see good opportunities for continued growth in the Nordic savings market. Our objective is to achieve sustained annual growth of more than 10 percent in active customers and net savings.

Nordnet operates a scalable platform for investments and savings on a Nordic basis. With increasing income, the operating margin should gradually improve. However, increased business volumes and product development drive a certain increase in expenses. For 2016, it is our assessment that operating expenses excluding credit losses will increase by 6-8 percent compared with 2015.

## Events after the reporting period

On April 18, Nordnet launched house loans on the Swedish market. The product is addressed to Private Banking customers with a capital of at least SEK 2.5 million. The loan is provided from an interest rate of 0.79%, which makes it the cheapest house loan in Sweden.

## Future calendar events

Interim Report January–June 2016	19 July, 2016
Interim report January–September 2016	25 October 2016

## Presentation to analysts, shareholders and the media

CEO Håkan Nyberg and CFO Jacob Kaplan will be presenting the report and answering any questions on 21 April 2016 at 10:00 a.m. CET at a telephone conference. The presentation will be made in English and can also be followed online.

Telephone number for participation by telephone: +46 8 5664 2662 (Sweden) or +44 20 3008 9819 (UK).

Follow the presentation at <http://financialhearings.nu/?160421/nordnet/>

The information in this report is that which Nordnet AB (publ) is required to publish in accordance with the Swedish Financial Instruments Trading Act and/or the Swedish Securities Act. This information has been submitted to the market for publication on 21 April 2016 at 08:30 a.m. (CET).

The CEO provides his assurance that this interim report for January to March 2016 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 sources of uncertainty faced by the Parent Company and the companies within the Group.

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

Bromma, 21 April 2016

Håkan Nyberg

CEO

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Become a customer: [nordnet.se](http://nordnet.se), [nordnet.no](http://nordnet.no), [nordnet.dk](http://nordnet.dk), [nordnet.fi](http://nordnet.fi)

# Financial statements

## Consolidated income statement (SEK million)

Group, SEK million	Note	3 months jan-mars 2016	3 months jan-mars 2015	12m rolling apr-mar 2016	12 months jan-dec 2015
Interest income		108.4	119.4	440.1	451.0
Interest expenses		-7.1	-8.7	-31.4	-33.1
Commission income		217.2	238.3	870.8	891.8
Commission expenses		-64.4	-71.3	-260.3	-267.2
Net result of financial transactions		33.7	39.1	141.8	147.2
Other operating income		13.7	13.1	60.3	59.6
<b>Total operating income</b>		<b>301.5</b>	<b>329.8</b>	<b>1,221.2</b>	<b>1,249.4</b>
General administrative expenses	2	-165.1	-150.3	-653.9	-639.1
Depreciation and amortization	3	-20.0	-19.5	-80.1	-79.6
Other operating expenses	4	-18.9	-11.9	-47.7	-40.8
<b>Total expenses before credit losses</b>		<b>-204.1</b>	<b>-181.7</b>	<b>-781.8</b>	<b>-759.4</b>
<b>Profit before credit losses</b>		<b>97.5</b>	<b>148.1</b>	<b>439.4</b>	<b>490.0</b>
Net credit losses		-8.3	-11.8	-37.8	-41.3
<b>Operating profit</b>		<b>89.2</b>	<b>136.3</b>	<b>401.5</b>	<b>448.6</b>
Tax on profit for the period		-17.1	-27.7	-80.9	-91.5
<b>Profit for the period</b>		<b>72.0</b>	<b>108.5</b>	<b>320.6</b>	<b>357.0</b>
<b>Of which, attributable to:</b>					
shareholders of the Parent Company		72.3	108.9	321.5	358.1
the non-controlling interest		-0.3	-0.3	-0.9	-1.0
Average number of shares before dilution		174,400,378	175,027,886	174,323,096	174,950,604
Earnings per share before dilution		0.41	0.62	1.84	2.05
Average number of shares after dilution		174,788,132	175,179,220	174,908,282	175,299,370
Earnings per share after dilution		0.41	0.62	1.84	2.04

See also table "Profit per country" in the section "Development in our markets".

## Consolidated statement of comprehensive income (SEK million)

Group, SEK million	3 months jan-mars 2016	3 months jan-mars 2015	12m rolling apr-mar 2016	12 months jan-dec 2015
<b>Profit for the period</b>	<b>72.0</b>	<b>108.5</b>	<b>320.6</b>	<b>357.0</b>
<b>Items that will be booked through profit or loss</b>				
Change in value of assets available for sale	9.6	1.5	-29.5	-37.6
Tax on change in value of assets available for sale	-2.1	-0.3	6.4	8.2
Translation of foreign operations	4.8	-1.0	-13.5	-19.2
<b>Total other comprehensive income</b>	<b>12.2</b>	<b>0.2</b>	<b>-36.6</b>	<b>-48.6</b>
<b>Total profit or loss and other comprehensive income</b>	<b>84.2</b>	<b>108.7</b>	<b>284.1</b>	<b>308.4</b>
<b>Of which, attributable to:</b>				
shareholders of the Parent Company	84.6	109.0	285.0	309.6
the non-controlling interest	-0.3	-0.3	-0.9	-1.0

## Consolidated balance sheet (SEK million)

Group, SEK million	Note	31/03/2016	31/03/2015	31/12/2015
<b>Assets</b>				
Loans to credit institutions		260.7	745.1	294.7
Loans to the general public	5	7,875.0	6,566.3	7,278.1
Financial assets at fair value		9.4	11.4	10.8
Financial assets available for sale		10,318.4	13,445.2	10,181.2
Financial assets held to maturity		3,526.3		
Financial assets - policy holders bearing the risk		35,862.0	33,924.7	35,995.1
Intangible fixed assets		387.2	430.6	389.7
Tangible fixed assets		27.9	30.0	29.3
Current tax assets		64.3	28.6	110.1
Other assets		2,630.9	3,343.1	2,440.0
Prepaid expenses and accrued income		120.1	182.1	102.6
<b>Total assets</b>		<b>61,082.2</b>	<b>58,707.0</b>	<b>56,831.7</b>
<b>Liabilities</b>				
Liabilities to credit institutions		-	-	397
Deposits and borrowing by the public		20,528.9	18,472.9	19,605.4
Liabilities to policyholders		35,863.1	33,925.6	35,996.2
Other liabilities		2,451.4	4,080.2	2,084.3
Current tax liabilities		86.9	110.8	73.5
Deferred tax liabilities		50.7	51.1	51.3
Accrued expenses and deferred income		143.1	132.7	132.1
Subordinated liabilities		-	75.7	0.0
<b>Total liabilities</b>		<b>59,124.1</b>	<b>56,849.1</b>	<b>58,339.3</b>
<b>Equity</b>				
Share capital		175.0	175.0	175.0
Other capital contributions		479.7	471.9	478.8
Other provisions		-101.1	-53.4	-113.3
Accrued profit including profit for the period		1,400.8	1,261.0	1,329.6
<b>Total shareholders' equity attributable to shareholders of the Parent Company</b>		<b>1,954.4</b>	<b>1,854.5</b>	<b>1,870.1</b>
Non-controlling interest		3.6	3.4	3.9
<b>Total equity</b>		<b>1,958.0</b>	<b>1,858.0</b>	<b>1,874.0</b>
<b>Total liabilities and equity</b>		<b>61,082.2</b>	<b>58,707.0</b>	<b>60,213.3</b>

## Consolidated changes in equity, summary (SEK million)

Group, SEK million	31/03/2016	31/03/2015	31/12/2015
<b>Opening equity</b>	<b>1,874.0</b>	<b>1,751.1</b>	<b>1,751.1</b>
Profit for the period	72.3	108.9	358.1
Total other comprehensive income	12.2	0.2	-48.5
Other	-	-	-
Dividend	-	-	-175.0
Equity provided, share programme	0.9	-	6.9
Repurchase of own shares	-1.1	-1.9	-19.2
Liquidation NN Securities Oy	-	-	1.5
Acquisition non-controlling interest	-0.3	-0.3	-1.0
<b>Closing equity</b>	<b>1,958.0</b>	<b>1,857.9</b>	<b>1,874.0</b>

## Consolidated cash flow statement, summary (SEK million)

Group, SEK million	3 months jan-mars 2016	3 months jan-mars 2015	12m rolling apr-mar 2016	12 months jan-dec 2015
<b>Operating activities</b>				
Cash flow from operating activities before changes in working capital	190.1	197.9	363.1	371.0
Cash flow from changes in working capital	1,670.1	2,509.1	1,313.8	2,152.8
Cash flow from operating activities	1,860.2	2,707.0	1,677.0	2,523.8
<b>Investing activities</b>				
Purchases and disposals of intangible and tangible fixed assets	-41.2	-9.5	-73.0	-41.2
Net investments in financial instruments	-1,443.4	-2,840.4	-1,799.1	-3,196.1
Cash flow from investing activities	-1,484.7	-2,849.9	-1,872.1	-3,237.4
<b>Financing activities</b>				
Cash flow from financing activities	-405.1	-100.0	-278.6	26.6
<b>Cash flow for the period</b>	<b>-29.6</b>	<b>-242.9</b>	<b>-473.7</b>	<b>-687.0</b>
<b>Cash and equivalents at the start of the period</b>	<b>294.7</b>	<b>987.5</b>	<b>294.7</b>	<b>987.5</b>
Exchange rate difference for cash and equivalents	-4.4	0.5	-10.6	-5.7
<b>Cash and equivalents at the end of the period</b>	<b>260.7</b>	<b>745.1</b>	<b>-189.7</b>	<b>294.7</b>

## Parent Company income statement (SEK million)

Parent Company, SEK million	3 months jan-mars 2016	3 months jan-mars 2015	12m rolling apr-mar 2016	12 months jan-dec 2015
Net sales	2.3	1.9	9.0	8.6
<b>Total operating income</b>	<b>2.3</b>	<b>1.9</b>	<b>9.0</b>	<b>8.6</b>
Other external costs	-1.7	-1.6	-4.6	-4.5
Personnel costs	-3.0	-2.0	-12.9	-12.0
Other operating expenses	-0.4	-0.3	-1.4	-1.3
<b>Operating profit</b>	<b>-2.9</b>	<b>-2.1</b>	<b>-9.9</b>	<b>-9.2</b>
<b>Profit from financial investments:</b>				
Result from participations in affiliated companies	-	-	250.1	250.1
Write-down of financial assets	-	-	0.0	0.0
Other interest and similar income	-	0.9	0.0	1.0
Interest expense and similar expense	-0.4	-2.3	-3.4	-5.4
<b>Result from financial investments</b>	<b>-0.4</b>	<b>-1.4</b>	<b>246.6</b>	<b>245.6</b>
<b>Profit after financial items</b>	<b>-3.2</b>	<b>-3.5</b>	<b>236.7</b>	<b>236.5</b>
Tax on profit for the period	0.5	0.8	-0.3	-
<b>Profit for the period</b>	<b>-2.7</b>	<b>-2.7</b>	<b>236.4</b>	<b>236.5</b>

## Parent Company statement of comprehensive income (SEK million)

Parent company, SEK million	3 months jan-mars 2016	3 months jan-mars 2015	12m rolling apr-mar 2016	12 months jan-dec 2015
<b>Profit for the period</b>	<b>-2.7</b>	<b>-2.7</b>	<b>236.4</b>	<b>236.5</b>
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total profit or loss and other comprehensive income</b>	<b>-2.7</b>	<b>-2.7</b>	<b>236.4</b>	<b>236.5</b>

## Parent Company balance sheet, summary (SEK million)

Parent Company, SEK million	31/03/2016	31/03/2015	31/12/2015
<b>Assets</b>			
Financial fixed assets	1,203.2	1,150.4	1,202.5
Current assets	118.6	193.3	116.4
Cash and bank balances	11.1	19.7	15.4
<b>Total assets</b>	<b>1,332.8</b>	<b>1,363.4</b>	<b>1,334.3</b>
<b>Equity and liabilities</b>			
Equity	1,291.4	1,242.4	1,293.5
Long-term liabilities	-	75.7	-
Current liabilities	41.4	45.2	40.8
<b>Equity and total liabilities</b>	<b>1,332.9</b>	<b>1,363.4</b>	<b>-3.1</b>
Memorandum items			
Assets pledged	None	None	None
Contingent liabilities	None	None	None

# Notes, Group

## Note 1 Accounting principles

Nordnet AB's (publ) consolidated financial statements are compiled in accordance with International Financial Reporting Standards (IFRS) approved by the EU. This report for the Group has been compiled in accordance with IAS 34, Interim Financial Reporting. In addition, the Group complies with the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL) and the regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25). The interim report for the Parent Company has been compiled in accordance with the Annual Accounts Act. The accounting principles applied in this report are those described in the 2015 Nordnet Annual Report, Note 5, the section entitled "Accounting principles applied". For the Group and the Parent Company, the same accounting principles and valuation bases for calculation have been applied as in the 2015 Annual Report.

## Note 2 General administrative expenses

SEK million	3 months	3 months	12m rolling	12 months
	jan-mars 2016	jan-mars 2015	apr-mar 2016	jan-dec 2015
Personnel costs	-89.6	-81.3	-353.5	-345.2
Other administrative expenses	-75.6	-69.0	-300.4	-293.9
	<b>-165.1</b>	<b>-150.3</b>	<b>-653.9</b>	<b>-639.1</b>

## Note 3 Amortisation and depreciation of tangible and intangible assets

SEK million	3 months	3 months	12m rolling	12 months
	jan-mars 2016	jan-mars 2015	apr-mar 2016	jan-dec 2015
Depreciation	-20.0	-19.5	-80.1	-79.6
	<b>-20.0</b>	<b>-19.5</b>	<b>-80.1</b>	<b>-79.6</b>

## Note 4 Other operating expenses

SEK million	3 months	3 months	12m rolling	12 months
	jan-mars 2016	jan-mars 2015	apr-mar 2016	jan-dec 2015
Marketing	-17.0	-10.2	-40.3	-33.5
Other operating expenses	-1.9	-1.7	-7.4	-7.3
	<b>-18.9</b>	<b>-11.9</b>	<b>-47.7</b>	<b>-40.8</b>

## Note 5 Loans to the public

As at 31 March, SEK 475.8 million (407.6) of lending to the 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 public is secured by collateral in the form of securities or unsecured loans.

## Note 6 Financial assets and liabilities and their fair values

### Fair value

SEK million	31/03/2016	31/03/2016	31/03/2015	31/03/2015	31/12/2015	31/12/2015
	Reported value	Fair value	Reported value	Fair value	Reported value	Fair value
<b>Financial assets</b>						
Loans to credit institutions	260.7	260.7	745.1	747.7	294.7	294.7
Loans to the general public	7,875.0	7,875.0	6,566.3	6,566.3	7,278.1	7,278.1
Financial assets at fair value	9.4	9.4	11.4	11.4	10.8	10.8
Financial assets available for sale*	10,318.4	10,318.4	13,445.2	13,445.2	10,181.2	10,181.2
Financial assets held to maturity	3,526.3	3,510.8			3,381.6	3,358.0
Financial assets - policy holders bearing the risk*	35,862.0	35,862.0	33,924.7	33,924.7	35,995.4	35,995.4
Other assets	2,549.6	2,549.6	3,282.0	3,282.0	2,439.1	2,439.1
Accrued income	81.6	81.6	157.8	157.8	75.4	75.4
<b>Total</b>	<b>60,483.0</b>	<b>60,467.6</b>	<b>58,132.4</b>	<b>58,135.1</b>	<b>59,656.3</b>	<b>59,632.7</b>
<b>Financial liabilities</b>						
Liabilities to credit institutions	-	-	-	-	396.5	396.5
Deposits and borrowing from the general public	20,528.9	20,528.9	18,472.9	18,472.9	19,605.4	19,605.4
Liabilities in the insurance business, regarding investment contracts	35,863.1	35,863.1	33,925.6	33,925.6	35,996.2	35,996.2
Other liabilities	2,423.0	2,423.0	5,548.5	5,548.5	2,071.5	2,071.5
Accrued expenses	68.9	68.9	64.2	64.2	65.4	65.4
Subordinated liabilities	-	-	75.7	76.6	-	-
<b>Total</b>	<b>58,884.0</b>	<b>58,884.0</b>	<b>58,086.9</b>	<b>58,087.8</b>	<b>58,135.0</b>	<b>58,135.0</b>

\* Financial assets where policy holders are bearing the risk are assets belonging to Nordnet Pensionsförsäkring AB. Part of these assets are placed with Nordnet Bank AB, which has invested in interest-bearing securities amounting to SEK 2 866.5 million (1 488.2). As of 31-12-2015, the equivalent amount is SEK 1 696.2 million.

## 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.

### Financial instruments and 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, 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 by credit institutions**

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.

## Valuation levels

31/03/2016	Level 1	Level 2	Total
	Listed market price on active market	Valuation model based on observable market data	
<b>SEK million</b>			
<b>Financial assets at fair value</b>			
Financial assets at fair value	9.4	-	9.4
Financial assets available for sale	10,318.4	-	10,318.4
Financial assets - policy holders bearing the risk	17,496.1	18,365.9	35,862.0
<b>Total</b>	<b>27,823.9</b>	<b>18,365.9</b>	<b>46,189.8</b>
<b>Financial liabilities at fair value</b>			
Liabilities in the insurance business, regarding investment contracts	17,497.2	18,365.9	35,863.1
<b>Total</b>	<b>17,497.2</b>	<b>18,365.9</b>	<b>35,863.1</b>

31/03/2015			
<b>Finansiella tillgångar redovisade till verkligt värde</b>			
Financial assets at fair value	62.2	-	62.5
Financial assets available for sale	10,992.4	-	10,992.4
Financial assets - policy holders bearing the risk	13,941.9	14,397.1	28,339.0
<b>Summa</b>	<b>24,996.5</b>	<b>14,397.1</b>	<b>39,393.9</b>
<b>Finansiella skulder redovisade till verkligt värde</b>			
Liabilities in the insurance business, regarding investment contracts	13,941.9	14,397.9	28,339.8
<b>Summa</b>	<b>13,941.9</b>	<b>14,397.9</b>	<b>28,339.8</b>

31/12/2015			
<b>Finansiella tillgångar redovisade till verkligt värde</b>			
Financial assets at fair value	10.8	-	10.8
Financial assets available for sale	10,181.2	-	10,181.2
Financial assets - policy holders bearing the risk	17,934.5	18,060.7	35,995.1
<b>Summa</b>	<b>28,126.5</b>	<b>18,060.7</b>	<b>46,187.1</b>
<b>Finansiella skulder redovisade till verkligt värde</b>			
Liabilities in the insurance business, regarding investment contracts	17,935.5	18,060.7	35,996.2
<b>Summa</b>	<b>17,935.5</b>	<b>18,060.7</b>	<b>35,996.2</b>

## Description of valuation levels

### 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, certain interest-bearing securities and cash and cash equivalents.

## Note 7 Pledged assets

Assets pledged, SEK Million	31/03/2016	31/03/2015	31/12/2015
<b>Assets pledged for liabilities</b>			
Bonds and other interests bearing securities	-	-	406.9
	-	-	<b>406.9</b>
<b>The above assets are attributed to</b>			
Liabilities to credit institutions	-	-	396.5
	-	-	<b>396.5</b>
<b>Other assets pledged</b>			
Bonds and other interests bearing securities*	1,841.1	1,146.5	1,818.2
	<b>1,841.1</b>	<b>1,146.5</b>	<b>1,818.2</b>
<b>The above assets are attributed to</b>			
Deposits with credit institutions	1,558.3	1,009.8	1,545.6
Deposits with clearing organisations	282.8	136.7	272.7
	<b>1,841.1</b>	<b>1,146.5</b>	<b>1,818.2</b>
<b>Total assets pledged</b>	<b>1,841.1</b>	<b>1,146.5</b>	<b>2,225.2</b>
<b>Contingent liabilities</b>			
Funds managed on behalf of third parties (client funds account)	233.6	217.9	210.0
	<b>233.6</b>	<b>217.9</b>	<b>210.0</b>
<b>Commitments</b>			
Credit granted but not yet paid, unsecured loans	1,899.3	1,494.2	1,939.8
	<b>1,899.3</b>	<b>1,494.2</b>	<b>1,939.8</b>

\* This amount includes blocked funds of SEK 88 million (72).

Assets pledged for own liabilities comprise securities pledged in connection with buy-back agreements. The transactions are carried out in accordance with standard agreements used by the parties on the financial market. Counterparties in these transactions are credit institutions. The transactions are primarily short term with a duration of less than three months.

Other assets pledged consist partly of bonds and other fixed-interest securities that have been provided as security for the customer's secured loans, and for payment to clearing organizations. Counterparties in margin lending transactions are other credit institutions.

In the insurance business at the balance sheet date 31 March 2016, registered assets amounted to SEK 31,839 million (33,948) for which the policyholders have priority rights.

In addition to the commitments specified in the table above, SEK 5,776 million (5,368) of a credit facility related to possible securities-collateralized borrowing remained unutilized at the end of the period. 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 security can be changed instantly.

## Note 8 Capital requirements for the financial conglomerate and the consolidated situation

### The financial conglomerate

SEK million	31/03/2016	31/12/2015
Total equity, Group	1,958.0	1,874.0
Less, profit that have not been subject to audit	-72.3	-
Less requirements on prudent valuation	-13.2	-11.9
Less expected dividend for current year	-227.5	-227.5
Less intangible fixed assets and deferred tax receivables	-387.2	-389.7
Solvency capital (NPV)	630.0	634.1
<b>Capital base</b>	<b>1,887.8</b>	<b>1,879.0</b>
<b>Risk exposures</b>		
Exposure regulated entities, bank and securities sector	7,585.6	7,415.0
Exposure regulated entities, insurance sector	5,052.5	5,166.3
<b>Total exposure amounts</b>	<b>12,638.1</b>	<b>12,581.3</b>
<b>Capital ratio</b>	<b>14.9%</b>	<b>14.9%</b>

The table above relates to the financial conglomerate consisting of Nordnet AB (publ) and all of its subsidiaries. The capital basis of the financial conglomerate has been calculated in accordance with the consolidation method. The Group-based financial statements have been compiled in accordance with the same accounting principles as the consolidated financial statements.

As a result of the introduction of the Solvency II framework as of 1 January 2016, the item Solvency capital (NPV) is added to the capital base of the financial conglomerate. This item consists of the present value calculation of future profits in Nordnet Pensionsförsäkring AB and Nordnet Livsförsäkring AS, which are generated by the policyholders' funds. Comparative figures per 31-12-2015 are therefore recalculated with respect to the capital base and the capital requirements for entities in the insurance sector.

### 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. Capital requirements presented in this note refer to Pillar 1 and additional Pillar 2 capital. This is in accordance with the prevailing regulations on capital adequacy.

MSEK	31/03/2016	31/03/2015	31/12/2015
Total equity, Group	1,817.0	1,773.7	1,746.4
Less, profit that have not been subject to audit	-60.2	-88.0	0.0
Less requirements on prudent valuation	-13.2	-14.9	-11.9
Less expected dividend for current year	-227.5	-175.0	-227.5
Less intangible fixed assets and deferred tax receivables	-365.4	-402.2	-366.4
<b>Tier 1 capital</b>	<b>1,150.6</b>	<b>1,093.6</b>	<b>1,140.6</b>
Plus subordinated liabilities	-	45.4	-
<b>Tier 2 capital</b>	<b>-</b>	<b>45.4</b>	<b>-</b>
<b>Capital base</b>	<b>1,150.6</b>	<b>1,139.0</b>	<b>1,140.6</b>
<b>Risk exposures</b>			
Exposure to credit risk according to the standardized method	5,607.7	5,746.4	5,435.2
Exposure market risk	20.5	14.2	22.4
Exposure operational risk	1,957.4	1,759.2	1,957.4
<b>Total exposure</b>	<b>7,585.7</b>	<b>7,519.8</b>	<b>7,415.0</b>
<b>Capital ratio</b>	<b>15.2%</b>	<b>15.1%</b>	<b>15.4%</b>

<b>Capital base</b>	<b>31/03/2016</b>	<b>31/03/2015</b>	<b>31/12/2015</b>
Credit risk according to the standardized method	448.6	459.7	434.8
Market risk	1.6	1.1	1.8
Operational risk	156.6	140.7	156.6
<b>Capital requirement Pillar 1</b>	<b>606.9</b>	<b>601.6</b>	<b>593.2</b>
<b>Capital requirement Pillar 2</b>	<b>182.0</b>	<b>107.0</b>	<b>95.0</b>
<b>Total capital requirement</b>	<b>788.9</b>	<b>708.6</b>	<b>688.2</b>
<b>Capital ratio and buffers</b>	<b>31/03/2016</b>	<b>31/03/2015</b>	<b>31/12/2015</b>
Common equity tier 1 ratio, %	15.2%	14.5%	15.4%
Tier 1 ratio, %	15.2%	14.5%	15.4%
Total capital ratio, %	15.2%	15.1%	15.4%
Institution-specific buffer requirements, %	3.3%	2.5%	3.0%
<i>of which capital conservation buffer requirement, %</i>	<i>2.5%</i>	<i>2.5%</i>	<i>2.5%</i>
Countercyclical buffer requirement, %	0.8%	0.0%	0.5%
Total capital requirement including buffer requirement, %	13.7%	11.9%	12.3%
Tier 1 capital available for buffer requirement, %	7.2%	7.8%	7.4%

# Financial development per quarter

Group, SEK million	Q1 16	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14	Q3 14	Q2 14
Net interest	101.3	100.0	101.2	106.2	110.6	114.2	120.7	123.3
Net commission - not trade related	31.1	34.5	36.0	37.2	33.3	29.3	28.6	27.8
Net commission - trade related	121.8	130.2	111.9	107.8	133.7	104.4	81.3	79.9
Net result of financial transactions	33.7	39.0	34.4	34.7	39.1	26.2	21.2	16.5
Other income	13.7	22.0	10.3	14.3	13.1	10.4	9.2	11.3
<b>Operating income</b>	<b>301.5</b>	<b>325.7</b>	<b>293.8</b>	<b>300.2</b>	<b>329.8</b>	<b>284.5</b>	<b>260.9</b>	<b>258.6</b>
General administrative expenses	-165.1	-172.4	-159.5	-156.9	-150.3	-151.7	-145.7	-147.3
Depreciation	-20.0	-20.2	-20.1	-19.8	-19.5	-15.3	-19.8	-18.5
Other operating expenses	-18.9	-10.1	-8.2	-10.5	-11.9	-11.4	-10.0	-10.5
Net credit losses	-8.3	-9.8	-8.0	-11.8	-11.8	-10.5	-10.1	-11.6
<b>Expenses</b>	<b>-212.4</b>	<b>-212.4</b>	<b>-195.9</b>	<b>-198.9</b>	<b>-193.5</b>	<b>-188.9</b>	<b>-185.6</b>	<b>-187.9</b>
<b>Operating profit</b>	<b>89.2</b>	<b>113.2</b>	<b>97.9</b>	<b>101.2</b>	<b>136.3</b>	<b>95.6</b>	<b>75.3</b>	<b>70.7</b>
Earnings per share before dilution	0.41	0.50	0.43	0.49	0.62	0.46	0.34	0.33
Cost coverage	85%	92%	93%	97%	101%	95%	97%	95%
Return on shareholders' equity	17%	20%	20%	19%	17%	16%	16%	17%
Capital coverage ratio, conglomerate	14.9%	15.8%	16.4%	14.6%	14.9%	16.0%	15.9%	13.5%

  

Quarterly statistics	Q1 16	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14	Q3 14	Q2 14
Number of active customers at end of the period	507,100	490,400	476,000	462,500	449,900	432,600	421,000	413,200
Number of active accounts at end of the period	650,500	627,500	607,000	588,500	570,800	544,600	527,700	516,000
Net savings (SEK billion)	2.6	1.0	3.3	0.3	8.2	4.5	5.5	2.5
Total savings capital (SEK billion)	197	200	185	191	193	166	160	155
Average savings capital per account (SEK)	302,300	318,800	305,300	324,600	338,700	305,200	303,300	300,400
Number of trades	5,893,800	5,734,100	4,798,800	4,391,500	4,907,400	4,061,800	3,229,700	3,217,500
Number of trading days	60	62	66	58	62	61	66	58
Number of trades per day	98,200	92,500	72,700	75,700	79,200	66,600	48,900	55,500
Net commission per trade (SEK )	21	23	23	25	27	26	25	25
Number of trades per active trading account	10.2	10.3	8.9	8.4	9.8	8.5	7.0	7.1
Number of trades per active trading account and month	3.4	3.4	3.0	2.8	3.3	2.8	2.3	2.4
Cash deposits at end of period incl. Cash deposits in insurance	25,296.9	23,726.7	25,412.6	25,851.7	22,550.7	19,725.6	18,307.7	18,542.2
Managed Client Funds, SEK million	219.1	199.7	238.7	223.8	201.7	165.5	139.5	148.3
Lending at end of period, SEK million	7,875.0	7,278.1	7,282.2	6,770.8	6,566.3	5,785.6	6,220.5	5,998.3
Lending excluding pledged cash and cash equivalents	7,399.2	7,086.4	6,608.8	6,215.2	6,158.7	5,619.6	5,769.9	5,591.2
Lending/deposits	31%	31%	27%	28%	27%	27%	32%	30%

\* Net savings during the period January-December 2015 includes a move of SEK 7.3 billion to Söderberg & Partners and in the first quarter of 2016 an additional SEK 2.2 billion was moved. Find out more in the section "Development in our markets, Sweden".

# Key figures

Key figures - Group	31/03/2016	31/03/2015	31/12/2015
Operating margin (%)	30%	41%	36%
Profit margin (%)	24%	33%	29%
Cost/income ratio	70%	59%	64%
Return on shareholders' equity (%)	17%	17%	20%
Return on assets (%)	0.5%	0.6%	0.6%
Earnings per share before dilution, SEK	0.41	0.62	2.05
Earnings per share after dilution, SEK	0.41	0.62	2.04
Shareholders' equity per share, SEK	11.21	10.60	10.72
Dividend per share, SEK	1.30	-	1.30
Share price, SEK	34.70	33.00	41.00
Market capitalization at the end of the period, SEK million	6,051	5,776	7,151
Shareholders' equity, SEK million	1,954.4	1,854.5	1,870.1
Capital base, SEK million	1,887.8	1,174.2	1,244.8
Capital coverage ratio	14.9%	14.9%	15.8%
Average number of shares before dilution	174,400,378	175,027,886	174,950,604
Average number of shares after dilution	174,788,132	175,179,220	175,299,370
Number of shares at end of period	174,384,363	175,027,886	174,418,830
Investments in tangible assets, SEK million	1.7	1.3	11.1
Investments in intangible assets excl. company acquisitions, SEK million	11.0	8.1	30.1
Of which, internal development expenses, SEK million	10.3	2.3	8.1
Number of full-time employees at end of period	433	390	427
<b>Customer related key financial figures</b>	<b>31/03/2016</b>	<b>31/03/2015</b>	<b>31/12/2015</b>
Number of active customers	507,100	449,900	490,400
Number of active accounts at end of the period	650,500	570,800	627,500.0
Net savings, SEK billion	2.6	8.2	12.9
Total savings capital at end of period, SEK billion	197	193	200
Average savings capital per active account at end of period, SEK	302,300	338,700	318,800
Number of trades for the period	5,893,800	4,907,400	19,831,700
Number of trades per day	98,200	79,200	80,000
Average net commission revenue per trade, SEK	21	27	24
Annual average income/savings capital (%)	0.6%	0.7%	0.6%
Average yearly income per account, SEK	1,890	2,349	2,112
Average yearly operating expenses per account, SEK	-1,245	-1,278	-1,262
Average yearly profit per account, SEK	645	1,071	850

# 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.

## Number of outstanding shares

The number of shares issued less Nordnet's own holdings of Nordnet shares.

## Return on shareholders' equity

12 month rolling results in relation to average equity.

## Return on assets

12 month rolling results 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 of cash and cash equivalents and securities, less withdrawals of cash and cash equivalents and securities.

## Personal bank loan

Unsecured loans.

## Earnings per share before and after dilution

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

## Operating costs

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.

## Lending excluding pledged cash and equivalents

Lending to the 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.

## Profit margin

Profit for the period in relation to operating income.