

Interim report January–June 2016

Nordnet is a bank for investment and saving 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 for reports, news and current information on Nordnet.

April – June 2016

- Operating income decreased by 1 percent to SEK 293.5 million (297.6)
- Profit after tax for the period fell by 20 percent to SEK 68.5 million (85.3)
- Earnings per share before and after dilution were down 20 percent to SEK 0.39 (0.49)

January – June 2016

- Operating income decreased by 5 percent to SEK 592.4 million (625.3)
- Profit after tax for the period fell by 28 percent to SEK 140.5 million (193.9)
- Earnings per share before and after dilution were down 27 percent to SEK 0.81 (1.11)

Highlights from the second quarter

- Launch of Sweden's cheapest mortgage
- Appointed "Stockbroker of the Year" by Dansk Aktionærforening and "Best in Test" by Tænk Penge magazine
- Strong growth in lending, volume has risen by 23 percent in twelve months
- Introduction of a get started-account on the Swedish market, with free trading for new savers

Operating profit

January – June

176.0 (237.5)

million

Savings capital

30 June

205 (191)

billion

Active customers

30 June

523,200 (462,500)

customers

Net savings

January – June

6.9 (8.6)

billion

Trades

January – June

11,297,800 (9,298,900)

trades

Lending*

30 June

7.6 (6.2)

billion

* Lending excluding pledged cash and equivalents.

A few words from CEO Håkan about Q2

We close the books on what has been an eventful three-month period for us, working with savings and investments. Brexit, high volatility, continuing extremely low interest rates and rising oil prices are events that had a major impact on the financial scene in the second quarter.

Three of the four Nordic stock exchanges, with Sweden as the exception, gave a positive return over the period and interest in share trading remains high. In the second quarter, our customers made 5.4 million trades, which was 23 percent more than in the same period last year. Volatility drives activity, and we experienced some of our most intense trading days ever in connection with the British EU referendum towards the end of the quarter.

Our customer growth is at a high stable level. Over the past 12 months, our customer base has grown by 13 percent, with 523,000 Nordic savers now having chosen to use Nordnet as their financial partner. Net savings for the quarter totalled SEK 4.2 million, which was the highest quarterly amount since the start of 2015. Our lending operations are performing particularly strongly, and in one year, our lending has risen by 23 percent to SEK 7.6 billion. In April, we launched Sweden's cheapest residential mortgage, and the product has had a good start. To date, we have loaned nearly SEK 250 million to home buyers in the Swedish market.

Our underlying growth is strong and important key figures, such as customer growth, savings, lending and trades, are pointing in the right direction. Despite this, our revenues were slightly lower than the second quarter of 2015. The foremost explanation is lower interest income due to lower market interest rates, and a reduction in net commissions. The lower commission income is explained by customers with lower prices having accounted for a larger portion of the traded value and us having lowered our prices for share trading. Given the current market situation, with low interest rates and lower prices on share trading, caution on the cost side is motivated, and our costs for the latest three months period are at a lower level than before. Going forward, our intention is to maintain or lower our costs from the existing level.

Nordnet turns 20 in August, and ever since the start of our business in 1996, our ambition has been to democratise share trading and to afford ordinary people access to the stock market on the same terms as the professionals. In May, we launched an offering in the Swedish market, according to which, customers with maximum SEK 80,000 in savings who are members of Shareville are given the opportunity to trade for free on the Stockholm Stock Exchange. For those who want to be successful in the stock market, low pricing and a high level of knowledge are a winning combination. Shareville presents informed discussion, proximity to the market and, above all, an open account of the transactions made by network members with their own money. This engenders a unique level of credibility. We want to lower the threshold for customers who are just embarking on their savings careers and maximise the potential for value growth. In the short term, this means lower income for us but, in the long term, we believe this will increase the inflow of new customers.

Thank you. If you have any questions or reflections that you would like to share, you can find me on Twitter.

Håkan Nyberg

@CEONordnet

P.s. Our service continues to be recognised in a number of external awards. In Denmark, the Danish Shareholders Association named us "Stockbroker of the Year" for the eighth consecutive year, and our pensions offering has been named "Best in Test" by Tænk Penge magazine, the Danish equivalent of Sweden's Råd och Rön. Our country manager for Finland, Niklas Odenwall, was named "Influencer of the Year" by Management Events.



Operations

About Nordnet

Nordnet is a bank for investments and savings with operations in Sweden, Norway, Denmark and Finland. We started up in the mid-90s and were 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 number one 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, ETF's, options, certificates, structured products and they can make pension savings at low commission and without fixed charges. In the Swedish market, we also offer personal loans and residential mortgages.

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

The second quarter of 2016 was a quarter with changing conditions and many different trends in the financial markets. On the one hand, the storm clouds dominated with general concerns about the global economy, concern for the upcoming presidential elections in the United States and the threat of Brexit in conjunction with the British referendum on EU membership in June. On the other hand, three of the four Nordic exchanges noted rising indexes during the period. The interim reports for the first quarter were generally better than expected. A continued increase in oil prices contributed to an increase of nearly five percent on the Oslo Stock Exchange.

But the threat of Brexit lay over the markets like a shadow for much of the second quarter and particularly towards the end of the period. The markets were cautious ahead of the British referendum on June 23, although, when Brexit became a reality, it was something of a shock to investors, who had anticipated that the outcome would be that the UK would remain in the EU. Stock markets around the world recorded the largest declines in several years in conjunction with the announcement, the Nordic exchanges included.

Nonetheless, over the quarter as a whole, three of the four Nordic exchanges ended ahead. Only the Stockholm Stock Exchange ended down, driven largely by the poor performance of banking stocks and heavyweights Ericsson and Hennes & Mauritz. The consequences of the UK's exit will be debated for a long time, but the market's reaction indicates that investors expect limited long-term effects. The stage is nonetheless set for an uncertain summer in the wake of Brexit and continued general uncertainty surrounding the economy.

Customers, savings and lending

At 30 June, the number of active customers with Nordnet was 523,200 (462,500), corresponding to an increase of 13 percent compared with a year ago. The number of active accounts was 673,800 (588,500),

corresponding to an increase of 14 percent compared with the end of June 2015. Each customer has an average of 1.29 (1.27) accounts.

Our customers' total savings capital amounted to SEK 205 billion (191), an increase of 7 percent compared with the end of June the previous year. Savings capital is made up of 67.4 percent (63.9) in shares/derivatives/bonds, 18.4 percent (22.4) in mutual funds and 14.3 percent (13.7) in cash.

Net savings for the period January-June 2016 amounted to SEK 6.9 billion (8.6). Calculated in relation to savings capital at the end of June 2015, net savings for the past 12 months corresponded to 6 percent.

Nordnet customers made an average of 92,600 trades (77,500) per day during the period January-June, an increase of 19 percent compared with the corresponding period in 2015. Traded value per day during the period did not increase, and amounted to SEK 3,137 million (3,133). Lending excluding pledged cash and cash equivalents was up by 23 percent compared with 12 months ago, amounting to SEK 7.6 billion (6.2). Lending is divided between SEK 2.8 billion (2.4) in personal loans, SEK 4.5 billion (3.8) in margin lending and SEK 0.2 billion (-) in residential mortgages.

There were approximately 117,300 accounts (100,000) within pensions and insurance as per 30 June, representing an increase of 17 percent compared with 30 June 2015. Total savings capital within this category increased by 10 percent, amounting to SEK 46.4 billion (42.1) at the end of June, of which some SEK 25.0 billion (24.8) is in the form of endowment insurance.

Table: Account overview

Number of accounts	30/06/2016	31/03/2016	31/12/2015	30/09/2015	30/06/2015
Investments & savings	529,300	510,700	492,700	476,500	462,200
of which trading accounts	491,300	473,000	451,800	439,500	425,600
of which savings accounts	38,000	37,700	40,900	37,000	36,600
Pension	117,300	112,600	107,800	103,700	100,000
of which endowment insurance	48,300	46,900	45,800	45,000	44,300
of which occupational pension	23,000	21,500	20,000	18,700	17,400
of which other pension	46,000	44,200	42,000	40,000	38,300
Personal loans	27,200	27,200	27,000	26,800	26,300
Total	673,800	650,500	627,500	607,000	588,500

Table: Savings capital by account type and investment type

Savings capital (bn)	30/06/2016	31/03/2016	31/12/2015	30/09/2015	30/06/2015
Investments & savings	158.4	152.1	155.1	143.7	149.0
of which trading accounts	156.3	150.1	153.1	141.6	146.8
of which savings accounts	2.1	2.0	2.1	2.1	2.2
Pension	46.4	44.6	44.9	41.6	42.1
of which endowment insurance	25.0	24.8	25.4	24.3	24.8
of which occupational pension	6.6	6.1	6.0	5.3	5.2
of which other pension	14.8	13.7	13.5	12.0	12.1
Total	204.8	196.7	200.0	185.3	191.0
of which shares/derivatives/bonds	137.9	134.4	136.4	120.4	122.1
of which mutual funds	37.6	36.7	39.7	39.3	42.9
of which cash	29.2	25.5	23.9	25.7	26.1
Total	204.8	196.7	200.0	185.3	191.0

Table: Lending

Lending	30/06/2016	31/03/2016	31/12/2015	30/09/2015	30/06/2015
Margin lending excluding pledged cash and cash equivalents, see note 5	4.5	4.7	4.5	4.1	3.8
Personal loans	2.8	2.7	2.6	2.5	2.4
Mortgage	0.2	-	-	-	-
Total	7.6	7.4	7.1	6.6	6.2

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

Income and expenses

April – June 2016

Operating income for the quarter decreased by 1 percent to SEK 293.5 million (297.6). The decrease is due to both lower net interest income and net commission income. Net interest income decreased by SEK 3.3 million, which is attributable to lower market interest rates. Net commission income decreased by SEK 6.9 million, which is attributable to lower net commissions per trade. A total 5.4 million (4.4) trades were made, which is an increase of 23 percent compared with the second quarter last year. However, traded value has not increased compared to the same period last year, since our customers have made more but smaller trades. This, together with lowered prices, foremost in Sweden, has resulted in lower net commission per trade. Net commission per trade was SEK 20 in the quarter, compared with SEK 25 in the same quarter in 2015. Operating expenses before credit losses rose by 9 percent compared with the same quarter last year and amounted to SEK 200.4 million (184.6). The increase in expenses is attributable to, among other things, investments in product development and occupational pensions in Sweden, as well as increased Group-wide systems expenses.

Operating profit decreased by 14 percent to SEK 86.8 million (101.2), and the operating margin was 30 percent (34). Profit after tax for the period decreased by 20 percent to SEK 68.5 million (85.3), resulting in a profit margin of 23 percent (29). Earnings per share before and after dilution fell by 20 percent to SEK 0.39 (0.49).

Operating income excluding transaction-related net commissions for the quarter decreased by 3 percent compared with the second quarter of 2015. Cost coverage, i.e. operating income excluding transaction-related net commission in relation to operating expenses, amounted to 89 percent (97).

January – June 2016

During the period January-June, operating income fell by 5 percent to SEK 592.4 million (625.3) compared to the same period last year. The decrease is due to both lower net interest income and net commission income. Net interest income decreased by SEK 13.2 million, which is attributable to lower market interest rates. Net commission income decreased by SEK 21.1 million, which is attributable to lower net commissions per trade. A total 11.3 million (9.3) trades were made, which is an increase of 21 percent compared with the year-earlier period. However, traded value has not increased compared to the same period last year, since our customers have made more but smaller trades. This, together with lowered prices, foremost in Sweden, has resulted in lower net commission per trade. Net commission per trade was SEK 20 in the period January-June, compared with SEK 26 in the same period in 2015. Operating expenses before credit losses rose by 10 percent compared with the period January-June last year and amounted to SEK 401.8 million (364.2). The increase in expenses is attributable to, among other things, investments in product development, occupational pensions in Sweden, marketing and increased Group-wide systems expenses.

Operating profit decreased by 26 percent to SEK 176.0 million (237.5), and the operating margin was 30 percent (38). Profit after tax for the period decreased by 28 percent to SEK 140.5 million (193.9), resulting in

a profit margin of 24 percent (31). Earnings per share before and after dilution fell by 27 percent to SEK 0.81 (1.11).

Operating income for the period January-June, excluding transaction-related net commissions, fell by 6 percent compared with the corresponding period in 2015. Cost coverage, i.e. operating income excluding transaction-related net commission in relation to operating expenses, amounted to 87 percent (99).

Development in our markets

Sweden

During the period January-June, income fell by 13 percent, mainly due to lower commission income related to price changes on share trading in Sweden, lower income in relation to savings in mutual funds because of lower mutual fund assets, as well as lower revenues related to foreign exchange in connection with customers' cross-border trading. Costs increased by 9 percent, which was mainly due to higher marketing costs, an expanded workforce in sales of occupational pensions, and increased systems expenses. The operating margin was 32 (42) percent.

At the end of June 2016, Nordnet Sweden had 250,700 active customers (230,700). That corresponds to an increase of 9 percent over the past 12 months. Net savings for the period January-June amounted to SEK 1.2 billion (1.2). Calculated in relation to savings capital at the end of June 2015, the Swedish business showed a negative net savings of 2 percent for the past 12 months. During the second quarter, SEK 400 billion has been transferred out of Nordnet to Söderberg & Partners due to the reduction in the collaboration. A total SEK 9.9 billion in total has been transferred since the change in the cooperation was first announced. During 2016, additional capital will be transferred from the Nordnet platform. Söderberg & Partners currently has a total of around SEK 13 billion in Nordnet, about half of which may be subject to transfer. In relation to the savings capital at the end of June 2015, and excluding above-mentioned transactions, net savings in the Swedish business for the past 12 months was 5 percent.

The number of trades among Swedish customers rose by 36 percent compared with the period January-June 2015.

In the Swedish market, we offer personal loans (unsecured loans) under the Nordnet Toppenlånet and Konsumentkredit product names. At 30 June 2016, the number of personal loan customers amounted to 27,200 (26,300). The total lending volume was SEK 2.8 billion (2.4), with an average interest rate of about 8.2 percent. Over the period, lending volumes rose by 10 percent compared with the start of the year. Personal loans contributed 49 percent (28) of operating profit in Sweden for the period January-June.

Interest income from lending is an increasingly important source of income. With this in mind, on April 18, 2016, we launched residential mortgages in the Swedish market. The product targets private banking customers with a capital of at least SEK 2.5 million. The loan is offered from an interest rate of 0.79 percent, which makes the product Sweden's cheapest residential mortgage. As of June 30, 246.4 million had been disbursed in loans secured by residential property.

During the quarter, we worked to lower the threshold to get started with a savings, and to get more people interested in starting to invest in shares and mutual funds. In line with this ambition, we have simplified Nordnet's homepage, nordnet.se, which greets new customers, and we have implemented a simple process for getting started. We have also launched free trading on the Stockholm Stock Exchange for customers who do not yet have a savings valued at SEK 80,000 and who are members of Shareville. An initial analysis shows the positive effect of the measures, and the number of new customers in the Swedish operations during the second quarter is over 50 percent higher than the corresponding period last year.

Norway

During the period January-June, income rose by 7 percent, primarily related to increased commission income in connection with increased trading. Expenses increased by 9 percent, due to increased expenses for marketing and systems. The operating margin amounted to 19 percent (21) during January-June.

As per 30 June 2016, the number of active customers amounted to 75,600 (66,600), which corresponds to customer growth of 14 percent over the past 12-month period. Net savings for the period January-June amounted to SEK 1.5 billion (2.2). Calculated in relation to savings capital at the end of June 2015, net savings for the past 12 months corresponded to 18 percent.

Among our Norwegian customers, the number of trades during the period rose by 21 percent compared with January-June 2015, which was largely due to a volatile market, a recovery in oil prices and our own price adjustments. The price change consists of a simplified and more transparent fee structure, and an offering to new customers to trade from NOK 1 per transaction during their first month as Nordnet customers. These changes have resulted in increased activity among customers trading for smaller amounts.

Denmark

During the period January-June, income rose by 23 percent, primarily related to increased commission income, interest income and income from currency exchange when customers trade outside their home markets. Expenses increased by 14 percent. The increase in expenses is due to an expanded workforce and higher system expenses. The operating margin was 46 percent (42).

The number of active customers at the end of June 2016 amounted to 62,100 (46,900), which is an increase of 32 percent over the past 12 months. Net savings for the period totalled SEK 3.4 billion (5.2). Calculated in relation to savings capital at the end of June 2015, net savings for the past 12 months corresponded to 26 percent.

The number of trades among Nordnet's Danish customers rose by 10 percent compared with the period January-June 2015. We are strengthening our positions in terms of exchange traded certificates. We have a market share of about 20 percent on the Nasdaq exchange and, earlier this year, we launched commission-free trading in certificates issued by Commerzbank and traded on NGM.

We can once again refer to ourselves as "Stockbroker of the Year" in the Danish market. This is the eighth consecutive year that the members of the Danish Shareholders' Association has conferred this award on us. Our pensions offering has been rated "Best in Test" by the Danish newspaper Tænk Penge (equivalent to Sweden's Råd & Rön magazine), issued by Forbrugerrådet (Danish Consumer Council).

Finland

During the period January-June, income in our Finnish operations decreased by 15 percent, due to lower commission income as a consequence of fewer trades (-1%) and changed trading pattern with smaller trades. Expenses increased by 11 percent. The increased costs are attributable to increased system costs. As a result of lower income and increased expenses, the operating margin fell to 10 percent (31).

The number of active customers was 134,800 (118,300), corresponding to an increase of 14 percent compared with the end of June 2015. Net savings for the period January-June amounted to SEK 0.7 billion (0.0). Calculated in relation to savings capital at the end of June 2015, net savings for the past 12 months corresponded to 4 percent.

In the spring, Nordnet in Finland received a license to act as an issuing agent, in order to more easily be able to offer customers participation in IPO's on the Nasdaq and First North Helsinki exchanges. In early July, we launched a so-called IPO centre in the Finnish market, where we will collect information on new listings and offer customers access to participation in IPO's.

Table: Profit per country

January-June	Sweden		Norway		Denmark		Finland		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Operating income	309.8	354.5	79.9	74.8	118.2	96.3	84.4	99.7	592.4	625.3
Operating expenses	-197.1	-180.2	-64.5	-59.2	-64.1	-56.2	-76.0	-68.7	-401.8	-364.2
Profit before credit losses	112.6	174.3	15.4	15.7	54.1	40.1	8.4	31.0	190.6	261.1
Credit losses	-14.6	-24.1	0.0	0.2	0.0	0.4	0.0	0.0	-14.6	-23.6
Operating profit	98.0	150.2	15.5	15.8	54.1	40.5	8.4	31.0	176.0	237.5
Operating margin	32%	42%	19%	21%	46%	42%	10%	31%	30%	38%
Number of customers	250,700	230,700	75,600	66,600	62,100	46,900	134,800	118,300	523,200	462,500
Number of accounts	344,300	309,800	92,700	79,500	80,700	61,400	156,100	137,800	673,800	588,500
Net savings (SEK billion)	1.2	1.2	1.5	2.2	3.4	5.2	0.7	0.0	6.9	8.6
Savings capital (SEK billion)	101.2	101.9	22.2	19.2	38.3	29.6	43.0	40.4	204.8	191.1
Number of trades	5,896,500	4,336,000	1,494,700	1,237,100	2,096,300	1,904,800	1,810,300	1,821,000	11,297,800	9,298,900

Financial position, liquidity and cash flow

Nordnet has three types of lending: lending with securities as collateral (margin lending), 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 security. The maximum loan to value ratio permitted for a residential mortgage to be granted is 50 percent. The credit risk in this part of Nordnet's lending is considered to be lower than the credit risk within Nordnet's other lending products.

As with residential mortgages, personal loans are offered only to individuals 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.

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

At the end of June, consolidated cash and cash equivalents amounted to SEK 857.1 million (602.0), of which frozen assets were SEK 84 million (85). In addition, interest-bearing investments are held with a total fair value of SEK 16,194.5 million (17,909.6). Consolidated equity, excluding minority interests, amounted to SEK 1,820.0 (1,741.7) and including minority interests equity amounted to SEK 1,823.5 (1,745.7). Excluding minority interests, equity is divided between 174,384,363 shares at SEK 10.44 per share (9.95), or SEK 10.46 (9.97) including minority interests.

As regards the financial conglomerate in which Nordnet AB (publ) is the Parent Company, the asset base amounted to SEK 1,173.8 million (1,128.0) and the total exposure amounted to SEK 7,235.3 (7,631.6). At the end of the period, the capital ratio was 16.2 percent, compared with 14.8 percent at the same time last year.

Cash flow

In the second quarter, cash flow from operating activities was affected by increased liquidity in customer deposits due to sales of securities for SEK 3.3 billion and securities transactions under settlement, "settlement receivables".

During the quarter, cash flow in our investing activities was negative due to the purchase of bonds and other fixed-income securities for SEK 3.0 billion as a result of an increased deposit surplus.

Cash flow in financing activities during the quarter was mainly affected by the year's dividends.

During the period January-June 2016, cash flow from operating activities was affected by increased liquidity in customer deposits by SEK 4.3 billion and securities transactions under settlement, "settlement receivables".

During the period January-June 2016, cash flow from investing activities was affected by investments in bonds and other fixed-income securities, which rose by SEK 4.5 billion due to an increased surplus in deposits.

During the period January-June 2016, cash flow in financing activities was affected by reduced liabilities to credit institutions and the year's dividends.

Other

Parent company

The Parent Company is listed on the Nasdaq Stockholm exchange. 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-June 2016 amounted to SEK 4.4 million (4.4) and relates to Group-internal administrative services. The loss from financial investments amounted to SEK 0.7 million (2.8) and consisted primarily of interest expenses and similar charges. The Parent Company's loss after financial items for the period January-June amounted to SEK 5.2 million (6.7). The Parent Company's liquid funds amounted to SEK 13.7 million (7.0), and shareholders' equity to SEK 1,062.5 million (1,064.9).

Employees

As of 30 June 2016, the company had 431 (401) full-time employees. Full-time employees include temporary employees but not employees on parental or other leave. The average number of full-time positions for the period January-June was 412 (382).

On June 2, Jacob Kaplan announced that he is leaving his position as Chief Financial Officer (CFO) and member of Group Management after nearly six years at Nordnet. Jacob Kaplan has a notice period of six months, although the precise final date for his employment has yet to be determined.

Significant risks and uncertainties

Nordnet's operations are influenced by a number of environmental 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. In 2016, Nordnet launched a new loan product in the form of residential mortgages in the Swedish market. On June 30, SEK 246.4 million in loans secured by residential properties had been disbursed. On the same date, total loans granted but not yet disbursed amounted to SEK 335.1 million. The terms of the new product are detailed on www.nordnet.se. No significant changes beyond the launch of residential mortgages, occurred in 2016.

Closely related transactions

In the first quarter, similar transactions took place with closely related parties 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 in Nordnet AB (publ), 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 fee-free index funds, the Super Funds.

The Emeric Group and its parent company Emeric AB are closely related parties to Nordnet AB (publ) in that E. Öhman J:or AB is a shareholder in the company. The Emeric Group administers Nordnet Bank AB's personal loans. For additional information, please refer to note 6 in the 2015 Annual Report.

Shares

The Nordnet share price was SEK 26.00 (33.20) at 30 June 2016, which corresponds to a 21.7 percent drop since 30 June 2015. During the same period, the OMXSPI index declined 6.7 percent.

Nordnet owns a total of 643,523 (-) treasury shares. In the second quarter, – 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.

Performance-related share programme

In accordance with decisions by the Annual General Meetings of 24 April 2013, 23 April 2014, 23 April 2015 and 21 April 2016, Nordnet has established four 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 2016

“Performance-Related Share Scheme 2016” refers to the long-term performance-related share incentive plan adopted on 21 April 2016 and covering approximately 40 individuals including the Chief Executive Officer.

Employees who participate in “Performance-Related Share Programme 2016” 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 > 0 SEK) between financial year 2015 and financial year 2018 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 2015 and financial year 2018 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 2015 and financial year 2018 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.

The performance-related share scheme 2013 has been completed. Performance has been assessed relative to the targets and the distribution of shares will take place from October 2016. For further information on the performance-related share programmes 2013, 2014 and 2015, please see Note 12 in the 2015 Annual Report.

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 actors such as Nordnet with its transparent, value-for-money 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 balance sheet date

As of July 4, 2016, Nordnet has acquired the remaining shares in Shareville AB at SEK 16.9 million, and the company is now fully owned by Nordnet.

The Board of Directors and the CEO provide their assurance that the January–June 2016 interim report 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, 19 July 2016

Claes Dinkelspiel

Chairman of the Board

Anna Frick

Board Member

Anna Settmann

Board Member

Bo Mattson

Board Member

Jaana Rosendahl

Board Member

Kjell Hedman

Board Member

Tom Dinkelspiel

Board Member

Ulf Dinkelspiel

Board Member

Håkan Nyberg

CEO

Further information

For further information, please contact:

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CFO Jacob Kaplan, +46 708 62 33 94, jacob.kaplan@nordnet.se

This is information that Nordnet AB is obliged to make public under the EU's Market Abuse Regulation and the Securities Market Act. This information was submitted through the efforts of the above-mentioned contact persons for publication on 19 July 2016 at 8.00 a.m. CET.

Presentation to analysts, shareholders and the media

CEO Håkan Nyberg and CFO Jacob Kaplan will be presenting the report and answering any questions on Tuesday 19 July 2016 at 10.00 a.m. CET via 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 2030 089 819 (UK).

Follow the presentation on <https://wonderland.videosync.fi/2016-07-19-nordnet-q2-report>

Future calendar events

Interim Report January–September 2016	25 October 2016
Year-end report 2016	31 January 2017
Interim report January–March 2017	25 April 2017
Annual General Meeting 2017	25 April 2017

Address and contact details

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Registered company no: 556249-1687

Company website: nordnetab.com

Become a customer: nordnet.se, nordnet.no, nordnet.dk, nordnet.fi

Financial statements

Statement of profit or loss and other comprehensive income, Group (SEK million)

Group, SEK million	Note	3 months	3 months	6 months	6 months	12m rolling	12 months
		apr-jun 2016	apr-jun 2015	jan-jun 2016	jan-jun 2015	jul-jun 2016	jan-dec 2015
Interest income		107.5	114.0	215.9	233.3	433.6	451.0
Interest expenses		-7.3	-10.4	-17.0	-21.2	-40.2	-44.5
Commission income		195.4	217.1	412.6	455.5	849.0	891.8
Commission expenses		-57.2	-72.1	-121.7	-143.4	-252.0	-267.2
Net result of financial transactions		32.7	34.7	66.4	73.8	139.8	147.2
Other operating income		22.4	14.3	36.1	27.4	75.0	59.6
Total operating income		293.5	297.6	592.4	625.3	1,205.1	1,238.1
General administrative expenses	2	-166.7	-154.3	-329.2	-302.5	-654.5	-627.7
Depreciation and amortization	3	-20.5	-19.8	-40.5	-39.3	-80.8	-79.6
Other operating expenses	4	-13.2	-10.5	-32.0	-22.4	-50.4	-40.8
Total expenses before credit losses		-200.4	-184.6	-401.8	-364.2	-785.7	-748.1
Profit before credit losses		93.1	113.0	190.6	261.1	419.5	490.0
Net credit losses		-6.3	-11.8	-14.6	-23.6	-32.4	-41.3
Operating profit		86.8	101.3	176.0	237.5	387.1	448.6
Tax on profit for the period		-18.4	-15.9	-35.5	-43.6	-83.4	-91.5
Profit for the period		68.5	85.4	140.5	193.9	303.7	357.1
Of which, attributable to:							
shareholders of the Parent Company		68.6	85.9	140.9	194.8	304.2	358.1
the non-controlling interest		-0.1	-0.6	-0.4	-0.9	-0.5	-1.0
Average number of shares before dilution		174,384,363	175,027,886	174,392,371	175,027,886	174,307,081	174,950,604
Earnings per share before dilution		0.39	0.49	0.81	1.11	1.75	2.05
Average number of shares after dilution		174,716,376	175,235,168	174,753,383	175,235,168	174,780,578	175,299,370
Earnings per share after dilution		0.39	0.49	0.81	1.11	1.74	2.04

The regulated resolution fee is from 2016 reported as an interest cost and is thereby moved from general administrative expenses to net interest income. Historical comparative numbers and key figures have been adjusted accordingly.

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

Statement of other comprehensive income, Group (SEK million)

Group, SEK million	3 months	3 months	6 months	6 months	12m rolling	12 months
	apr-jun 2016	apr-jun 2015	jan-jun 2016	jan-jun 2015	jul-jun 2016	jan-dec 2015
Profit for the period	68.5	85.4	140.5	193.9	303.7	357.1
Items that will be booked through profit or loss						
Change in value of assets available for sale	25.6	-21.0	33.2	-19.5	9.0	-37.6
Tax on change in value of assets available for sale	-5.6	4.6	-7.3	4.3	-2.0	8.3
Translation of foreign operations	6.2	-5.3	11.0	-6.3	-7.7	-19.2
Tax on foreign operations	-0.6	-	-0.6	-	-0.6	-
Total other comprehensive income	25.6	-21.7	36.3	-21.6	-1.2	-48.5
Total profit or loss and other comprehensive income	94.1	63.6	176.8	172.3	302.5	308.6
Of which, attributable to:						
shareholders of the Parent Company	94.3	64.2	177.1	173.2	303.0	309.6
the non-controlling interest	-0.1	-0.6	-0.4	-0.9	-0.5	-1.0

Balance Sheet, Group (SEK million)

Group, SEK million	Note	30/06/2016	30/06/2015	31/12/2015
Assets				
Loans within Central banks		600.0	-	-
Loans to credit institutions		257.1	602.0	294.7
Loans to the general public	5	8,211.4	6,770.8	7,278.1
Financial assets at fair value		6.5	10.6	10.8
Financial assets available for sale		12,444.8	12,485.4	10,181.2
Financial assets held to maturity		3,526.2	2,832.0	3,381.6
Financial assets - policy holders bearing the risk		37,067.9	34,646.7	35,995.1
Intangible fixed assets		384.6	420.0	389.7
Tangible fixed assets		26.0	29.6	29.3
Current tax assets		86.9	62.6	110.1
Other assets		3,208.7	3,102.3	2,440.0
Prepaid expenses and accrued income		131.0	161.8	102.6
Total assets		65,951.0	61,123.6	60,213.3
Liabilities				
Liabilities to credit institutions		-	-	397
Deposits and borrowing by the public		23,547.4	20,816.1	19,605.4
Liabilities to policyholders		37,069.0	34,647.6	35,996.2
Other liabilities		3,252.4	3,564.7	2,084.3
Current tax liabilities		56.2	88.8	73.5
Deferred tax liabilities		51.4	49.9	51.3
Accrued expenses and deferred income		151.0	135.1	132.1
Subordinated liabilities		-	75.7	-
Total liabilities		64,127.5	59,378.0	58,339.3
Equity				
Share capital		175.0	175.0	175.0
Other capital contributions		478.8	471.8	478.8
Other provisions		-77.0	-53.4	-113.3
Accrued profit including profit for the period		1,243.2	1,148.2	1,329.6
Total shareholders' equity attributable to shareholders of the Parent Company		1,820.0	1,741.7	1,870.1
Non-controlling interest		3.5	4.0	3.9
Total equity		1,823.5	1,745.7	1,874.0
Total liabilities and equity		65,951.0	61,123.6	60,213.3

Changes in equity, Group (SEK million)

Group, SEK million	30/06/2016	30/06/2015	31/12/2015
Opening equity	1,874.0	1,751.1	1,751.1
Profit for the period	140.9	194.8	358.1
Total other comprehensive income	36.3	-25.3	-48.5
Dividend	-226.7	-174.1	-175.0
Equity provided, share programme	0.6	-	6.9
Repurchase of own shares	-1.1	-1.9	-19.2
Liquidation of NN Securities Oy	-	-	1.5
Acquisition non-controlling interest	-0.4	-0.9	-1.0
Closing equity	1,823.5	1,745.7	1,874.0

Cash flow statement, Group (SEK million)

Group, SEK million	3 months apr-jun 2016	3 months apr-jun 2015	6 months jan-jun 2016	6 months jan-jun 2015	12m rolling jul-jun 2016	12 months jan-dec 2015
Operating activities						
Cash flow from operating activities before changes in working capital	28.4	49.0	218.5	246.9	342.6	371.0
Cash flow from changes in working capital	3,811.5	2,987.3	5,453.0	5,496.4	1,316.3	1,359.7
Cash flow from operating activities	3,839.9	3,036.3	5,671.5	5,743.3	1,658.9	1,730.7
Investing activities						
Purchases and disposals of intangible and tangible fixed assets	-12.0	-12.0	-24.8	-21.5	-44.5	-41.2
Net investments in financial instruments	-3,013.9	-2,097.5	-4,457.3	-5,385.3	-631.1	-1,559.1
Cash flow from investing activities	-3,025.9	-2,109.4	-4,482.0	-5,406.7	-675.7	-1,600.4
Financing activities						
Cash flow from financing activities	-219.2	-174.1	-624.3	-274.1	-720.3	-370.0
Cash flow for the period	594.8	305.4	565.2	62.5	262.9	-239.7
Cash and equivalents at the start of the period	260.7	297.7	294.7	540.1	602.0	540.1
Exchange rate difference for cash and equivalents	1.6	-1.0	-2.8	-0.5	-8.0	-5.7
Cash and equivalents at the end of the period	857.1	602.0	857.1	602.1	857.0	294.6

Statement of profit or loss and other comprehensive income, Parent Company (SEK million)

Parent Company, SEK million	3 months apr-jun 2016	3 months apr-jun 2015	6 months jan-jun 2016	6 months jan-jun 2015	12m rolling jul-jun 2016	12 months jan-dec 2015
Net sales	2.1	2.5	4.4	4.4	8.6	8.6
Total operating income	2.1	2.5	4.4	4.4	8.6	8.6
Other external costs	-1.4	-1.7	-3.1	-3.3	-4.3	-4.5
Personnel costs	-2.1	-2.2	-5.1	-4.3	-12.8	-12.0
Other operating expenses	-0.3	-0.4	-0.7	-0.7	-1.3	-1.3
Operating profit	-1.7	-1.8	-4.5	-3.9	-9.8	-9.2
Profit from financial investments:						
Result from participations in affiliated companies	-	-	-	-	250.1	250.1
Other interest and similar income	-	-	-	0.9	-	1.0
Interest expense and similar expense	-0.4	-1.4	-0.7	-3.7	-2.4	-5.4
Result from financial investments	-0.4	-1.4	-0.7	-2.8	247.7	245.6
Profit after financial items	-2.0	-3.2	-5.2	-6.7	237.9	236.5
Tax on profit for the period	0.1	0.6	0.6	1.4	-0.8	-
Profit for the period	-1.9	-2.6	-4.6	-5.3	237.1	236.5

Statement of other comprehensive income, Parent Company (SEK million)

Parent company, SEK million	3 months apr-jun 2016	3 months apr-jun 2015	6 months jan-jun 2016	6 months jan-jun 2015	12m rolling jul-jun 2016	12 months jan-dec 2015
Profit for the period	-1.9	-2.6	-4.6	-5.3	237.1	236.5
Total other comprehensive income	-	-	-	-	-	-
Total profit or loss and other comprehensive income	-1.9	-2.6	-4.6	-5.3	237.1	236.5

Balance sheet, Parent Company (SEK million)

Parent Company, SEK million	30/06/2016	30/06/2015	31/12/2015
Assets			
Financial fixed assets	1,202.9	1,166.9	1,202.5
Current assets	7.3	9.1	116.4
Cash and bank balances	13.7	7.0	15.4
Total assets	1,223.9	1,182.9	1,334.3
Equity and liabilities			
Equity	1,062.5	1,064.9	1,293.5
Long-term liabilities	-	75.7	-
Current liabilities	161.3	42.3	40.8
Equity and total liabilities	1,223.9	1,182.9	1,334.3

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 apr-jun 2016	3 months apr-jun 2015	6 months jan-jun 2016	6 months jan-jun 2015	12m rolling jul-jun 2016	12 months jan-dec 2015
Personnel costs	-89.7	-84.4	-179.2	-165.7	-358.8	-345.2
Other administrative expenses	-77.1	-69.9	-150.0	-136.8	-295.7	-282.5
	-166.7	-154.3	-329.2	-302.5	-654.5	-627.7

Note 3 Amortisation and depreciation of tangible and intangible assets

SEK million	3 months apr-jun 2016	3 months apr-jun 2015	6 months jan-jun 2016	6 months jan-jun 2015	12m rolling jul-jun 2016	12 months jan-dec 2015
Depreciation	-20.5	-19.8	-40.5	-39.3	-80.8	-79.6
	-20.5	-19.8	-40.5	-39.3	-80.8	-79.6

Note 4 Other operating expenses

SEK million	3 months apr-jun 2016	3 months apr-jun 2015	6 months jan-jun 2016	6 months jan-jun 2015	12m rolling jul-jun 2016	12 months jan-dec 2015
Marketing	-11.5	-8.6	-28.5	-18.7	-43.2	-33.5
Other operating expenses	-1.7	-2.0	-3.6	-3.7	-7.2	-7.3
	-13.2	-10.5	-32.0	-22.4	-50.4	-40.8

Note 5 Loans to the public

As at 30 June, SEK 573.0 million (555.6) 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 and property or consists of unsecured loans.

Note 6 Financial assets and liabilities and their fair values

Fair value

SEK million	30/06/2016	30/06/2016	30/06/2015	30/06/2015	31/12/2015	31/12/2015
	Reported value	Fair value	Reported value	Fair value	Reported value	Fair value
Financial assets						
Loans to credit institutions	257.1	257.1	602.0	604.7	294.7	294.7
Loans to the general public	8,211.4	8,210.8	6,770.8	6,770.8	7,278.1	7,278.1
Financial assets at fair value	6.5	6.5	10.6	10.6	10.8	10.8
Financial assets available for sale *	12,444.8	12,444.8	12,485.4	12,485.4	10,181.2	10,181.2
Financial assets held to maturity	3,526.2	3,528.9	2,832.0	2,810.6	3,381.6	3,358.0
Financial assets - policy holders bearing the risk*	37,067.9	37,067.9	34,646.7	34,646.7	35,995.4	35,995.4
Other assets	3,153.5	3,153.5	3,039.1	3,039.1	2,439.1	2,439.1
Accrued income	88.0	88.0	83.7	83.7	75.4	75.4
Total	64,755.2	64,757.3	60,470.2	60,451.5	59,656.4	59,632.8
Financial liabilities						
Liabilities to credit institutions	-	-	-	-	396.5	396.5
Deposits and borrowing from the general public	23,547.4	23,547.4	20,816.1	20,816.1	19,605.4	19,605.4
Liabilities in the insurance business, regarding investment contracts	37,069.0	37,069.0	34,647.6	34,647.6	35,996.2	35,996.2
Other liabilities	3,223.5	3,223.5	6,129.3	6,129.3	2,071.5	2,071.5
Accrued expenses	40	40	46.6	46.6	34.7	34.7
Subordinated liabilities	-	-	75.7	76.2	-	-
Total	63,879.9	63,879.9	61,715.2	61,715.7	58,104.3	58,104.3

*Assets in the insurance business derive from Nordnet Pensionsförsäkring AB's investments. These are partly invested in Nordnet Bank AB, which, in turn, has invested in interest-bearing securities with a value of SEK 3,749.7 million (2,592.3). As of December 31, 2015, the corresponding amount was 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.

Assets in the insurance business

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

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

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

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

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

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

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

Deposits by credit institutions

For 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

30/06/2016	Level 1	Level 2	Total
	Listed market price on active market	Valuation model based on observable market data	
SEK million			
Financial assets at fair value			
Financial assets at fair value	6.5	-	6.5
Financial assets available for sale	12,444.8	-	12,444.8
Financial assets - policy holders bearing the risk	17,657.3	19,410.5	37,067.9
Total	30,108.6	19,410.5	49,519.1
Financial liabilities at fair value			
Liabilities in the insurance business, regarding investment contracts	17,657.3	19,411.7	37,069.0
Total	17,657.3	19,411.7	37,069.0

30/06/2015	Level 1	Level 2	Total
	Listed market price on active market	Valuation model based on observable market data	
Financial assets at fair value			
Financial assets at fair value	10.6	-	10.6
Financial assets available for sale	12,485.4	-	12,485.4
Financial assets - policy holders bearing the risk	15,488.3	19,158.4	34,646.7
Total	27,984.3	19,158.4	47,142.7
Financial liabilities at fair value			
Liabilities in the insurance business, regarding investment contracts	15,488.7	19,158.9	34,647.6
Total	15,488.7	19,158.9	34,647.6

31/12/2015	Level 1	Level 2	Total
	Listed market price on active market	Valuation model based on observable market data	
Financial assets at fair value			
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
Total	28,126.5	18,060.7	46,187.1
Financial liabilities at fair value			
Liabilities in the insurance business, regarding investment contracts	17,935.5	18,060.7	35,996.2
Total	17,935.5	18,060.7	35,996.2

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	30/06/2016	30/06/2015	31/12/2015
Assets pledged for liabilities			
Bonds and other interests bearing securities	-	-	406.9
	-	-	406.9
The above assets are attributed to			
Liabilities to credit institutions	-	-	396.5
	-	-	396.5
Other assets pledged			
Bonds and other interests bearing securities*	1,512.3	1,556.4	1,818.2
	1,512.3	1,556.4	1,818.2
The above assets are attributed to			
Deposits with credit institutions	1,373.0	1,302.7	1,545.6
Deposits with clearing organisations	139.3	253.7	272.7
	1,512.3	1,556.4	1,818.2
Total assets pledged	1,512.3	1,556.4	2,225.2
Contingent liabilities			
Funds managed on behalf of third parties (client funds account)	261.5	236.5	210.0
	261.5	236.5	210.0
Commitments			
Credit granted but not yet paid, unsecured loans	1,498.2	1,747.2	1,939.8
	1,498.2	1,747.2	1,939.8

* This amount includes blocked funds of SEK 84 million (88)

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 organisations. Counterparties in secured loan transactions are other credit institutions.

As per the balance sheet date of 30 March 2016, the insurance business held registered assets amounting to SEK 32, 496 million (31,503) to which the policyholders have priority rights.

In addition to the commitments specified in the table above, SEK 1,447 million (5,706) of a credit facility related to possible securities-collateralised borrowing remained unutilised 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	30/06/2016	31/12/2015
Total equity, Group	1,823.5	1,874.0
Less, profit that have not been subject to audit	-140.9	-
Less requirements on prudent valuation	-16.2	-11.9
Less expected dividend for current year	-	-227.5
Total equity financial conglomerate	1,666.5	1,634.6
Less intangible assets and deferred tax assets	-384.6	-389.7
Solvency capital (NPV) less the risk margin	646.1	634.1
Less risk margin	-150.7	-141.5
Capital base	1,777.3	1,737.5
Capital requirements per sector		
Capital requirements for regulated entities in the insurance sector	423.0	414.7
Capital requirements for regulated entities in the banking and securities sector	821.6	688.2
Capital requirement	1,244.6	1,102.9
Capital surplus	532.7	634.7
Capital base/Capital Requirement	1.4	1.6

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.

The capital requirements for the banking operations vary primarily in terms of the size and credit quality of the bank's assets. Capital requirements for the insurance operations vary mainly in terms of the size of the insurance company's insurance assets and the insurance company's expenses.

As a result of the introduction of the Solvency II regulations effective from January 1, 2016, the Solvency capital item (NPV) has been included in the calculation of the capital base of the financial conglomerate. This item consists of the estimated present value of future profits in Nordnet Pension AB and Nordnet Livsforsikring AS generated by policyholders' capital. Comparative figures per December 31, 2015 are therefore calculated taking the capital base and capital requirements for entities in the insurance sector into account.

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.

SEK million	30/06/2016	30/06/2015	31/12/2015
Total equity, Group	1,669.9	1,649.5	1,746.4
Less, profit that have not been subject to audit	-116.9	-158.4	-
Less requirements on prudent valuation	-16.2	-15.1	-11.9
Less expected dividend for current year	-	-	-227.5
Less intangible fixed assets and deferred tax receivables	-363.0	-393.4	-366.4
Tier 1 capital	1,173.8	1,082.6	1,140.6
Plus subordinated liabilities	-	45.4	-
Tier 2 capital	-	45.4	-
Capital base	1,173.8	1,128.0	1,140.6
Risk exposures			
Exposure to credit risk according to the standardized method	5,233.0	5,846.6	5,435.2
Exposure market risk	44.9	25.8	22.4
Exposure operational risk	1,957.4	1,759.2	1,957.4
Total exposure	7,235.3	7,631.6	7,415.0
Capital ratio	16.2%	14.8%	16.6%
Capital base	30/06/2016	30/06/2015	31/12/2015
Credit risk according to the standardized method	418.6	467.7	434.8
Market risk	3.6	2.1	1.8
Operational risk	156.6	140.7	156.6
Capital requirement Pillar 1	578.8	610.5	593.2
Capital requirement Pillar 2	242.8	103.6	95.0
Total capital requirement	821.6	714.2	688.2
Capital ratio and buffers	30/06/2016	30/06/2015	31/12/2015
Common equity tier 1 ratio, %	16.2%	14.2%	15.4%
Tier 1 ratio, %	16.2%	14.2%	15.4%
Total capital ratio, %	16.2%	14.8%	15.4%
Institution-specific buffer requirements, %	3.3%	2.5%	2.5%
of which capital conservation buffer requirement, %	2.5%	2.5%	2.5%
Countercyclical buffer requirement, %	0.8%	0.0%	0.5%
Total capital requirement including buffer requirement, %	14.7%	11.9%	12.3%
Tier 1 capital available for buffer requirement, %	8.2%	5.4%	7.4%

Financial development per quarter

Group, SEK million	Q2 16	Q1 16	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14	Q3 14
Net interest	100.3	98.6	96.7	97.8	103.6	108.5	112.3	118.9
Net commission - not trade related	29.4	31.1	34.5	36.0	37.2	33.3	29.3	28.6
Net commission - trade related	108.8	121.8	130.2	111.9	107.8	133.7	104.4	81.3
Net result of financial transactions	32.7	33.7	39.0	34.4	34.7	39.1	26.2	21.2
Other income	22.4	13.7	22.0	10.3	14.3	13.1	10.4	9.2
Operating income	293.5	298.9	322.4	290.4	297.6	327.6	282.6	259.1
General administrative expenses	-166.7	-162.5	-169.1	-156.2	-154.3	-148.2	-149.8	-143.9
Depreciation	-20.5	-20.0	-20.2	-20.1	-19.8	-19.5	-15.3	-19.8
Other operating expenses	-13.2	-18.9	-10.1	-8.2	-10.5	-11.9	-11.4	-10.0
Net credit losses	-6.3	-8.3	-9.8	-8.0	-11.8	-11.8	-10.5	-10.1
Expenses	-206.7	-209.7	-209.1	-192.5	-196.4	-191.4	-187.0	-183.8
Operating profit	86.9	89.2	113.2	97.9	101.2	136.3	95.6	75.3
Earnings per share before dilution	0.39	0.41	0.50	0.43	0.49	0.62	0.46	0.34
Operating margin	30%	30%	36%	36%	38%	41%	31%	30%
Equity per share ¹	10.44	11.21	10.72	10.38	9.95	10.60	9.98	9.58
Share price	26.00	34.70	41.00	31.30	33.20	33.00	28.20	27.5
Cost coverage	89%	85%	92%	93%	97%	101%	95%	97%
Return on shareholders' equity (yearly)	17%	17%	20%	20%	19%	17%	16%	16%
Capital ratio consolidated situation	16.2%	15.2%	15.4%	16.5%	14.8%	15.1%	16.2%	14.9%
Quarterly statistics	Q2 16	Q1 16	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14	Q3 14
Number of active customers at end of the period	523,200	507,100	490,400	476,000	462,500	449,900	432,600	421,000
Number of active accounts at end of the period	673,800	650,500	627,500	607,000	588,500	570,800	544,600	527,700
Net savings (SEK billion) ²	4.2	2.6	1.0	3.3	0.3	8.2	4.5	5.5
Total savings capital (SEK billion)	205	197	200	185	191	193	166	160
Average savings capital per account (SEK)	303,900	302,300	318,800	305,300	324,600	338,700	305,200	303,300
Number of trades	5,404,000	5,893,800	5,734,100	4,798,800	4,391,500	4,907,400	4,061,800	3,229,700
Traded value cash market (SEK million) ³	184,400	198,300	211,600	183,800	176,900	199,000	155,400	120,700
Number of trading days	62	60	62	66	58	62	61	66
Number of trades per day	87,200	98,200	92,500	72,700	75,700	79,200	66,600	48,900
Net commission per trade (SEK)	20	21	23	23	25	27	26	25
Number of trades per active trading account	9.0	10.2	10.3	8.9	8.4	9.8	8.5	7.0
Number of trades per active trading account and month	3.2	3.4	3.4	3.0	2.8	3.3	2.8	2.3
Cash deposits at end of period incl. Cash deposits in insurance	25,296.9	25,296.9	23,726.7	25,412.6	25,851.7	22,550.7	19,725.6	18,307.7
Managed Client Funds, SEK million	251.3	219.1	199.7	238.7	223.8	201.7	165.5	139.5
Lending at end of period, SEK million	8,211.4	7,875.0	7,278.1	7,282.2	6,770.8	6,566.3	5,785.6	6,220.5
Lending excluding pledged cash and cash equivalents	7,638.5	7,399.2	7,086.4	6,608.8	6,215.2	6,158.7	5,619.6	5,769.9
Lending/deposits	32%	31%	31%	27%	28%	27%	27%	32%

¹ Excluding minority

² Net savings for the period January 2015 to June 2016 includes a move of SEK 9.9 billion to Söderberg & Partners.

Read more on the section "Development in our markets, Sweden".

³ Cash market relates to trades in stocks, warrants, ETFs, certificates bonds and similar instruments.

The regulated resolution fee is from 2016 reported as an interest cost and is thereby moved from general administrative expenses to net interest income. Historical comparative numbers and key figures have been adjusted accordingly.

Key figures

Key figures - Group	30/06/2016	30/06/2015	31/12/2015
Operating margin (%)	30%	38%	36%
Profit margin (%)	24%	31%	29%
Cost/income ratio	70%	62%	64%
Return on shareholders' equity (%)	17%	19%	20%
Return on assets (%)	0.5%	0.3%	0.6%
Earnings per share before dilution, SEK	0.81	1.11	2.05
Earnings per share after dilution, SEK	0.81	1.11	2.04
Shareholders' equity per share, SEK	10.44	9.95	10.72
Dividend per share, SEK	-	-	1.30
Share price, SEK	26.00	33.20	41.00
Market capitalization at the end of the period, SEK million	4,534	5,811	7,151
Shareholders' equity, SEK million ¹	1,820.0	1,741.7	1,870.1
Capital base, SEK million	1,173.8	1,128.0	1,140.6
Capital coverage ratio	16.2%	14.8%	15.4%
Average number of shares before dilution	174,384,363	175,027,886	174,950,604
Average number of shares after dilution	174,716,376	175,235,168	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	3.0	4.4	11.1
Investments in intangible assets excl. company acquisitions, SEK million	21.8	17.0	30.1
Of which, internal development expenses, SEK million	10.3	4.0	8.1
Number of full-time employees at end of period	431	401	427
Customer related key financial figures	30/06/2016	30/06/2015	31/12/2015
Number of active customers	523,200	462,500	490,400
Number of active accounts at end of the period	673,800	588,500	627,500
Net savings, SEK billion	6.9	8.6	12.9
Total savings capital at end of period, SEK billion	205	191	200
Average savings capital per active account at end of period, SEK	303,900	324,600	318,800
Number of trades for the period	11,297,800	9,298,900	19,831,700
Number of trades per day	92,600	77,500	80,000
Average net commission revenue per trade, SEK	20	26	24
Annual average income/savings capital (%)	0.6%	0.7%	0.6%
Average yearly income per account, SEK	1,856	2,201	2,112
Average yearly operating expenses per account, SEK	-1,233	-1,262	-1,262
Average yearly profit per account, SEK	623	940	850

¹ Excluding minority

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 equity *

12-month rolling profit for the year in relation to average equity.

Return on assets *

12-month rolling profit for the period in relation to average total assets.

Trades ***

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

Market capitalisation ***

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.

Capital base **

The sum of Tier 1 capital and Tier 2 capital.

Capital ratio **

Capital base divided by the risk exposure amount.

Managed Client Funds ***

Cash and cash equivalents at Nordnet held for third parties.

Cost coverage *

Non-transaction-related income relative to costs.

Tier 1 capital **

Shareholders' equity excluding proposed dividend, deferred tax assets, intangible assets and certain other regulatory adjustments defined in EU Regulation no 575/2013 (CRR).

Tier 1 capital ratio **

Common Equity Tier 1 capital as a percentage of risk exposure amount.

Net commission income *

Commission income, 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.

Traded value ***

Traded value related to customers trading on cash markets, e.g. shares warrants, ETFs, certificates, bonds.

Personal loans ***

Unsecured loans.

Risk exposure amount **

Total assets and off balance sheet items, weighted in accordance with capital adequacy regulation for credit risk and market risk. The operational risks are assessed with base method and added as risk exposure amount.

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 expenses ***
 Expenses for operations, excluding credit losses and impairment of goodwill

Operating margin ***
 Operating profit in relation to operating income.

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

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 equivalent

Profit margin ***
 Profit for the period in relation to operating income.

Solvency capital (NPV) **
 Estimated future present value of the insurance company Nordnet Pensionsförsäkring AB's profits generated from policyholders' capital.

Solvency capital requirement (SCR) **
 Estimated capital requirements under Solvency 2 rules.

Tier 2 capital **
 Subordinated loans not qualifying as Tier 1 capital contribution.

* Alternative performance measures

** Definitions according to EU Capital Requirements Regulation no. 575/2013 (CRR) and according to EU Solvency 2 Directive 2015/35

*** Other definitions

Alternative Performance Measures

Alternative Performance Measures, APMs, are financial measures of historical or future financial performance, financial position, or cash flows, other than those defined in the applicable financial reporting framework (IFRS) or in the EU Capital Requirements Regulation and Directive CRR/CRD IV or EU Solvency 2 Directive 2015/35. Nordnet uses these APMs when it is relevant to describe our business and follow up our financial position. These measures may not be comparable to similarly titled measures used by other companies.