

Interim Report January–June 2017

Nordnet is a bank for investments, savings and loans with business 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 number one choice for savings and investments in the Nordics.

Visit Nordnet's website www.nordnetab.com for reports, news and current information on Nordnet.

April–June 2017

- Operating income increased by 1 percent to SEK 296.9 million (293.5)
- Operating profit decreased by 50 percent to 43.0 million (86.8)
- Profit after tax for the period fell by 46 percent to SEK 37.3 million (68.5)
- The building of the new Nordnet has begun, extraordinary costs during the second quarter amount to SEK 31.6 million

January–June 2017

- Operating income increased by 5 percent to SEK 620.7 million (592.4)
- Operating profit decreased by 19 percent to 142.7 million (176.0)
- Profit after tax for the period fell by 16 percent to SEK 118.3 million (140.5)
- Extraordinary costs related to building the new Nordnet during the period January-June amount to SEK 34.7 million

Highlights from the second quarter

- Peter Dahlgren takes up position as new CEO
- Nordnet Markets was launched throughout the Nordic region – a marketplace for commission-free trading in exchange-traded products
- The beta version of Nordnet's new site was launched for all customers in the Swedish market

<p>Operating profit January–June</p> <p>142.7 (176.0) SEK million</p>	<p>Savings capital 30 June</p> <p>260 (205) SEK billion</p>
<p>Active customers 30 June</p> <p>616,100 (523,200) customers</p>	<p>Net savings January–June</p> <p>9.2 (6.9) SEK billion</p>
<p>Trades January–June</p> <p>12,886,800 (11,297,800) trades</p>	<p>Lending* 30 June</p> <p>10.1 (7.6) SEK billion</p> <p>* Excluding lending against pledged cash and equivalents.</p>

Peter comments on the quarter



At the end of May, I took up my position as CEO and have been entrusted by the owners with the assignment to begin building the new Nordnet.

My ambition is to, together with my colleagues, create the world's best customer experience in savings and investments. As a digital bank, it is inherent for our customer experience to rely on the digital environment. And this is where I see enormous possibilities. First of all, we must improve how we offer support to savers as well as guidance in their investment decisions. Digital financial advising is an area with great potential to reach

many people and increase our potential market. A significant number of people are looking for a sounding board when it comes to savings, and this often involves relatively complicated products and complex relationships. At the same time, today's financial advice has been difficult to access and prone to credibility issues. Secondly, I hope that in taking advantage of the opportunities offered by artificial intelligence and other cognitive technologies, in the near future we will be able to provide better service and guidance to our customers.

The framework for achieving our ambition involves a high degree of innovation and a rapid pace of development. New ways of thinking and a willingness to challenge traditional structures are core values for Nordnet, and something we will continue to promote and uphold. But we need to step up the speed of product development. This is an area where we simply have more energy and potential than we have managed to show. I look forward to presenting a great deal of exciting news in the future. During the quarter, we introduced all Swedish customers to parts of the first version of our new website, which we are calling Nordnet Beta. Soon, we are going to be presenting news within digital financial advising.

Realizing the vision of offering the world's best customer experience in savings and investment will require several years and cost money. During the quarter, we invested in restructuring our operations with increased focus on product development, but also on automation, a more scalable IT platform and improved capability in terms of our digital market presence. Our expenses are just over 20 percent higher than in the corresponding quarter in 2016. At the same time, we have increased income through more transactions as well as improved net savings. The bottom-line results are lower, but these types of short-term major initiatives we are now conducting are possible in an unlisted environment, and I see this as proof that we have succeeded in getting our transformation process off the ground rapidly.

Supported by strong owners, and with a clear vision, I strongly believe that we will succeed. There is room to increase our business considerably, and I refuse to accept being in second place in any of our markets within an area that is important for our customers, employees or owners. I look forward to taking Nordnet to the next level. The journey has begun, and I hope that you will join us.

Peter Dahlgren

@CEONordnet

Operations

About Nordnet

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

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 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.

Market

The first half of 2017 was, by and large, a positive period for the Nordic exchanges. All markets rose during the period. The best-performing market was Copenhagen, with an increase of almost 12 percent. In Oslo, the increase was by a modest 1 percent. Viewed from an international perspective, the development of the markets was at the bottom end of the spectrum and, apart from Copenhagen, the Nordic markets have stayed in the lower half of the global markets this year to date.

During the second half of the quarter, all Nordic markets increased, but in Stockholm and Oslo this was a marginal increase. Even in the second quarter, the Copenhagen exchange was at the top. The report period generated positive momentum, and the majority of reports from Nordic companies exceeded analysts' expectations.

The US central bank, Federal Reserve, continues to raise its key interest rate and in June presented its fourth increase since the financial crisis. Other central banks are currently holding off, but the development from the European Central Bank (ECB) indicates a forthcoming trend toward austerity among other central banks. These signals contributed to a somewhat weaker end of the quarter with a decline in exchanges at the end of June.

In the second quarter, the Stockholm stock exchange broke its eleven-month-long upswing with a decline of just over 2 percent in June. OMXS30 has been held back by weak development in several larger shares, for example Hennes & Mauritz, which continues to lose ground on the exchange. Despite a report that exceeded expectations, and major share purchases by principal owner Stefan Persson, the H&M share declined further during the second quarter, having now

fallen for seven consecutive months. In the other direction, Volvo stands out among the major companies with an increase of almost 40 percent this year. The company exceeded expectations with a first-quarter profit of 30 percent.

In Copenhagen, the cement company FLSmith & Co was among the top major companies with an increase of over 40 percent this year. But seven OMXC20 companies have shown share increases of over 20 percent so far this year. Only one share in the index, the jewellery company Pandora, has lost ground on the Copenhagen exchange after the first half of the year.

On the Oslo exchange, there are significantly more red figures and several shares in the OBX index are at a negative value. Sectors such as oil, off-shore and salmon farming are struggling. The weakness in these sectors has, however, been mitigated by good development in index heavyweights such as DNB, Telenor, and Norsk Hydro.

The Helsinki Stock Exchange has reached new record levels with an all-time high in the middle of June at almost 4,150 for the OMXH25 index. Nokia has picked up speed and is one of the winners among the major companies with an increase of almost 20 percent in the first half of the year. During the second quarter, Nokia made peace with Apple, and the companies have entered into a patent licensing collaboration. This entails an end to all the intellectual property rights disputes between the companies.

Customers, savings and lending

At 30 June, the number of active customers with Nordnet was 616,100 (523,200), corresponding to an increase of 18 percent compared with a year ago.

Our customers' total savings capital amounted to SEK 260 billion (205), an increase of 27 percent compared with the end of June the previous year.

Net savings for the period January–June 2017 amounted to SEK 9.2 billion (6.9). Calculated in relation to savings capital at the end of June 2016, net savings for the past 12 months corresponded to 8 percent.

Nordnet customers made an average of 105,600 trades (92,600) per day during the period January–June, an increase of 14 percent compared with the corresponding period in 2016.

Lending excluding lending against pledged cash and cash equivalents was up by 33 percent compared with 12 months ago, amounting to SEK 10.1 billion (7.6).

Table: Customer and account overview

Number of customers and accounts	30/06/2017	31/03/2017	31/12/2016	30/09/2016	30/06/2016
Customers	616,100	593,600	566,800	545,600	523,200
Whereof personal loans	27,700	27,600	27,600	27,500	27,200
Accounts	801,400	771,200	735,000	705,600	673,800

Table: Net savings and savings capital

Net savings and savings capital (SEK billion)	30/06/2017	31/03/2017	31/12/2016	30/09/2016	30/06/2016
Net savings	5.6	3.6	4.1	3.3	4.2
Savings capital	259.7	245.7	234.7	225.0	204.8

Table: Lending

Lending (SEK billion)	30/06/2017	31/03/2017	31/12/2016	30/09/2016	30/06/2016
Margin lending ¹⁾	5.3	5.4	5.1	4.9	4.5
Personal loans	3.4	3.3	3.2	3.0	2.8
Mortgage	1.4	1.2	0.9	0.6	0.2
Total	10.1	9.8	9.2	8.5	7.6

¹⁾ Excluding lending with pledged cash and cash equivalents, see note 5

Table: Number of transactions

Number of trades	30/06/2017	31/03/2017	31/12/2016	30/09/2016	30/06/2016
During the period (quarter)	6,026,000	6,860,800	6,207,900	5,425,800	5,404,000
On average per day	103,900	108,000	98,500	82,200	87,200

Revenues and expenses

Group

April–June 2017

Operating income in the second quarter of the year increased by 1 percent, amounting to SEK 296.9 million (293.5). Net interest income decreased by SEK 4.0 million. The lower net interest income is partially due to lower margins on capital loaned but also a lower return on surplus liquidity as a result of zero and negative interest rates for several currencies. Net commission rose by SEK 9.5 million, which was mainly related to increased income from mutual funds. Transaction-related income also increased as a result of increased trades but the increase was generally held down by low prices.

Operating expenses before credit losses rose by 22 percent compared with the second quarter the previous year, to SEK 244.7 million (200.4). The reason to the increase is higher Group-wide costs. The item includes expenses related to a restructuring of operations with increased focus on automation, IT development and digital presence in various channels. Group-wide expenses also include certain personnel-related items, such as costs related to the regulation of the performance-based share-savings programmes established in previous years, which have now been discontinued in connection with the company's delisting and new ownership structure.

Operating profit decreased by 50 percent to SEK 43.0 million (86.8), and the operating margin was 14 percent (30). Profit after tax for the period decreased by 46 percent to SEK 37.3 million (68.5), resulting in a profit margin of 13 percent (23).

Operating income excluding transaction-related net commission income for the quarter rose by 1 percent compared with the same quarter previous year. Cost coverage, i.e. operating income excluding transaction-related net commission in relation to expenses, amounted to 74 (89) percent.

January–June 2017

Operating income in January–June increased by 5 percent, amounting to SEK 620.7 million (592.4). Net interest income decreased by SEK 2.4 million, due to lower margins on capital loaned but also a lower return on surplus liquidity as a result of zero and negative interest rates for several currencies. Net commission rose by SEK 21.2 million, explained by both higher trading activity in the beginning of the year and increased income from mutual funds savings.

Operating expenses before credit losses rose by 14 percent compared with January–June 2016 and amounted to SEK 459.3 million (401.8).

Operating profit decreased by 19 percent to SEK 142.7 million (176.0), and the operating margin was 23 percent (30). Profit after tax for the period decreased by 16 percent to SEK 118.3 million (140.5), resulting in a profit margin of 19 percent (24).

Operating income excluding transaction-related net commissions for the January–June period increased by 5 percent compared with the corresponding period the previous year. Cost coverage, i.e. operating income excluding transaction-related net commission in relation to expenses, amounted to 80 percent (87).

Parent Company

January–June 2017

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 2017 amounted to SEK 7.3 million (4.4) and relates to Group-internal administrative services. The loss from financial investments amounted to SEK 0.4 million (0.7) and consisted primarily of interest expenses and similar charges. The Parent Company's loss after financial items for the period January–June 2017 amounted to SEK 12.9 million (5.2). The Parent Company's liquid funds amounted to SEK 10.7 (13.7) million, and its equity to SEK 1,078.0 (1,062.5) million.

Development in our markets

Sweden

In the period January–June, income increased by 5 percent, primarily due to increased income from our fund offerings. Expenses increased by 14 percent, due to an expanded workforce in sales of occupational pensions as well as higher Group-wide expenses. The operating margin was 25 percent (32).

New stock exchange listings continue to attract interest among savers, and are a reason for good customer growth in the Swedish market. Nordnet had 286,400 (250,700) active customers by the end of June 2017, which corresponds to an increase of 14 percent in the last twelve-month period.

Net savings for the period January–June amounted to SEK 0.8 billion (1.2). Calculated in relation to savings capital at the end of June 2016, net savings for the past 12 months corresponded to 2 percent.

The number of trades among Swedish customers during the period January–June increased by 15 percent compared with the corresponding period the previous year.

Nordnet offers three different kinds of loans in the Swedish market: personal loans, residential mortgages and margin lending. Personal loans (unsecured loans) are offered under the product names Nordnet Toppenlånet and Konsumentkredit. At 30 June 2017, the number of personal loan customers amounted to 27,700 (27,200). The total lending volume was SEK 3.4 billion (2.8), with an interest income of about 6.6 percent after adjustment for loan brokering. Lending volume has risen by 8 percent since the turn of the year. Personal loans contributed 47 percent (49) of operating profit in Sweden for the period January–June.

Nordnet's residential mortgages, directed to Private Banking customers, were launched in April 2016. Demand for Nordnet's residential mortgages remains high and at 30 June 1.4, SEK (0.2) billion in loans secured by residential properties had been paid out. Margin lending as of 30 June totalled SEK 2.2 billion (1.9), an increase of 16 percent compared with 2016.

During the second quarter, the Nordnet Markets product was launched – a marketplace for commission-free trading in exchange-traded products throughout the world.

During the second quarter, our Swedish customers were given the opportunity to test the beta version of Nordnet's new site. Through the beta version, our customers can trade stocks and ETFs, follow stock market developments and see news related to their holdings. The site is under development, and additional functions will be gradually introduced.

Norway

During the period January–June, income rose by 16 percent, primarily related to increased commission income from savings capital in mutual funds and increased trading. Expenses increased by 20 percent, due to increased personnel expenses and higher Group-wide costs. The operating margin amounted to 16 percent (19) during January-June.

Low interest rates and positive stock market development, together with our strong product offering, led to good customer growth and increased share trading in the Norwegian market. As per 30 June 2017, the number of active customers amounted to 90,200 (75,600), which corresponds to customer growth of 19 percent over the past 12-month period. Net savings for the period January–June amounted to SEK 2.5 billion (1.5). Calculated in relation to savings capital at the end of June 2016, net savings for the past 12 months corresponded to 21 percent.

The number of trades during the January–June period rose by 34 percent compared with the corresponding period the previous year. Margin lending amounted to SEK 0.7 billion (0.6), an increase of 15 percent in 12 months. During the second quarter, Nordnet Markets was also launched in the Norwegian market.

On 1 September, a new account form will be introduced in Norway in the form of "Aksjesparekonto" (ASK). The account format allows shares and funds to be traded tax-free within the framework of the account, with taxes being paid only when gains are withdrawn. During the period September–December, Norwegian savers will be able to transfer existing holdings into a new ASK with no effect on taxation. ASK will be offered to Nordnet's existing customers from the start, and we will be active in order for new customers to choose Nordnet and move their savings to the new account form. Read more about ASK at nordnet.no/aksjesparekonto. The existing savings scheme IPS (Individual Retirement Savings) will in the autumn be subject to new terms that are more advantageous from a fiscal perspective, making the product more relevant to the savers.

Denmark

Income from Nordnet's Danish operations during the period January–June was at the same level as the previous year. Expenses increased by 16 percent. The increase in expenses is due to higher Group-wide costs. The operating margin was 37 percent (46).

The number of active customers at the end of June 2017 amounted to 76,000 (62,100), which is an increase of 22 percent over the past 12 months. Net savings for the period totalled SEK 5.0 billion (3.4). Calculated in relation to savings capital at the end of June 2016, net savings for the past 12 months corresponded to 23 percent. At the end of 2016, a function was created for direct deposit in conjunction with becoming a new customer, and during the second quarter this

year we removed a manual cash withdrawal process, which significantly improves the customer experience and the efficiency of our internal processes.

Last year's stock market decline had a negative effect on Danish savers, resulting in lower trading activity. This was the case despite positive development of the Danish index OMXC20 during the first half of the year. The number of trades during the period January–June 2017 decreased by 2 percent compared with the corresponding period the previous year. Margin lending amounted to SEK 1.2 billion (1.0), an increase of 18 percent in 12 months.

Nordnet Markets has also been launched in Denmark and has attracted great attention in the Danish savings market.

Finland

During the period January–June, income in our Finnish operations decreased by 1 percent, mainly due to lower returns on surplus liquidity of the euro. Expenses increased by 9 percent. The increase in expenses is due to higher Group-wide costs. The operating margin was 1 percent (10).

The number of active customers by the end of June was 163,500 (134,800), corresponding to an increase of 21 percent compared with the end of June 2016. Net savings for the period January–June amounted to SEK 0.9 billion (0.7). Calculated in relation to savings capital at the end of June 2016, net savings for the past 12 months corresponded to 2 percent.

The Finnish Stock Exchange OMXH25 reached an all-time high in June and the Finnish economy is again showing growth. This coupled with low interest rates has contributed to increased interest in the stock exchange among Finnish savers. The number of trades among Finnish customers during the period January–June increased by 15 percent compared with the corresponding period the previous year. Margin lending amounted to SEK 1.1 billion (1.0), an increase of 15 percent in 12 months.

Nordnet Markets was also launched for our Finnish customers, who since mid-second quarter can trade exchange-traded products through our platform commission-free.

Table: Profit per country

January-June	Sweden		Norway		Denmark		Finland		Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Operating income	326.1	309.8	92.4	79.9	118.4	118.2	83.8	84.4	620.7	592.4
Operating expenses	-224.4	-197.1	-77.2	-64.5	-74.6	-64.1	-83.1	-76.0	-459.3	-401.8
Profit before credit losses	101.7	112.6	15.2	15.4	43.8	54.1	0.7	8.4	161.4	190.6
Credit losses	-18.9	-14.6	-0.1	0.0	0.2	0.0	0.0	0.0	-18.7	-14.6
Operating profit	82.8	98.0	15.1	15.5	44.1	54.1	0.7	8.4	142.7	176.0
Operating margin	25%	32%	16%	19%	37%	46%	1%	10%	23%	30%
Number of customers	286,400	250,700	90,200	75,600	76,000	62,100	163,500	134,800	616,100	523,200
Number of accounts	403,000	344,300	112,200	92,700	98,100	80,700	188,100	156,100	801,400	673,800
Net savings (SEK billion)	0.8	1.2	2.5	1.5	5.0	3.4	0.9	0.7	9.2	6.9
Savings capital (SEK billion)	121.2	101.2	28.8	22.2	52.8	38.3	56.9	43.0	259.7	204.8
Number of trades	6,752,900	5,896,500	2,007,200	1,494,700	2,053,700	2,096,300	2,073,000	1,810,300	12,886,800	11,297,800
Margin lending* (SEK billion)	2.2	1.9	0.7	0.6	1.2	1.0	1.1	1.0	5.3	4.5
Personal Loans (SEK billion)	3.4	2.8	-	-	-	-	-	-	3.4	2.8
Mortgage (SEK billion)	1.4	0.2	-	-	-	-	-	-	1.4	0.2

* Lending excluding pledged cash and equivalents.

Financial position, liquidity and cash flow

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

Residential mortgages are offered only to individuals 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 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, government 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 307.9 million (857.1), of which frozen assets were SEK 85 million (84). In addition, the Group has interest-bearing investments with a total fair value of SEK 14,401.6 million (16,194.5).

Consolidated equity amounted to SEK 1,914.9 million (SEK 1,820.0 million excluding minority and SEK 1,823.5 million including minority).

For the consolidated situation where NNB Intressenter AB* is the Parent Company, the capital base amounted to SEK 1,368.6 million (1,173.8) and total exposure amount is SEK 8,307.5 million (7,235.3). At the end of the period, the capital ratio was 16.5 percent, compared with 16.2 percent at the same time last year.

* See "Notes, Group" on page 16.

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 2.8 billion and securities transactions under settlement, "settlement receivables". Cash flow from operating activities was also negatively affected by SEK 0.4 billion due to higher lending.

During the quarter, cash flow in our investing activities was negative due to the purchase of bonds and other fixed-income securities for SEK 2.7 billion as a result of an increased deposit surplus.

During the period January–June 2017, cash flow from operating activities was affected by increased liquidity in customer deposits by SEK 3.8 billion and securities transactions under settlement, "settlement receivables". Cash flow from operating activities was also negatively affected by SEK 1.4 billion due to higher lending.

The cash flow from investing activities was decreased during the January–June 2017 period by SEK 3.3 billion, as a result of net investments in bonds and other interest-bearing securities as a result of higher deposit surpluses.

Employees

As of 30 June 2017, the company had 435 (431) 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 414 (412).

On 22 May, Peter Dahlgren took over as CEO of Nordnet after Håkan Nyberg. Peter was born in 1972 and employed at SEB from 2008 to 2017. The roles he held at SEB included Investment Manager, Head of Institutional Clients, responsible for the savings organization, and most recently as Head of the business area Life, Pension & Asset Management and member of group management. Prior to that he has worked for Nordea, Skandia Liv and the state-owned pension fund AP7.

The board and CEO provide their assurance that this interim report for the period January–June 2017 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 2017

Hans Larsson

Chairman of the Board

Tom Dinkelspiel

Board Member

Jan Dinkelspiel

Board Member

Christian Frick

Board Member

Christopher Ekdahl

Board Member

Pierre Siri

Board Member

Peter Dahlgren

CEO

Financial statements

Consolidated income statement (SEK million)

Group, SEK million	Note	3 months apr-jun 2017	3 months apr-jun 2016	6 months jan-jun 2017	6 months jan-jun 2016	12m rolling jul-jun 2017	12 months jan-dec 2016
Interest income		107.9	107.5	217.9	215.9	435.9	433.9
Interest expenses		-11.6	-7.3	-21.4	-17.0	-35.2	-30.8
Commission income		208.2	195.4	443.2	412.6	864.6	834.0
Commission expenses		-60.5	-57.2	-131.1	-121.7	-253.5	-244.1
Net result of financial transactions		36.9	32.7	82.0	66.4	167.1	151.5
Other operating income		16.0	22.4	30.1	36.1	45.5	51.5
Total operating income		296.9	293.5	620.7	592.4	1,224.4	1,196.0
General administrative expenses	2	-210.4	-166.7	-387.2	-329.2	-726.0	-668.0
Depreciation, amortization and impairments of intangibles and equipment	3	-23.0	-20.5	-45.9	-40.5	-88.3	-82.9
Other operating expenses	4	-11.3	-13.2	-26.2	-32.0	-42.5	-48.3
Total expenses before credit losses		-244.7	-200.4	-459.3	-401.8	-856.8	-799.2
Profit before credit losses		52.2	93.1	161.4	190.6	367.6	396.8
Credit losses, net		-9.2	-6.3	-18.7	-14.6	-33.2	-29.1
Operating profit		43.0	86.8	142.7	176.0	334.4	367.7
Tax on profit for the period		-5.8	-18.4	-24.4	-35.5	-59.6	-70.7
Profit for the period		37.3	68.5	118.3	140.5	274.8	297.0
Of which, attributable to:							
Shareholders of the Parent Company		37.3	68.6	118.3	140.9	275.2	297.0
Holding less controlling influence		-	-0.1	-	-0.4	-0.4	-

Consolidated statement of comprehensive income (SEK million)

Group, SEK million	3 months apr-jun 2017	3 months apr-jun 2016	6 months jan-jun 2017	6 months jan-jun 2016	12m rolling jul-jun 2017	12 months jan-dec 2016
Profit for the period	37.3	68.5	118.3	140.5	274.8	297.0
Items that will be reversed to the income statement						
Changes in value of available-for-sale assets	2.4	25.6	8.4	33.2	20.9	45.7
Tax on changes in value of available-for-sale assets	-0.5	-5.6	-1.5	-7.3	-4.3	-10.1
Translation of foreign operations	-2.4	6.2	-4.6	11.0	3.6	19.2
Tax on translation of foreign operations	-0.8	-0.6	-0.9	-0.6	-1.2	-0.9
Total other comprehensive income after tax	-1.3	25.6	1.4	36.3	19.0	54.0
Total profit or loss and other comprehensive income	36.0	94.1	119.7	176.8	293.8	351.0
Of which, attributable to:						
Shareholders of the Parent Company	36.0	94.3	119.7	177.1	294.2	351.0
Holding less controlling influence	-	-0.1	-	-0.4	-0.4	-

Consolidated balance sheet (SEK million)

Group, SEK million	Note	30/06/2017	30/06/2016	31/12/2016
Assets				
Cash and balances in Central banks		121.6	600.0	436.4
Loans to credit institutions		186.3	257.1	329.0
Loans to the general public	5	10,864.3	8,211.4	9,516.4
Financial assets at fair value		13.1	6.5	10.6
Financial assets available for sale		10,916.2	12,444.8	11,959.3
Financial assets held to maturity		6,948.4	3,526.2	3,526.0
Assets in the insurance business		45,786.2	37,067.9	41,684.7
Intangible fixed assets		366.5	384.6	374.8
Tangible fixed assets		32.6	26.0	27.0
Current tax assets		71.6	86.9	95.2
Other assets		2,702.2	3,208.7	2,385.5
Prepaid expenses and accrued income		144.5	131.0	105.3
Total assets		78,153.4	65,951.0	70,450.2
Liabilities				
Deposits and borrowing from the general public		27,357.7	23,547.4	24,426.6
Liabilities in the insurance business		45,787.6	37,069.0	41,685.9
Other liabilities		2,824.7	3,252.4	2,168.2
Current tax liabilities		60.1	56.2	4.4
Deferred tax liabilities		42.5	51.4	42.9
Accrued expenses and deferred income		165.9	151.0	143.4
Total liabilities		76,238.5	64,127.4	68,471.4
Equity				
Share capital		175.0	175.0	175.0
Other capital contributions		481.1	478.8	481.1
Other reserves		-57.1	-77.0	-59.4
Retained earnings including profit for the period		1,315.9	1,243.2	1,382.2
Total equity attributable to the owners of the Parent Company		1,914.9	1,820.0	1,978.9
Holding less controlling influence		-	3.5	-
Total equity		1,914.9	1,823.5	1,978.9
Total liabilities and equity		78,153.4	65,951.0	70,450.2

Consolidated changes in equity, summary (SEK million)

Group, SEK million	30/06/2017	30/06/2016	31/12/2016
Opening equity	1,978.9	1,874.0	1,874.0
Profit for the period	118.3	140.9	297.0
Total other comprehensive income	1.4	36.3	54.0
Effect acquisition of minority interest	-	-	-20.6
Dividend	-174.5	-226.7	-226.7
Equity provided, share programme	-9.2	0.6	2.3
Repurchase of own shares	-	-1.1	-1.1
Acquisition non-controlling interest	-	-0.4	-
Closing equity	1,914.9	1,823.5	1,978.9

Consolidated cash flow statement, summary (SEK million)

Group, SEK million	3 months apr-jun 2017	3 months apr-jun 2016	6 months jan-jun 2017	6 months jan-jun 2016	12m rolling jul-jun 2017	12 months jan-dec 2016
Operating activities						
Cash flow from operating activities before changes in working capital	72.4	28.4	227.6	218.5	355.5	346.5
Cash flow from changes in working capital	2,895.1	3,811.5	2,864.9	5,453.0	954.2	3,542.3
Cash flow from operating activities	2,967.5	3,839.9	3,092.5	5,671.5	1,309.7	3,888.8
Investing activities						
Purchases and disposals of intangible and tangible fixed assets	-17.6	-12.0	-44.7	-24.8	-78.8	-58.9
Net investments in financial instruments	-2,677.1	-3,013.9	-3,328.2	-4,457.3	-1,988.1	-3,117.2
Cash flow from investing activities	-2,694.7	-3,025.9	-3,372.9	-4,482.0	-2,066.9	-3,176.1
Financing activities						
Cash flow from financing activities	-174.5	-219.2	-174.5	-624.3	201.4	-248.4
Cash flow for the period	98.3	594.8	-454.9	565.2	-555.7	464.3
Cash and cash equivalents at the start of the period	211.5	260.7	765.5	294.7	857.1	294.7
Exchange rate difference for cash and cash equivalents	-1.9	1.6	-2.7	-2.8	6.7	6.5
Cash and cash equivalents at the end of the period	307.9	857.1	307.9	857.1	308.1	765.5
whereof cash and cash equivalents in Central Banks	121.6	-	121.6	436.4	121.6	436.5
whereof loans to credit institutions	186.3	260.7	186.3	329.0	186.3	329.0

Parent Company income statement (SEK million)

Parent Company, SEK million	3 months apr-jun 2017	3 months apr-jun 2016	6 months jan-jun 2017	6 months jan-jun 2016	12m rolling jul-jun 2017	12 months jan-dec 2016
Net sales	4.6	2.1	7.3	4.4	12.2	9.3
Total operating income	4.6	2.1	7.3	4.4	12.2	9.3
Other external costs	-0.9	-1.4	-3.2	-3.1	-7.2	-7.2
Personnel costs	-13.8	-2.1	-16.0	-5.1	-21.0	-10.0
Other operating expenses	-0.3	-0.3	-0.7	-0.7	-1.3	-1.3
Operating profit	-10.4	-1.7	-12.5	-4.5	-29.5	-9.2
Result from financial investments:						
Result from participations in Group companies	-	-	-	-	199.1	199.1
Interest expense and similar items	-0.2	-0.4	-0.4	-0.7	-0.7	-1.1
Result from financial investments	-0.2	-0.4	-0.4	-0.7	198.4	198.1
Profit after financial items	-10.6	-2.0	-12.9	-5.2	168.9	188.8
Tax on profit for the year	2.5	0.1	3.0	0.6	2.1	-0.3
Profit for the period	-8.0	-1.9	-9.9	-4.6	171.0	188.5

Parent Company statement of comprehensive income (SEK million)

Parent company, SEK million	3 months apr-jun 2017	3 months apr-jun 2016	6 months jan-jun 2017	6 months jan-jun 2016	12m rolling jul-jun 2017	12 months jan-dec 2016
Profit for the period	-8.0	-1.9	-9.9	-4.6	171.0	188.6
Total other comprehensive income	-	-	-	-	-	-
Total profit or loss and other comprehensive income	-8.0	-1.9	-9.9	-4.6	171.0	188.6

Parent Company balance sheet, summary (SEK million)

Parent Company, SEK million	30/06/2017	30/06/2016	31/12/2016
Assets			
Financial fixed assets	1,209.1	1,202.9	1,202.3
Current assets	9.8	7.3	66.2
Cash and bank balances	10.7	13.7	7.8
Total assets	1,229.6	1,223.9	1,276.3
Equity and liabilities			
Equity	1,078.0	1,062.5	1,257.5
Current liabilities	151.6	161.3	18.8
Total equity and total liabilities	1,229.6	1,223.9	1,276.3

Notes, Group

Since February 2017, NNB Intressenter is the Parent Company of Nordnet AB (publ). NNB Intressenter is not an operating company and its sole business consists of holding shares in Nordnet AB (publ). This report relates to the Nordnet Group, with the exception of Note 10 Capital Requirements for the financial conglomerate and the consolidated situation, which includes NNB Intressenter AB.

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 adheres to the Annual Accounts Act of Credit Institutions and Securities Companies and the Financial Supervisory Authority's regulations (FFFS 2008:25) and RFR1 Supplementary Accounting Rules for Groups. The Parent Company's Interim Report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and with application of the Swedish Financial Reporting Boards RFR 2 Accounting for legal entities. The accounting principles applied in this report are those described in the 2016 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 2016 Annual Report.

A number of new or amended standards do not take effect until the next financial year and have not been applied prematurely in preparing the financial statements at hand.

IFRS 9 Financial Instruments is to replace IAS 39 Financial Instruments: Recognition and Measurement and the standard shall apply from 1 January 2018.

Classification according to IFRS 9 is based on the company's business model and the characteristics of the contractual cash flows. The classification, in turn, determines the valuation. The impairment model is based on expected credit losses instead of the current model based on loss events occurred. The purpose is to report expected credit losses at an earlier stage. The new standard also defines increased disclosure requirements.

Nordnet has conducted a pre-study of the potential effects of the new rules, and continued analyses are ongoing. The part of the accounting that will be most affected by the new rules is the accounting of expected credit losses. Development of models and processes is currently ongoing. The process is characterized by a large number of choices and assessments. Since no final decisions have yet been taken on these issues, it is also not possible to state with sufficient precision the effect in monetary terms. In terms of classification and valuation, securities in the liquidity portfolio as well as the assets in the insurance business will be affected. The work of analysing existing holdings is ongoing, and as no final decisions have yet been taken on these issues, it is not possible to state the impact on the income statement and balance sheet.

Note 2 General administrative expenses

SEK million	3 months	3 months	6 months	6 months	12m rolling	12 months
	apr-jun 2017	apr-jun 2016	jan-jun 2017	jan-jun 2016	jul-jun 2017	jan-dec 2016
Personnel costs	-112.6	-89.7	-206.4	-179.2	-386.8	-359.6
Other administrative expenses	-97.8	-77.1	-180.7	-150.0	-339.2	-308.4
	-210.4	-166.7	-387.2	-329.2	-726.0	-668.0

Note 3 Amortization and depreciation of tangible and intangible assets

SEK million	3 months	3 months	6 months	6 months	12m rolling	12 months
	apr-jun 2017	apr-jun 2016	jan-jun 2017	jan-jun 2016	jul-jun 2017	jan-dec 2016
Depreciation	-23.0	-20.5	-45.9	-40.5	-88.3	-82.9
	-23.0	-20.5	-45.9	-40.5	-88.3	-82.9

Note 4 Other operating expenses

SEK million	3 months	3 months	6 months	6 months	12m rolling	12 months
	apr-jun 2017	apr-jun 2016	jan-jun 2017	jan-jun 2016	jul-jun 2017	jan-dec 2016
Marketing	-9.5	-11.5	-22.1	-28.5	-35.1	-41.5
Other operating expenses	-1.8	-1.7	-4.1	-3.6	-7.4	-6.8
	-11.3	-13.2	-26.2	-32.0	-42.5	-48.3

Note 5 Loans to the public

As at 30 June 2017, SEK 723.8 million (573.0) 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 Transactions with related parties

E. Öhman J:or AB is a closely related party to Nordnet AB (publ) since E. Öhman J:or AB has a direct ownership in Nordnet AB (publ) by being a shareholder in the Parent Company NNB Intressenter AB. Nordnet has a cooperation agreement with E. Öhman J:or Fonder AB. Since 2014, an agreement has been entered with E. Öhman J:or Fonder AB on the management of Nordnet's no-fee index funds, the Super Funds.

Otherwise, similar transactions took place with closely related parties and to the same extent as previously. For additional information, please refer to Note 6 in the 2016 Annual Report.

Note 7 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 2016 Annual Report. No significant changes occurred in the second quarter of 2017.

Note 8 Financial assets and liabilities and their fair values

Fair value

SEK million	30/06/2017	30/06/2017	30/06/2016	30/06/2016	31/12/2016	31/12/2016
	Reported value	Fair value	Reported value	Fair value	Reported value	Fair value
Financial assets						
Loans within Central banks	121.6	121.6	600.0	600.0	436.4	436.4
Loans to credit institutions	186.3	186.3	257.1	257.1	329.0	329.0
Loans to the general public	10,864.3	10,864.3	8,211.4	8,210.8	9,516.4	9,516.4
Financial assets at fair value	13.1	13.1	6.5	6.5	10.6	10.6
Financial assets available for sale*	10,916.2	10,916.2	12,444.8	12,444.8	11,959.2	11,959.2
Financial assets held to maturity	6,948.4	6,948.1	3,526.2	3,528.9	3,526.0	3,541.8
Financial assets - policy holders bearing the risk*	45,786.2	45,786.2	37,067.9	37,067.9	41,684.7	41,684.7
Other assets	2,648.3	2,648.3	3,153.5	3,153.5	2,336.7	2,336.7
Accrued income	89.1	89.1	88.0	88.0	75.9	75.9
Total	77,573.4	77,573.1	65,355.2	65,357.3	69,874.9	69,890.7
Financial liabilities						
Deposits and borrowing from the general public	27,357.7	27,357.7	23,547.4	23,547.4	24,426.6	24,426.6
Liabilities in the insurance business, regarding						
investment contracts	45,787.6	45,787.6	37,069.0	37,069.0	41,685.9	41,685.9
Other liabilities	2,791.3	2,791.3	3,223.5	3,223.5	2,106.5	2,106.5
Accrued expenses	29.5	29.5	40.1	40.1	17.9	17.9
Total	75,966.1	75,966.1	63,879.9	63,879.9	68,236.9	68,236.9

*Assets in the insurance business derive from Nordnet Pensionsförsäkring AB's investments. These are partly invested in accounts with Nordnet Bank AB, which, in turn, has invested in interest-bearing securities with a value of SEK 3,485.4 million (3,749.7). As of December 31, 2016, the corresponding amount was SEK 2,511.7 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

As a rule, fair value is calculated individually for financial instruments. Value adjustments at a portfolio level have also been made to cover the credit risk.

- Lending to the public with financial instruments or properties as collateral are deemed to be equal to the carrying amount.

- Loan receivables have been calculated discounting expected future cash flows, with the discount rate being set as the lending rate currently applied.

Financial assets - policyholders bearing the investment risk

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.

Valuation Levels

30/06/2017	Level 1 Listed market price on active market	Level 2 Valuation model based on observable market data	Total
SEK million			
Financial assets at fair value			
Financial assets at fair value	13.1	-	13.1
Financial assets available for sale	10,916.2	-	10,916.2
Assets in the insurance business	22,050.0	23,736.2	45,786.2
Total	32,979.3	23,736.2	56,715.5
Financial liabilities at fair value			
Liabilities in the insurance business, regarding investment contracts	22,050.0	23,737.6	45,787.6
Total	22,050.0	23,737.6	45,787.6

30/06/2016			
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
Assets in the insurance business	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

31/12/2016			
Financial assets at fair value			
Financial assets at fair value	10.6	-	10.6
Financial assets available for sale	11,959.2	-	11,959.2
Assets in the insurance business	21,016.7	20,667.9	41,684.7
Total	32,986.6	20,667.9	53,654.5
Financial liabilities at fair value			
Liabilities in the insurance business, regarding investment contracts	21,016.7	20,667.9	41,684.7
Total	21,016.7	20,667.9	41,684.7

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:

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

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

Note 9 Contingent liabilities

Contingent liabilities, SEK Million	30/06/2017	30/06/2016	31/12/2016
Assets pledged for own liabilities			
Loans to credit institutions	-	-	-
Bonds and other interest bearing securities	-	-	-
The above assets are attributed to			
Liabilities to credit institutions	-	-	-
Other assets pledged			
Bonds and other interests bearing securities ¹⁾	2,086.4	1,512.3	2,135.7
	2,086.4	1,512.3	2,135.7
The above assets are attributed to			
Deposits with credit institutions	1,780.0	1,373.0	1,833.8
Deposits with clearing organisations	306.4	139.3	301.9
	2,086.4	1,512.3	2,135.7
Total assets pledged	2,086.4	1,512.3	2,135.7
Contingent liabilities			
Funds managed on behalf of third parties (client funds account)	189.1	261.5	194.7
	189.1	261.5	194.7
Commitments			
Credit granted but not yet paid, unsecured loans	132.6	1,498.2	164.7
	132.6	1,498.2	164.7

¹⁾ This amount includes blocked funds of SEK 85 (84) million.

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 securities-based lending transactions are other credit institutions.

As per the balance sheet date of 30 June 2017, the insurance business held registered assets amounting to SEK 45,786 (32,496) million to which the policyholders have priority rights.

In addition to the commitments specified in the table above, SEK 7,043 million (1,447) 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 10 Capital requirements for the financial conglomerate and the consolidated situation

The financial conglomerate

SEK million	30/06/2017	30/6/2016	31/12/2016
Total equity	2,111.9	1,823.5	1,978.9
Less, profit that have not been subject to audit	-71.5	-140.9	-
Less requirements on prudent valuation	-14.4	-16.2	-14.5
Less expected dividend for current year	-172.3	-	-175.0
Total equity for the financial conglomerate	1,853.7	1,666.5	1,789.4
Less fixed intangible assets and deferred tax receivables	-366.5	-384.6	-374.8
Solvency capital (VIF)	633.4	646.1	776.0
depart risk margin	-120.8	-150.7	-170.8
Capital base	1,999.8	1,777.3	2,019.7
Capital requirement per sector			
Exposure regulated entities, insurance sector	447.1	423.0	515.0
Exposure regulated entities, the banking and securities sector	947.0	821.6	886.5
Capital requirement	1,394.1	1,244.6	1,401.4
Excess capital	605.8	532.7	618.2
Capital base/capital ratio	1.4	1.4	1.4

The above table refers to the financial conglomerate, which, since February 2017, consists of NNB Intressenter AB, 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.

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

Solvency capital (VIF) for financial conglomerate consists of the discounted present value of future profits in Nordnet Pensionsförsäkring AB, including the subsidiary, Nordnet Livförsäkring AS, generated with the policyholders' capital. The Solvency capital item is a result of the introduction of the Solvency II Regulations 2016.

The consolidated situation

In accordance with the CRR, the European Capital Requirements Regulation, Nordnet reports a consolidated position consisting of NNB Intressenter AB, 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	30/06/2017	30/06/2016	31/12/2016
Total equity	1,945.3	1,669.9	1,840.7
Less, profit that have not been subject to audit	-40.0	-116.9	-
Less requirements on prudent valuation	-14.4	-16.2	-14.5
Less expected dividend for current year	-172.3	-	-175.0
Less intangible fixed assets and deferred tax receivables	-350.0	-363.0	-355.8
Tier 1 capital	1,368.6	1,173.8	1,295.4
Capital base	1,368.6	1,173.8	1,295.4
Risk exposures			
Exposure to credit risk according to the standardized method	6,206.7	5,233.0	5,789.4
Exposure market risk	2.5	44.9	18.5
Exposure operational risk	2,098.3	1,957.4	1,957.4
Total exposure	8,307.5	7,235.3	7,765.3
Capital ratio	16.5%	16.2%	16.7%
Capital base			
Credit risk according to the standardized method	496.5	418.6	463.2
Market risk	0.2	3.6	1.5
Operational risk	167.9	156.6	156.6
Capital requirement Pillar 1	664.6	578.8	621.3
Capital requirement Pillar 2	282.4	242.8	265.3
Total capital requirement	947.0	821.6	886.6
Capital ratio and buffers			
Common equity tier 1 ratio, %	16.5%	16.2%	16.7%
Tier 1 ratio, %	16.5%	16.2%	16.7%
Total capital ratio, %	16.5%	16.2%	16.7%
Institution-specific buffer requirements, %	4.1%	3.3%	3.7%
of which capital conservation buffer requirement, %	2.5%	2.5%	2.5%
of which countercyclical buffer requirement, %	1.6%	0.8%	1.2%
Total capital requirement including buffer requirement, %	15.5%	14.7%	15.2%
Tier 1 capital available for buffer requirement, %	8.5%	8.2%	8.7%

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

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

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

Internal capital adequacy assessment

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

In addition to the minimum capital requirement, it is Nordnet's assessment that the risks identified within the ICAAP process should hold SEK 282.4 million (242.8) for having a satisfactory capital position with regard to the operations Nordnet conducts. Read more about ICAAP in Note 7 in the 2016 Annual Report. Capital ratio is monitored continuously and, if necessary, results are reviewed during the current financial year by the company's external auditors, to be included in the capital.

Financial development per quarter

Group, SEK million	Q2 17	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16	Q4 15	Q3 15
Net interest	96.3	100.2	103.1	101.2	100.3	98.6	96.7	97.8
Net commission - not trade related	37.6	35.3	37.1	32.0	29.4	31.1	34.5	36.0
Net commission - trade related	110.1	129.1	119.5	110.3	108.8	121.8	130.2	111.9
Net result of financial transactions	36.9	45.1	46.7	38.4	32.7	33.7	39.0	34.4
Other income	16.0	14.1	7.6	7.8	22.4	13.7	22.0	10.3
Operating income	296.9	323.8	314.0	289.6	293.5	298.9	322.4	290.4
General administrative expenses	-210.4	-176.8	-169.1	-169.7	-166.7	-162.5	-169.1	-156.2
Depreciation	-23.0	-22.9	-21.5	-20.9	-20.5	-20.0	-20.2	-20.1
Other operating expenses	-11.3	-15.0	-8.6	-7.7	-13.2	-18.9	-10.1	-8.2
Net credit losses	-9.2	-9.5	-7.2	-7.3	-6.3	-8.3	-9.8	-8.0
Expenses	-253.9	-224.2	-206.3	-205.6	-206.7	-209.7	-209.1	-192.5
Operating profit	43.0	99.6	107.7	84.0	86.9	89.2	113.2	97.9
Operating margin %	14%	31%	34%	29%	30%	30%	35%	34%
Cost coverage	74%	87%	94%	87%	89%	84%	92%	93%
Return on shareholders' equity	14%	16%	16%	16%	17%	17%	20%	20%
Quarterly statistics	Q2 17	Q1 17	Q4 16	Q3 16	Q2 16	Q1 16	Q4 15	Q3 15
Number of active customers at end of the period	616,100	593,600	566,800	545,600	523,200	507,100	490,400	476,000
Number of active accounts at end of the period	801,400	771,200	735,000	705,600	673,800	650,500	627,500	607,000
Net savings (SEK billion)	5.6	3.6	4.1	3.3	4.2	2.6	1.0	3.3
Total savings capital (SEK billion)	260	246	235	225	205	197	200	185
Average savings capital per account (SEK)	324,000	318,600	319,300	318,900	303,900	302,300	318,800	305,300
Number of trades	6,026,000	6,860,800	6,207,900	5,425,800	5,404,000	5,893,800	5,734,100	4,798,800
Traded value cash market, SEK million ¹	177,400	209,000	195,100	186,300	184,400	198,300	211,600	183,800
Number of trading days	58	64	63	66	62	60	62	66
Number of trades per day	103,900	107,200	98,500	82,200	87,200	98,200	92,500	72,700
Average net commission revenue per transaction (SEK)	18	19	19	20	20	21	23	23
Number of trades per active trading account	8.3	9.9	9.4	8.7	9.0	10.2	10.3	8.9
Number of trades per active trading account and month	2.8	3.3	3.1	2.9	3.2	3.4	3.4	3.0
Cash deposits at end of period	32,988.0	30,144.0	29,131.5	29,366.3	28,969.9	25,296.9	23,726.7	25,412.6
Managed Client Funds, SEK million	182.5	213.8	189.7	265.8	251.3	219.1	199.7	238.7
Lending at end of period, SEK million	10,864.3	10,455.5	9,516.4	9,192.0	8,211.4	7,875.0	7,278.1	7,282.2
Lending excluding pledged cash and cash equivalents	10,140.5	9,840.4	9,210.8	8,515.3	7,638.5	7,399.2	7,086.4	6,608.8
Lending/deposits	33%	35%	33%	31%	32%	31%	31%	27%

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

Key figures

Key figures - Group	30/06/2017	30/06/2016	31/12/2016
Operating margin (%)	23%	30%	31%
Profit margin (%)	19%	24%	25%
Cost/income ratio	77%	70%	69%
Return on shareholders' equity (%)	6%	17%	15%
Return on assets (%)	0.2%	0.5%	0.5%
Shareholders' equity, SEK million ¹	1,914.9	1,820.0	1,978.9
Capital base, SEK million	1,368.6	1,173.8	1,295.4
Capital coverage ratio	16.5%	16.2%	16.7%
Investments in tangible assets, SEK million	12.9	3.0	9.9
Investments in intangible assets excl. company acquisitions, SEK million	34.5	21.8	46.5
Of which, internal development expenses, SEK million	10.3	10.3	21.6
Number of full-time employees at end of period	435	431	418
Customer related key financial figures	30/06/2017	30/06/2016	31/12/2016
Number of active customers	616,100	523,200	566,800
Number of active accounts at end of the period	801,400	673,800	735,000
Net savings, SEK billion	9.2	6.9	14.3
Total savings capital at end of period, SEK billion	260	205	235
Average savings capital per active account at end of period, SEK	324,000	303,900	319,300
Number of trades for the period	12,886,800	11,297,800	22,931,500
Number of trades per day	105,600	92,600	91,400
Average net commission revenue per trade, SEK	19	20	20
Annual average income/savings capital (%)	0.5%	0.6%	0.6%
Average yearly income per account, SEK	1,600	1,856	1,755
Average yearly operating expenses per account, SEK	-1,184	-1,233	-1,173
Average yearly profit per account, SEK	416	623	582

¹ Excluding minority interests

Definitions

Active customer

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

Active account

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

Return on shareholders' 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.

Cash market

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

Borrowing

Borrowing including borrowing attributable to liabilities in the insurance business.

Capital base

The sum of core Tier 1 capital and Tier 2 capital.

Capital ratio

Capital base in relation to total risk-weighted exposure amount.

Client funds

Cash and cash equivalents at Nordnet held on behalf of a third party.

Cost coverage

Non-transaction-related income relative to costs.

Core Tier 1 capital

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

Core Tier 1 ratio

Core tier 1 capital divided by total risk-weighted 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 refers to our customers' trade in shares, warrants, ETFs, certificates, bonds and similar instruments.

Personal loans

Unsecured loans.

Risk exposure amounts

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

Operating expenses

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

Operating margin

Operating profit in relation to operating income.

Total savings capital

The sum of cash and cash equivalents and market 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.

Solvency capital (VIF)

The estimated present value of expected profits in the existing insurance business.

Solvency capital requirements (SCR)

Estimated capital requirements as per Solvency II regulations.

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To become a customer, visit nordnet.se, nordnet.no, nordnet.dk or nordnet.fi

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