

# Interim report January–September 2016

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

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

## July – September 2016

- Operating income decreased by 0.3 percent to SEK 289.6 million (290.4)
- Profit after tax for the period fell by 9 percent to SEK 69.2 million (75.7)
- Earnings per share before and after dilution were down 8 percent to SEK 0.40 (0.43)

## January – September 2016

- Operating income decreased by 4 percent to SEK 882.0 million (915.7)
- Profit after tax for the period fell by 22 percent to SEK 209.6 million (269.6)
- Earnings per share before and after dilution decreased 22 percent to SEK 1.20 (SEK 1.55 before dilution and SEK 1.54 after dilution)

## Highlights from the third quarter

- A strong influx of customers with 22,400 new customers during the quarter and growth of the customer base by 15 percent in one year
- Continued success for loan products with the amount lent growing by 11 percent in the third quarter
- The social investment network Shareville surpassed 100,000 members, an increase of more than 70 percent in 12 months

<p><b>Operating profit</b> January-September</p> <p><b>260.0</b> (335.4) SEK million</p>	<p><b>Savings capital</b> 30 September</p> <p><b>225</b> (185) SEK billion</p>
<p><b>Active customers</b> 30 September</p> <p><b>545,600</b> (476,000) customers</p>	<p><b>Net savings</b> January-September</p> <p><b>10.2</b> (11.8) SEK billion</p>
<p><b>Trades</b> January-September</p> <p><b>16,723,600</b> (14,097,700) trades</p>	<p><b>Lending*</b> 30 September</p> <p><b>8.5</b> (6.6) SEK billion</p> <p>* Excluding lending against pledged cash and equivalents.</p>

# Håkan comments on the third quarter

The third quarter began right after the news about Brexit, and the savers had a tough start to the period with challenging conditions. The stock markets soon regained confidence, and the quarter as a whole was a positive period in the Nordic stock markets with increases of 9 percent in Sweden and Finland. In Denmark, the savings climate was somewhat less optimistic, and the market was encumbered by a price collapse of the market giant Novo Nordisk.

From Nordnet's perspective, what I am most pleased by this quarter is that so many Nordic residents choose our bank when beginning to save. In the past 12 months, our customer base has grown by 15 percent, which is a historic high. I think this growth is a result of our constantly improved customer offering, and of course external factors like a positive stock market and continued low interest rates. A number of high-profile Nordic IPO's has also recently attracted extensive interest among the savers.

The financial development for Nordnet across the quarters is stable, on both the revenue and expense side. Compared with the same period last year, we have somewhat lower revenues, mainly related to lower market interest rates and lower commissions per trade. Our expenses amount to just over SEK 205 million, which is on a par with what we previously communicated. Our earlier forecast of a cost increase from 2015 by 6-8 percent remains for the full year, which means a retained cost level for the fourth quarter. Continuous investments in IT, product development, compliance and sales mean that the cost increase for 2017 will not be less than the increase during 2016.

In August, Nordnet turned 20. We have developed from a Swedish online broker to a Nordic bank with a broad offering in savings, pensions and loans. In recent years, we launched a number of financial innovations for the Nordic savers. Our free index super funds now have SEK 2.5 billion in savings capital and our social investment network Shareville surpassed 100,000 members during the quarter. Our mortgage have had a flying start since May, with SEK 600 million in capital loaned. We have made good progress, but will never stand still. Much of our focus in product development is now on an updated website. The coding is in full swing and new prototypes are constantly being tested on small groups of customers and other users. In the fourth quarter, we will launch a beta version where part of our new site will be presented to a broader group of users, and it will be very exciting to hear your response. But IT development is not just about prospective activities and exciting new services. Like other banks, we are constantly making major investments to adapt our operations to new regulations. The intention of the legislators is good – it is a matter of greater customer protection at a European level. At the same time that the number of new rules is claiming a great deal of resources, future regulations, such as Mifid2 and PSD2, open up fantastic business opportunities for us as an independent distributor of financial services. It is a matter of working intelligently, challenging business models and old truths, and translating the new regulations into something positive for both us and the savers.

We are also continuously looking at ways to digitize processes to benefit both us and our customers. In the past quarter, we began a collaboration with Kivra, which means that our customers in the Swedish market will receive post from us in digital postboxes. Since July, our Swedish users can deposit money using Trustly, which combined with a mobile bank ID allows you as a new customer to get started with savings in two minutes.

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

**Håkan Nyberg**

@CEONordnet

PS. In August, we launched our new corporate site, [www.nordnetab.com](http://www.nordnetab.com). Here, there is information for those who are shareholders, journalists, interested in working with us or just generally interested in Nordnet as a company.



# 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 and we are motivated by the desire to grant private individuals greater control over their money. This is why we digitised share trading and lowered the prices. We redefined our industry, and we still maintain that approach today. We give our clients the knowledge, inspiration and tools they need to be able to invest independently and receive the best possible return on their money. Our vision is to become the number one choice for savings and investments in the Nordic region.

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.

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

## Market

The third quarter was a period of rising prices on the world's stock markets, but the outcome among the Nordic stock exchanges was a bit mixed. Three out of four Nordic stock markets rose during the quarter. The exception was the Copenhagen stock exchange, which was pulled down by more than 6 percent after a weak report and price drop in the index-heavy Novo Nordisk. Novo Nordisk declined by 25 percent in the third quarter and made a strong contribution to the Copenhagen exchange's weak development.

The price declines in the wake of the Brexit vote marked the summer's low mark and it has since been on its way up. In Stockholm and Helsinki, impressive index increases of 8.7 and 9.1 percent, respectively, were noted during the quarter. In Oslo, the increase was a more modest 2 percent in the wake of a sideways development for the price of oil during the period.

Despite rising share prices, there is no dearth of storm clouds. The economy is still balancing on a pin, and how the central banks will act is a constant uncertainty factor. The impending U.S. presidential election has also been in focus and the market are worried about the consequences of the outcome of the election. Towards the end of the quarter, the major German bank Deutsche Bank ended up on rough waters after a damages claim from US authorities called the company's financial situation into question. Ericsson's problems also became increasingly clear during the quarter. In July, it was announced that CEO Hans Vestberg would leave the company. After the end of the period, the company issued a profit warning and the share was sent down to new lows. Circumstances promise an interesting fourth quarter on the Nordic stock exchanges.

## Customers, savings and lending

At 30 September, the number of active customers with Nordnet was 545,600 (476,000), corresponding to an increase of 15 percent compared with a year ago. The number of active accounts was 705,600 (607,000), corresponding to an increase of 16 percent compared with the end of September 2015. Each customer has an average of 1.29 (1.28) accounts.

Our customers' total savings capital amounted to SEK 225 billion (185), an increase of 21 percent compared with the end of September in the previous year. Savings capital is made up of 68.4 percent (65.0) in shares/derivatives/bonds, 18.4 percent (21.2) in mutual funds and 13.2 percent (13.9) in cash.

Net savings for the period January-September 2016 amounted to SEK 10.2 billion (11.8). Calculated in relation to savings capital at the end of September 2015, net savings for the past 12 months corresponded to 6 percent. During the period January to September 2016, a capital of SEK 3.5 billion was moved from Nordnet due to the reduced cooperation with Söderberg & Partners and the corresponding amount for the past 12 months is SEK 6.2 billion. In relation to savings capital on 30 September 2015 and excluding the aforementioned transactions related to Söderberg & Partners, net savings amounted to 9 percent in the past 12 months.

Nordnet customers made an average of 89,200 trades (75,800) per day during the period January to September, an increase of 18 percent compared with the January to September 2015. The amount traded per day for the same period is, however, only marginally higher. During the period, the amount traded per day amounted to SEK 3,027 million (3,009). Lending excluding lending against pledged cash and cash equivalents was up by 29 percent compared with 12 months ago, amounting to SEK 8.5 billion (6.6). Lending is divided between SEK 3.0 billion (2.5) in personal loans, SEK 4.9 billion (4.1) in securities-based lending and SEK 0.6 billion (-) in residential mortgages.

There were approximately 123,200 accounts (103,700) within pensions and insurance as per 30 September, representing an increase of 19 percent compared with 30 September 2015. The collective savings capital in this category increased by 23 percent to SEK 51.0 billion (41.6) at 30 September, of which SEK 27.4 billion (24.3) is in endowment insurance, SEK 7.4 billion (5.3) in occupational pensions and SEK 16.2 billion (12.0) in other pension savings.

Table: Account overview

Number of accounts	30/09/2016	30/06/2016	31/03/2016	31/12/2015	30/09/2015
<b>Investments &amp; savings</b>	<b>554,900</b>	<b>529,300</b>	<b>510,700</b>	<b>492,700</b>	<b>476,500</b>
of which trading accounts	516,400	491,300	473,000	451,800	439,500
of which savings accounts	38,500	38,000	37,700	40,900	37,000
<b>Pension</b>	<b>123,200</b>	<b>117,300</b>	<b>112,600</b>	<b>107,800</b>	<b>103,700</b>
of which endowment insurance	51,300	48,300	46,900	45,800	45,000
of which occupational pension	24,100	23,000	21,500	20,000	18,700
of which other pension	47,800	46,000	44,200	42,000	40,000
<b>Personal loans</b>	<b>27,500</b>	<b>27,200</b>	<b>27,200</b>	<b>27,000</b>	<b>26,800</b>
<b>Total</b>	<b>705,600</b>	<b>673,800</b>	<b>650,500</b>	<b>627,500</b>	<b>607,000</b>

Table: Savings capital by account type and investment type

Savings capital (bn)	30/09/2016	30/06/2016	31/03/2016	31/12/2015	30/09/2015
<b>Investments &amp; savings</b>	<b>174.0</b>	<b>158.4</b>	<b>152.1</b>	<b>155.1</b>	<b>143.7</b>
of which trading accounts	171.8	156.3	150.1	153.1	141.6
of which savings accounts	2.3	2.1	2.0	2.1	2.1
<b>Pension</b>	<b>51.0</b>	<b>46.4</b>	<b>44.6</b>	<b>44.9</b>	<b>41.6</b>
of which endowment insurance	27.4	25.0	24.8	25.4	24.3
of which occupational pension	7.4	6.6	6.1	6.0	5.3
of which other pension	16.2	14.8	13.7	13.5	12.0
<b>Total</b>	<b>225.0</b>	<b>204.8</b>	<b>196.7</b>	<b>200.0</b>	<b>185.3</b>
of which shares/derivatives/bonds	154.0	137.9	134.4	136.4	120.4
of which mutual funds	41.4	37.6	36.7	39.7	39.3
of which cash	29.6	29.2	25.5	23.9	25.7
<b>Total</b>	<b>225.0</b>	<b>204.8</b>	<b>196.7</b>	<b>200.0</b>	<b>185.3</b>

Table: Lending

Lending	30/09/2016	30/06/2016	31/03/2016	31/12/2015	30/09/2015
Margin lending*	4.9	4.5	4.7	4.5	4.1
Personal loans	3.0	2.8	2.7	2.6	2.5
Mortgage	0.6	0.2	-	-	-
<b>Total</b>	<b>8.5</b>	<b>7.6</b>	<b>7.4</b>	<b>7.1</b>	<b>6.6</b>

\* Excluding lending with pledged cash and cash equivalents, see note 5

## Revenues and expenses

### July – September 2016

Operating income during the quarter is virtually unchanged at SEK 289.6 million (290.4). Net interest income increased by SEK 3.4 million, which is attributable to higher lending. Net commission income decreased by SEK 5.6 million, which is attributable to lower net commissions per trade. A total 5.4 million (4.8) trades were made, which is an increase of 13 percent compared with the third quarter last year. However, the value traded only increased by 1 percent during the quarter compared with the year-before period, which is because our customers chose to make more, but smaller trades. This, together with lower prices, mainly in Sweden, has yielded a lower net commission per trade. Net commission per trade was SEK 20 in the quarter, compared with SEK 23 in the same quarter in 2015.

Operating expenses before credit losses rose by 7 percent compared with the same quarter last year and amounted to SEK 198.3 million (184.5). The increase in expenses is attributable to, among other things, investments in product development and increased Group-wide systems expenses.

Operating profit decreased by 14 percent to SEK 84.0 million (97.9), and the operating margin was 29 percent (34). Profit after tax for the period decreased by 9 percent to SEK 69.2 million (75.7), resulting in a profit margin of 24 percent (26). Earnings per share before and after dilution were down 8 percent to SEK 0.40 (0.43)

Operating income excluding transaction-related net commission for the quarter is at the same level as the previous year. Cost coverage, i.e. operating income excluding transaction-related net commission in relation to expenses, amounted to 87 (93) percent.

### January – September 2016

During the period January to September, operating income decreased by 4 percent to SEK 882.0 million (915.7), compared with 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 9.8 million, which is attributable to lower

market interest rates. Net commission decreased by SEK 26.7 million, which is attributable to both a lower net commission per trade and lower revenue in relation to fund savings in connection with reduced fund capital. A total 16.7 million (14.1) trades were made, which is an increase of 19 percent compared with the year-earlier period. However, the value traded for the same period only increased by 1 percent compared with the same period last year as our customers chose to make more, but smaller trades. This, together with lower prices, mainly in Sweden, has yielded a lower net commission per trade. Net commission per trade was SEK 20 in the period January to September, compared with SEK 25 in the same period in 2015.

Operating expenses before credit losses rose by 9 percent compared with the period January to September last year and amounted to SEK 600.1 million (548.7). 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 22 percent to SEK 260.0 million (335.4), and the operating margin was 29 percent (37). Profit after tax for the period decreased by 22 percent to SEK 209.6 million (269.6), resulting in a profit margin of 24 percent (29). Earnings per share before and after dilution decreased 22 percent to SEK 1.20 (SEK 1.55 before dilution and SEK 1.54 after dilution).

Operating income for the period January to September, excluding transaction-related net commissions, fell by 4 percent compared with the corresponding period in 2015. Cost coverage, i.e. operating income excluding transaction-related net commission in relation to expenses, amounted to 87 (97) percent.

## Development in our markets

### Sweden

During the period January to September, income fell by 9 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 and a reduction in mutual fund assets, as well as lower revenues related to customer's trading outside their home market. 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 percent (41).

At the end of September 2016, Nordnet Sweden had 261,600 active customers (234,000). That corresponds to an increase of 12 percent over the past 12 months. During the quarter, the number of active customers increased by 10,900, which is three times more than the same quarter last year. During the summer, we took an important step towards a simplified new customer process by implementing functionality for the direct transfer of money. The simplified process has had effect and resulted in that a larger percentage of our new customers deposit money immediately and become active compared to earlier. Nordnet also participated in the IPO of Engelska Skolan, which generated a high level of interest among the investor collective and contributed to many people choosing to become Nordnet customers. During the third quarter, we also launched a podcast in cooperation with Feminvest, which focuses on women and investments.

Net savings for the January-December period amounted to SEK 2.3 billion (0.6). In the past 12 months, new savings are as large as the capital moved out from Nordnet, which yields net savings of SEK 0. During the third quarter, SEK 0.5 billion was moved from Nordnet in connection with the reduced cooperation with Söderberg & Partners. In the past 12 months, SEK 6.2 billion in capital has been moved, of which SEK 3.5 billion was in 2016. Söderberg & Partners currently has a total of around SEK 13 billion in Nordnet, about half of which may be subject to transfer. Some of this capital will be transferred in the fourth quarter of 2016. In relation to savings capital on 30 September 2015 and excluding the aforementioned transactions related to Söderberg & Partners, net savings amounted to 6 percent in the past 12 months.

The number of trades among Swedish customers rose by 32 percent compared with the period January to September 2015.

Nordnet offers three different kinds of loans in the Swedish market: personal loans, mortgages and margin lending with securities as collateral. Personal loans (unsecured loans) are offered under the product names Nordnet Toppenlånet and Konsumentkredit. At 30 September 2016, the number of personal loan customers amounted to 27,500 (26,800). The total lending volume was SEK 3.0 billion (2.5), with an average interest rate of about 7.7 percent. Lending volume has increased by 17 percent since the beginning of the year and 22 percent in the past 12 months. Since the beginning of the personal loan operations in 2010, we achieved our highest growth ever in the July-September period in lending volume in a singled quarter at SEK 178 million. Personal loans contributed 48 percent (33) of operating profit in Sweden for the period January to September.

Nordnet's mortgages, directed to Private Banking customers, were launched in April 2016. On 30 September 2016, SEK 0.6 billion in loans secured by residential properties had been paid out. Margin lending as of 30 September totalled SEK 2.0 billion (1.7), a rise of 18 percent compared with the year-earlier period.

## Norway

During the period January to September, income rose by 6 percent, primarily related to increased commission income from fund capital and increased trading. Expenses increased by 8 percent, due to increased expenses for marketing and systems. The operating margin amounted to 19 percent (20) during January to September.

As per 30 September 2016, the number of active customers amounted to 78,200 (68,600), which corresponds to customer growth of 14 percent over the past 12-month period. Net savings for the January-September period amounted to SEK 2.4 billion (3.1). Calculated in relation to savings capital at the end of September 2015, net savings for the past 12 months corresponded to 20 percent.

The number of trades during the period among our Norwegian customers rose by 19 percent compared with January to September 2015. Margin lending amounted to SEK 0.6 billion (0.5), an increase of 37 percent in 12 months.

During the quarter, we lowered the threshold for students who want to begin saving in the stock market, and introduced a beneficial price list with minimum commission of NOK 1 for trade on the Nordic stock exchanges. After the end of the period, the Norwegian government presented a new proposal on account form with the aim of stimulating more savings in shares and mutual funds among Norwegian consumers. We follow the development in the area carefully to be able to continue to offer the Norwegian savers a customer-friendly offering based on the structure in the new account form.

## Denmark

During the period January to September, revenues increased by 14 percent related to both higher commission income, interest income from more lending and income from currency exchange when customers trade outside their home market. Expenses increased by 14 percent. The increase in expenses is due to an expanded workforce and higher system expenses. The operating margin was 44 percent (45).

The number of active customers at the end of September 2016 amounted to 65,000 (50,500), which is an increase of 29 percent over the past 12 months. Net savings for the period totalled SEK 5.0 billion (7.5). Calculated in relation to savings capital at the end of September 2015, net savings for the past 12 months corresponded to 23 percent.

During the quarter, the Copenhagen Stock Exchange and Danish savers were weighed down by the share price drop in Novo Nordisk, and OMXC20 fell 6 percent. After the first three quarters of the year, the stock exchange in Copenhagen had declined by 12 percent. The number of trades among Nordnet's Danish customers rose by 5 percent during the period compared with the period January to September 2015. Margin lending amounted to SEK 1.1 billion (1.0), an increase of 18 percent in 12 months.



## Finland

During the period January to September, revenues in the Finnish operations decreased by 11 percent, due to lower commission revenues as a result of somewhat fewer trades (-1 percent) and changed trading patterns with lower revenues per trade. Expenses increased by 9 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 (27).

The number of active customers was 140,800 (122,900), corresponding to an increase of 15 percent compared with the end of September 2015. In the third quarter of 2016, the customer base increased by 6,000 customers, which is the largest increase ever during a single quarter, excluding acquisitions. Net savings for the January-December period amounted to SEK 0.5 billion (0.6). Calculated in relation to savings capital at the end of September 2015, net savings for the past 12 months corresponded to 2 percent.

The Finnish stock exchange rose by 9 percent during the quarter, but despite the increase, private investors remained relatively cautious towards the stock market. The number of trades among Nordnet's Finnish customers dropped by 1 percent compared with the period January to September 2015. Margin lending amounted to SEK 1.1 billion (1.0), an increase of 9 percent in 12 months.

Rahapodi – Nordnet's Finnish podcast about savings and investments, with 10,000 listens a week – climbed during the quarter to the first place position on iTunes' list over the most popular podcasts.

Table: Profit per country

January-September	Sweden		Norway		Denmark		Finland		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Operating income	466.1	511.4	119.9	112.7	170.2	149.4	125.9	142.2	882.0	915.7
Operating expenses	-294.7	-271.5	-97.4	-90.5	-95.2	-83.2	-112.8	-103.5	-600.1	-548.7
<b>Profit before credit losses</b>	<b>171.4</b>	239.9	<b>22.5</b>	22.2	<b>75.0</b>	66.2	<b>13.1</b>	38.8	<b>281.9</b>	367.0
Credit losses	-22.0	-32.1	0.0	0.2	0.0	0.4	0.1	-0.1	-21.9	-31.6
<b>Operating profit</b>	<b>149.4</b>	207.8	<b>22.4</b>	22.4	<b>75.0</b>	66.5	<b>13.2</b>	38.7	<b>260.0</b>	335.4
<b>Operating margin</b>	<b>32%</b>	41%	<b>19%</b>	20%	<b>44%</b>	45%	<b>10%</b>	27%	<b>29%</b>	37%
Number of customers	261,600	234,000	78,200	68,600	65,000	50,500	140,800	122,900	545,600	476,000
Number of accounts	362,000	315,900	96,300	82,400	84,500	65,900	162,800	142,800	705,600	607,000
Net savings (SEK billion)	2.3	0.6	2.4	3.1	5.0	7.5	0.5	0.6	10.2	11.8
Savings capital (SEK billion)	110.8	97.9	24.7	17.8	41.9	31.0	47.6	38.7	225.0	185.3
Number of trades	8,872,800	6,718,900	2,161,200	1,809,800	3,018,200	2,873,300	2,671,400	2,695,700	16,723,600	14,097,700
Margin lending (SEK billion)*	2.0	1.7	0.6	0.5	1.1	1.0	1.1	1.0	4.9	4.1
Personal Loans (SEK billion)	3.0	2.5	-	-	-	-	-	-	3.0	2.5
Mortgage (SEK billion)	0.6	-	-	-	-	-	-	-	0.6	-

\*Excluding leding covered by pledged cash and cash equivalents

The table refers to IFRS 8, Segments.

## Financial position, liquidity and cash flow

Nordnet offers three types of lending – loans with securities as collaterals (margin lending), personal loans and mortgages. Nordnet has well developed procedures for managing credit risk in these products.

Residential mortgages are offered only to private persons in Sweden, with a tenant owner apartment or a villa 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.

Consolidated cash and cash equivalents at the end of September amounted to SEK 741.3 million (538.0), of which frozen assets were SEK 86 million (86). In addition, interest-bearing investments were held with a total fair value of SEK 15,452.8 million (14,448.5).

Consolidated equity amounted to SEK 1,891.3 million (SEK 1,816.2 million excluding minority and SEK 1,820.1 million including minority). Equity is distributed over 174,384,363 (175,027,886) outstanding shares with SEK 10.85 per share (10.38 excluding minority and 10.40 including minority).

For the consolidated situation where Nordnet AB (publ) is the Parent Company, the capital base amounted to SEK 1,259.4 million (1,174.2) and total exposure amount is SEK 7,533.2 million (7,188.1). At the end of the period, the capital ratio was 16.7 percent, compared with 16.5 percent at the same time last year.

## Cash flow

In the third quarter, cash flow from operating activities was affected by increased liquidity in customer deposits due to sales of securities for SEK 0.4 billion and securities transactions under settlement, "settlement receivables". Cash flow from operating activities has also been affected by SEK 1.0 billion less liquidity due to higher lending.

During the quarter, cash flow in our investing activities was positive due to the sale of bonds and other fixed-income securities of SEK 0.7 billion.

Cash flow in financing activities during the quarter was mainly affected by acquisitions of minority interests.

During the period January to September 2016, cash flow from operating activities was affected by increased liquidity in customer deposits by SEK 5.6 billion and securities transactions under settlement, "settlement receivables". Cash flow from operating activities has also been affected by SEK 1.9 billion less liquidity due to higher lending.

The cash flow from investing activities decreased during the January-September 2016 period by SEK 2.0 billion as a result of investments in bonds and other interest-bearing securities as a result of higher deposit surpluses.

During the period January to September 2016, cash flow in financing activities was affected by acquisitions of minority interests and by 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 to September 2016 amounted to SEK 6.6 million (6.4) and related to Group administrative services. The loss from financial investments amounted to SEK 1.1 million (4.1) and consisted primarily of interest expenses and similar charges. The Parent Company's loss after financial items for the period January-September amounted to SEK 8.0 million (11.3). The Parent Company's cash and cash equivalents amounted to SEK 5.8 million (64.2), and shareholders' equity amounted to SEK 1,061.0 million (1,068.1).

## Shareville

Shareville is Nordnet's social network for savers. The purpose of the service is to inspire and educate about savings, and help our customers make better investments. During the quarter, Shareville surpassed 100,000 members, which means that nearly one in five Nordnet customers is a member of the service. Around 25 percent of the share and mutual fund transactions carried out on Nordnet's platform are reflected on Shareville.

During the quarter, Nordnet acquired the remaining shares in Shareville AB, and now owns 100 percent of the company. The acquisition pertained to 28.1 percent of the shares for a purchase consideration of SEK 16.9 million.

## Employees

As of 30 September 2016, the company had 440 full-time employees (420). Full-time employees include temporary employees but not employees on parental or other leave. The average number of full-time positions for the January-September period was 412 (384).

In August, Dennis Hettema left Nordnet and his position as a product manager and member of Group management. The responsibility for product development and IT is now gathered under CTO Tuva Palm. As previously announced, CFO Jacob Kaplan will end his employment with the company on 30 November. Robert Stambro, Head of Treasury, will begin as the acting CFO until a permanent CFO has taken office.

## Significant risks and uncertainty factors

Nordnet's operations are influenced by a number of external factors, the effects of which on the Group's profit and financial position can be controlled to varying degrees. When assessing the Group's future development, it is important to take into account the risk factors alongside any opportunities for profit growth. A description of Nordnet's exposure to risk and handling of risks can be found under Note 7 in the 2015 Annual Report. In 2016, Nordnet launched a new loan product in the form of residential mortgages in the Swedish market. On 30 September, SEK 599 million in loans secured by residential properties had been disbursed. On the same date, total loans granted but not yet disbursed amounted to SEK 292 million. The terms of the new product are detailed on [www.nordnet.se](http://www.nordnet.se). No significant changes beyond the launch of residential mortgages, occurred in 2016.

## Closely related transactions

E. Öhman J:or AB is associated with Nordnet AB (publ) as E. Öhman J:or AB has a direct holding, and the owners of E. Öhman J:or AB have a direct holding in Nordnet AB (publ). Nordnet has a cooperation

agreement with E. Öhman J:or Fonder AB. Since 2014, an agreement has been entered with E. Öhman J:or AB on the management of Nordnet's no-fee index funds, the Super Funds.

During the third quarter, a change occurred with regard to related parties to Nordnet. The Emric Group and its parent company Emric Partners AB are no longer related parties to Nordnet AB (publ) in that E. Öhman J:or AB is no longer a shareholder in the company. The Emric Group administers Nordnet Bank AB's personal loans.

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 2015 Annual Report.

## The Share

The Nordnet share price was SEK 28.20 (31.30) at 30 September 2016, which corresponds to a 9.9 percent drop since 30 September 2015. During the same period, the OMXSPI index rose 8.9 percent.

Nordnet owns a total of 643,523 (-) treasury shares. In the second quarter, 0 Nordnet shares (0) 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 the "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 > SEK 0) 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 2013 share savings program has been concluded. Performance has been assessed relative to the targets and the distribution of shares will take place from and including 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 banks such as Nordnet with its transparent, affordable offering within a defined area.

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

Nordnet operates a scalable platform for investments and savings on a Nordic basis. With increasing income, the operating margin should gradually improve. However, increased business volumes and product development drive a certain increase in expenses. Previous assessment that operating expenses excluding credit losses will increase by 6-8 percent compared with 2015 remains. Continuous investments in IT, product development, compliance and sales mean that the cost increase for 2017 will not be less than the increase during 2016.

The CEO provides his assurance that this interim report for January to September 2016 provides an accurate overview of the operations, position and earnings of the Group and the Parent Company, and that it also describes the principal risks and sources of uncertainty faced by the Parent Company and the companies within the Group.

This report has been reviewed by the company's auditors.

Bromma, 25 October 2016

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](mailto:jacob.kaplan@nordnet.se)

This information is such that Nordnet AB is obliged to publish 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 25 October 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 25 October 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/2016-10-25-nordnet-q3-report>

## Future calendar events

Year-end report 2016	31 January 2017
Interim report January–March 2017	25 April 2017
Annual Report 2017	25 April 2017

## Address and contact details

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Registered company no.: 556249-1687

Company website: [nordnetab.com](http://nordnetab.com)

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

# Review report

Nordnet AB (publ), corporate identity number 556249-1687

## Introduction

We have reviewed the condensed interim report for Nordnet AB (publ) as at September 30, 2016 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34, the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Bromma, October 25, 2016

Ernst & Young AB

Peter Strandh  
Authorized Public Accountant



# Financial statements

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

Group, SEK million	Note	3 months jul-sep 2016	3 months jul-sep 2015	9 months jan-sep 2016	9 months jan-sep 2015	12m rolling oct-sep 2016	12 months jan-dec 2015
Interest income		107.6	109.8	323.5	343.1	431.4	451.0
Interest expenses		-6.4	-12.0	-23.4	-33.2	-34.7	-44.5
Commission income		199.0	209.7	611.6	665.2	838.3	891.8
Commission expenses		-56.7	-61.8	-178.3	-205.2	-240.3	-267.2
Net result of financial transactions		38.4	34.4	104.8	108.2	143.8	147.2
Other operating income		7.8	10.3	43.9	37.7	65.8	59.6
<b>Total operating income</b>		<b>289.6</b>	<b>290.4</b>	<b>882.0</b>	<b>915.7</b>	<b>1,204.4</b>	<b>1,238.1</b>
General administrative expenses	2	-169.7	-156.2	-499.0	-458.6	-668.0	-627.7
Depreciation and amortization of intangible assets and equipment Property	3	-20.9	-20.1	-61.4	-59.4	-81.6	-79.6
Other operating expenses	4	-7.7	-8.2	-39.7	-30.7	-49.8	-40.8
<b>Total expenses before credit losses</b>		<b>-198.3</b>	<b>-184.5</b>	<b>-600.1</b>	<b>-548.7</b>	<b>-799.5</b>	<b>-748.1</b>
<b>Profit before credit losses</b>		<b>91.3</b>	<b>105.9</b>	<b>281.9</b>	<b>367.0</b>	<b>404.9</b>	<b>490.0</b>
Net credit losses		-7.3	-8.0	-21.9	-31.6	-31.7	-41.3
<b>Operating profit</b>		<b>84.0</b>	<b>97.9</b>	<b>260.0</b>	<b>335.4</b>	<b>373.2</b>	<b>448.6</b>
Tax on profit for the period		-14.8	-22.1	-50.4	-65.8	-76.1	-91.5
<b>Profit for the period</b>		<b>69.2</b>	<b>75.7</b>	<b>209.6</b>	<b>269.6</b>	<b>297.1</b>	<b>357.1</b>
<b>Of which, attributable to:</b>							
shareholders of the Parent Company		69.2	75.8	210.0	270.6	297.6	358.1
the non-controlling interest		-	-0.1	-0.4	-1.0	-0.4	-1.0
Average number of shares before dilution		174,384,363	175,027,886	174,389,682	175,027,886	174,473,034	174,950,604
Earnings per share before dilution		0.40	0.43	1.20	1.55	1.71	2.05
Average number of shares after dilution		174,798,719	175,390,333	174,799,951	175,386,484	174,894,136	175,299,370
Earnings per share after dilution		0.40	0.43	1.20	1.54	1.70	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. Corresponding fee, the stability fee (Stabilitetsavgift in Swedish) that was in force until 2015 has also been 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 jul-sep 2016	3 months jul-sep 2015	9 months jan-sep 2016	9 months jan-sep 2015	12m rolling oct-sep 2016	12 months jan-dec 2015
<b>Profit for the period</b>	<b>69.2</b>	<b>75.7</b>	<b>209.6</b>	<b>269.6</b>	<b>297.1</b>	<b>357.1</b>
<b>Items that will be booked through profit or loss</b>						
Change in value of assets available for sale	11.5	-12.8	44.7	-32.3	39.4	-37.6
Tax on change in value of assets available for sale	-2.5	2.8	-9.8	7.1	-8.7	8.3
Translation of foreign operations	9.8	-3.2	20.8	-9.5	11.1	-19.2
Tax on translation of foreign operations	-0.4	-	-1.0	-	-1.0	-
<b>Total other comprehensive income</b>	<b>18.4</b>	<b>-13.2</b>	<b>54.7</b>	<b>-34.7</b>	<b>40.8</b>	<b>-48.5</b>
<b>Total profit or loss and other comprehensive income</b>	<b>87.5</b>	<b>62.6</b>	<b>264.3</b>	<b>234.9</b>	<b>338.0</b>	<b>308.6</b>
<b>Of which, attributable to:</b>						
shareholders of the Parent Company	87.2	62.6	264.3	235.9	338.0	309.6
the non-controlling interest	-	-0.1	-0.4	-1.0	-0.4	-1.0

## Balance Sheet, Group (SEK million)

Group, SEK million	Note	30/09/2016	30/09/2015	31/12/2015
<b>Assets</b>				
Loans within Central banks		500.2	-	-
Loans to credit institutions		241.1	538.0	294.7
Loans to the general public	5	9,192.0	7,282.2	7,278.1
Financial assets at fair value		8.5	12.9	10.8
Financial assets available for sale		11,591.4	10,624.2	10,181.2
Financial assets held to maturity		3,526.1	3,381.7	3,381.6
Financial assets - policy holders bearing the risk		40,893.7	33,965.1	35,995.1
Intangible fixed assets		381.0	405.6	389.7
Tangible fixed assets		24.0	28.6	29.3
Current tax assets		99.0	77.8	110.1
Other assets		3,620.1	3,124.5	2,440.0
Prepaid expenses and accrued income		141	160.8	102.6
<b>Total assets</b>		<b>70,218.0</b>	<b>59,601.3</b>	<b>60,213.3</b>
<b>Liabilities</b>				
Liabilities to credit institutions		-	-	397
Deposits and borrowing by the public		23,795.1	20,113.3	19,605.4
Liabilities to policyholders		40,894.9	33,966.1	35,996.2
Other liabilities		3,374.2	3,454.8	2,084.3
Current tax liabilities		39.0	69.8	73.5
Deferred tax liabilities		51.3	49.1	51.3
Accrued expenses and deferred income		172.3	128.1	132.1
Subordinated liabilities		-	-	-
<b>Total liabilities</b>		<b>68,326.7</b>	<b>57,781.3</b>	<b>58,339.3</b>
<b>Equity</b>				
Share capital		175.0	175.0	175.0
Other capital contributions		478.8	471.3	478.8
Other provisions		-58.6	-88.3	-113.3
Accrued profit including profit for the period		1,296.1	1,258.1	1,329.6
<b>Total shareholders' equity attributable to shareholders of the Parent Company</b>		<b>1,891.3</b>	<b>1,816.2</b>	<b>1,870.1</b>
Non-controlling interest		-	3.9	3.9
<b>Total equity</b>		<b>1,891.3</b>	<b>1,820.1</b>	<b>1,874.0</b>
<b>Total liabilities and equity</b>		<b>70,218.0</b>	<b>59,601.3</b>	<b>60,213.3</b>

## Changes in equity, Group (SEK million)

Group, SEK million	30/09/2016	30/09/2015	31/12/2015
<b>Opening equity</b>	<b>1,874.0</b>	<b>1,751.1</b>	<b>1,751.1</b>
Profit for the period	209.6	270.6	358.1
Total other comprehensive income	54.7	-34.7	-48.5
Effect of acquisition of minority shares*	-21.0	-	-
Dividend	-226.7	-174.1	-175.0
Equity provided, share programme	1.4	8.1	6.9
Repurchase of own shares	-1.1	-	-19.2
Likvidation NN Securities Oy	-	-	1.5
Holdings of non-controlling interest	-	-1.0	-1.0
<b>Closing equity</b>	<b>1,891.3</b>	<b>1,820.1</b>	<b>1,874.0</b>

\* Read more about the acquisition of the minority shares on page 10, under the title Shareville.

## Cash flow statement, Group (SEK million)

Group, SEK million	3 months jul-sep 2016	3 months jul-sep 2015	9 months jan-sep 2016	9 months jan-sep 2015	12m rolling oct-sep 2016	12 months jan-dec 2015
<b>Operating activities</b>						
Cash flow from operating activities before changes in working capital	94.1	61.6	295.4	308.5	357.9	371.0
Cash flow from changes in working capital	-920.4	-105.2	2,808.2	5,391.3	-1,223.4	1,359.7
Cash flow from operating activities	-826.4	-43.5	3,103.6	5,699.8	-865.5	1,730.7
<b>Investing activities</b>						
Purchases and disposals of intangible and tangible fixed assets	-8.1	-8.9	-32.9	-30.4	-43.7	-41.2
Net investments in financial instruments	739.7	514.6	-2,373.1	-5,318.0	1,385.8	-1,559.1
Cash flow from investing activities	731.6	505.7	-2,406.0	-5,348.4	1,342.1	-1,600.4
<b>Financing activities</b>						
Cash flow from financing activities	-21.3	-75.7	-248.4	-349.8	-268.6	-370.0
<b>Cash flow for the period</b>	<b>-116.0</b>	<b>386.4</b>	<b>449.2</b>	<b>1.5</b>	<b>207.9</b>	<b>-239.7</b>
<b>Cash and equivalents at the start of the period</b>	<b>857.1</b>	<b>154.7</b>	<b>294.7</b>	<b>540.1</b>	<b>538.0</b>	<b>540.1</b>
Exchange rate difference for cash and equivalents	0.2	-3.1	-2.6	-3.6	-4.6	-5.7
<b>Cash and equivalents at the end of the period</b>	<b>741.3</b>	<b>538.0</b>	<b>741.3</b>	<b>538.0</b>	<b>741.3</b>	<b>294.7</b>
whereof balances at central banks	500.2	-	500.2	-	500.2	-
whereof loans to credit institutions	241.1	538.0	241.1	538.0	241.1	294.7

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

Parent Company, SEK million	3 months jul-sep 2016	3 months jul-sep 2015	9 months jan-sep 2016	9 months jan-sep 2015	12m rolling oct-sep 2016	12 months jan-dec 2015
Net sales	2.2	2.0	6.6	6.4	8.8	8.6
<b>Total operating income</b>	<b>2.2</b>	<b>2.0</b>	<b>6.6</b>	<b>6.4</b>	<b>8.8</b>	<b>8.6</b>
Other external costs	-2.1	-1.9	-5.2	-5.2	-4.5	-4.5
Personnel costs	-2.2	-3.1	-7.3	-7.4	-11.8	-12.0
Other operating expenses	-0.3	-0.3	-1.0	-1.0	-1.3	-1.3
<b>Operating profit</b>	<b>-2.4</b>	<b>-3.3</b>	<b>-6.9</b>	<b>-7.2</b>	<b>-8.8</b>	<b>-9.2</b>
<b>Profit from financial investments:</b>						
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	-1.3	-1.1	-5.0	-1.4	-5.4
<b>Result from financial investments</b>	<b>-0.4</b>	<b>-1.3</b>	<b>-1.1</b>	<b>-4.1</b>	<b>248.6</b>	<b>245.6</b>
<b>Profit after financial items</b>	<b>-2.7</b>	<b>-4.7</b>	<b>-8.0</b>	<b>-11.3</b>	<b>239.8</b>	<b>236.5</b>
Tax on profit for the year	0.4	0.7	1.0	2.0	-1.1	-
<b>Profit for the period</b>	<b>-2.4</b>	<b>-4.0</b>	<b>-7.0</b>	<b>-9.3</b>	<b>238.8</b>	<b>236.5</b>

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

Parent company, SEK million	3 months jul-sep 2016	3 months jul-sep 2015	9 months jan-sep 2016	9 months jan-sep 2015	12m rolling oct-sep 2016	12 months jan-dec 2015
<b>Profit for the period</b>	<b>-2.4</b>	<b>-4.0</b>	<b>-7.0</b>	<b>-9.3</b>	<b>238.8</b>	<b>236.5</b>
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total profit or loss and other comprehensive income</b>	<b>-2.4</b>	<b>-4.0</b>	<b>-7.0</b>	<b>-9.3</b>	<b>238.8</b>	<b>236.5</b>

## Balance sheet, Parent Company (SEK million)

Parent Company, SEK million	30/09/2016	30/09/2015	31/12/2015
<b>Assets</b>			
Financial fixed assets	1,201.5	1,173.4	1,202.5
Current assets	8.3	9.3	116.4
Cash and bank balances	5.8	64.2	15.4
<b>Total assets</b>	<b>1,215.6</b>	<b>1,246.9</b>	<b>1,334.3</b>
<b>Equity and liabilities</b>			
Equity	1,061.0	1,068.1	1,293.5
Current liabilities	154.7	178.8	40.8
<b>Total equity and total liabilities</b>	<b>1,215.6</b>	<b>1,247.0</b>	<b>1,334.3</b>

# Notes, Group

Some information in accordance with IAS 34.16A left outside the financial reports in this report. Segment information is found on page 8, significant risks and uncertainty factors on page 10 and closely related transactions on page 10.

## 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 and with application of the Swedish Financial Reporting Board RFR 2 Accounting for Legal Entities. 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. During 2016, the Company has launched a new product, Mortgage. Mortgage is carried at amortized cost in accordance with other loans to the public.

## Note 2 General administrative expenses

SEK million	3 months	3 months	9 months	9 months	12m rolling	12 months
	jul-sep 2016	jul-sep 2015	jan-sep 2016	jan-sep 2015	oct-sep 2016	jan-dec 2015
Personnel costs	-88.7	-87.9	-268.0	-253.5	-359.7	-345.2
Other administrative expenses	-81.0	-68.3	-231.0	-205.1	-308.4	-282.5
	<b>-169.7</b>	<b>-156.2</b>	<b>-499.0</b>	<b>-458.6</b>	<b>-668.0</b>	<b>-627.7</b>

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

SEK million	3 months	3 months	9 months	9 months	12m rolling	12 months
	jul-sep 2016	jul-sep 2015	jan-sep 2016	jan-sep 2015	oct-sep 2016	jan-dec 2015
Depreciation	-20.9	-20.1	-61.4	-59.4	-81.6	-79.6
	<b>-20.9</b>	<b>-20.1</b>	<b>-61.4</b>	<b>-59.4</b>	<b>-81.6</b>	<b>-79.6</b>

## Note 4 Other operating expenses

SEK million	3 months	3 months	9 months	9 months	12m rolling	12 months
	jul-sep 2016	jul-sep 2015	jan-sep 2016	jan-sep 2015	oct-sep 2016	jan-dec 2015
Marketing	-5.8	-6.2	-34.3	-24.9	-42.8	-33.5
Other operating expenses	-1.8	-2.0	-5.4	-5.7	-7.0	-7.3
	<b>-7.7</b>	<b>-8.2</b>	<b>-39.7</b>	<b>-30.7</b>	<b>-49.8</b>	<b>-40.8</b>

## Note 5 Loans to the public

As of 30 September's intends 676.7 (673.4) million of loans to the public so-called overdrafts entirely covered by pledged cash in the endowment and investment savings account (ISK), the lending rate on the loans is matched by the deposit rate on the pledged cash and cash equivalents.

The remaining part of lending to the public has security in the form of securities and real estate, or is unsecured.

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

### Fair value

SEK million	30/09/2016	30/09/2016	30/09/2015	30/09/2015	31/12/2015	31/12/2015
	Reported value	Fair value	Reported value	Fair value	Reported value	Fair value
<b>Financial assets</b>						
Cash and balances with central banks	500.2	500.2	-	-	-	-
Loans to credit institutions	241.1	241.1	538.0	538.3	294.7	294.7
Loans to the general public	9,192.0	9,192.0	7,282.2	7,282.2	7,278.1	7,278.1
Financial assets at fair value	8.5	8.5	12.9	12.9	10.8	10.8
Financial assets available for sale*	11,591.4	11,591.4	10,624.3	10,624.3	10,181.2	10,181.2
Financial assets held to maturity	3,526.1	3,539.2	3,381.7	3,381.6	3,381.6	3,358.0
Financial assets - policy holders bearing the risk*	40,893.7	40,893.7	33,965.1	33,965.1	35,995.4	35,995.4
Other assets	3,592.1	3,592.1	3,061.5	3,061.5	2,439.1	2,439.1
Accrued income	89.4	89.4	128.1	128.1	75.4	75.4
<b>Total</b>	<b>69,634.6</b>	<b>69,647.7</b>	<b>58,993.9</b>	<b>58,994.1</b>	<b>59,656.4</b>	<b>59,632.8</b>
<b>Financial liabilities</b>						
Liabilities to credit institutions	-	-	-	-	396.5	396.5
Deposits and borrowing from the general public	23,795.1	23,795.1	20,113.3	20,113.3	19,605.4	19,605.4
Liabilities in the insurance business, regarding investment contracts	40,894.9	40,894.9	33,966.1	33,966.1	35,996.2	35,996.2
Other liabilities	3,363.8	3,363.8	7,271.1	7,271.1	2,071.5	2,071.5
Accrued expenses	43.5	43.5	32.0	32.0	34.7	34.7
<b>Total</b>	<b>68,097.3</b>	<b>68,097.3</b>	<b>61,382.6</b>	<b>61,382.6</b>	<b>58,104.3</b>	<b>58,104.3</b>

\*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 3 861.4 million (3 824.3). 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

Fair value is generally measured individually for financial instruments. In addition, performed valuation adjustments on portfolio level is made to cover credit risk.

The fair value of loans to the public with securities as collateral or real estate as collateral is judged to be equal to the carrying amount.

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.

## Valuation Levels

30/09/2016	Level 1	Level 2	Total
	Listed market price on active market	Valuation model based on observable market data	
<b>SEK million</b>			
<b>Financial assets at fair value</b>			
Financial assets at fair value	8.5	-	8.5
Financial assets available for sale	11,591.4	-	11,591.4
Financial assets - policy holders bearing the risk	19,757.3	21,136.4	40,893.7
<b>Total</b>	<b>31,357.2</b>	<b>21,136.4</b>	<b>52,493.6</b>
<b>Financial liabilities at fair value</b>			
Liabilities in the insurance business, regarding investment contracts	19,758.3	21,136.5	40,894.9
<b>Total</b>	<b>19,758.3</b>	<b>21,136.5</b>	<b>40,894.9</b>

30/09/2015			
<b>Financial assets at fair value</b>			
Financial assets at fair value	12.9	-	12.9
Financial assets available for sale	14,448.2	-	14,448.2
Financial assets - policy holders bearing the risk	15,295.7	18,669.4	33,965.1
<b>Total</b>	<b>29,756.8</b>	<b>18,669.4</b>	<b>48,426.2</b>
<b>Financial liabilities at fair value</b>			
Liabilities in the insurance business, regarding investment contracts	15,296.2	18,669.9	33,966.1
<b>Total</b>	<b>15,296.2</b>	<b>18,669.9</b>	<b>33,966.1</b>

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



## Description of valuation levels

### Level 1

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

### Level 2

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

- 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 7 Pledged assets

Assets pledged, SEK Million	30/09/2016	30/09/2015	31/12/2015
<b>Assets pledged for liabilities</b>			
Bonds and other interests bearing securities	-	-	406.9
	-	-	<b>406.9</b>
<b>The above assets are attributed to</b>			
Liabilities to credit institutions	-	-	396.5
	-	-	<b>396.5</b>
<b>Other assets pledged</b>			
Bonds and other interests bearing securities*	2,126.6	1,633.4	1,818.2
	<b>2,126.6</b>	<b>1,633.4</b>	<b>1,818.2</b>
<b>The above assets are attributed to</b>			
Deposits with credit institutions	1,820.7	1,374.6	1,545.6
Deposits with clearing organisations	305.9	258.8	272.7
	<b>2,126.6</b>	<b>1,633.4</b>	<b>1,818.2</b>
<b>Total assets pledged</b>	<b>2,126.6</b>	<b>1,633.4</b>	<b>2,225.2</b>
<b>Contingent liabilities</b>			
Funds managed on behalf of third parties (client funds account)	275.9	253.0	210.0
	<b>275.9</b>	<b>253.0</b>	<b>210.0</b>
<b>Commitments</b>			
Credit granted but not yet paid, unsecured loans	167.7	1,712.9	1,939.8
	<b>167.7</b>	<b>1,712.9</b>	<b>1,939.8</b>

\* This amount includes blocked funds of SEK 86 million (86)

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 September 2016, the insurance business held registered assets amounting to SEK 35,322 million (28,665) to which the policyholders have priority rights.

In addition to the commitments specified in the table above, SEK 6,756 million (5,489) 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

MSEK	30/09/2016	31/12/2015
Total equity, Group	1,891.3	1,874.0
Less requirements on prudent valuation	-15.5	-11.9
Less expected dividend for current year	-125.8	-227.5
<b>Total equity for the financial conglomerate</b>	<b>1,750.0</b>	<b>1,634.6</b>
Less fixed intangible assets and deferred tax receivables	-381.0	-389.7
Solvency capital (VIF)	736.8	634.1
<i>less risk margin</i>	-165.9	-141.5
<b>Capital base</b>	<b>1,939.9</b>	<b>1,737.5</b>
Exposure regulated entities, insurance sector	474.6	414.7
Exposure regulated entities, the banking and securities sector	802.2	688.2
<b>Capital requirements</b>	<b>1,276.8</b>	<b>1,102.9</b>
<b>Excess capital</b>	<b>663.1</b>	<b>634.7</b>
<b>Capital ratio</b>	<b>1.5</b>	<b>1.6</b>

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

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 (VIF) 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.

MSEK	30/09/2016	30/09/2015	31/12/2015
Total equity, Group	1,736.6	1,715.7	1,746.4
Less, profit that have not been subject to audit	-	-	-
Less requirements on prudent valuation	-15.5	-14.5	-11.9
Less expected dividend for current year	-101.1	-133.7	-227.5
Less intangible fixed assets and deferred tax receivables	-360.7	-380.6	-366.4
<b>Tier 1 capital</b>	<b>1,259.4</b>	<b>1,187.0</b>	<b>1,140.6</b>
<b>Capital base</b>	<b>1,259.4</b>	<b>1,187.0</b>	<b>1,140.6</b>
<b>Risk exposures</b>			
Exposure to credit risk according to the standardized method	5,560.4	5,414.3	5,435.2
Exposure market risk	15.4	14.6	22.4
Exposure operational risk	1,957.4	1,759.2	1,957.4
<b>Total exposure</b>	<b>7,533.2</b>	<b>7,188.1</b>	<b>7,415.0</b>
<b>Capital ratio</b>	<b>16.7%</b>	<b>16.5%</b>	<b>15.4%</b>
<b>Capital base</b>	<b>30/09/2016</b>	<b>30/09/2015</b>	<b>31/12/2015</b>
Credit risk according to the standardized method	444.8	433.1	434.8
Market risk	1.2	1.2	1.8
Operational risk	156.6	140.7	156.6
<b>Capital requirement Pillar 1</b>	<b>602.7</b>	<b>575.0</b>	<b>593.2</b>
<b>Capital requirement Pillar 2</b>	<b>199.5</b>	<b>95.0</b>	<b>95.0</b>
<b>Total capital requirement</b>	<b>802.2</b>	<b>670.0</b>	<b>688.2</b>
<b>Capital ratio and buffers</b>	<b>30/09/2016</b>	<b>30/09/2015</b>	<b>31/12/2015</b>
Common equity tier 1 ratio, %	16.7%	16.5%	15.4%
Tier 1 ratio, %	16.7%	16.5%	15.4%
Total capital ratio, %	16.7%	16.5%	15.4%
Institution-specific buffer requirements, %	3.7%	3.3%	3.3%
of which capital conservation buffer requirement, %	2.5%	2.5%	2.5%
Countercyclical buffer requirement, %	1.2%	0.8%	0.8%
Total capital requirement including buffer requirement, %	14.3%	12.6%	12.6%
Tier 1 capital available for buffer requirement, %	8.7%	7.2%	7.4%

# Financial development per quarter

Group, SEK million	Q3 16	Q2 16	Q1 16	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14
Net interest	101.2	100.3	98.6	96.7	97.8	103.6	108.5	112.3
Net commission - not trade related	32.0	29.4	31.1	34.5	36.0	37.2	33.3	29.3
Net commission - trade related	110.3	108.8	121.8	130.2	111.9	107.8	133.7	104.4
Net result of financial transactions	38.4	32.7	33.7	39.0	34.4	34.7	39.1	26.2
Other income	7.8	22.4	13.7	22.0	10.3	14.3	13.1	10.4
<b>Operating income</b>	<b>289.6</b>	<b>293.5</b>	<b>298.9</b>	<b>322.4</b>	<b>290.4</b>	<b>297.6</b>	<b>327.6</b>	<b>282.6</b>
General administrative expenses	-169.7	-166.7	-162.5	-169.1	-156.2	-154.3	-148.2	-149.8
Depreciation	-20.9	-20.5	-20.0	-20.2	-20.1	-19.8	-19.5	-15.3
Other operating expenses	-7.7	-13.2	-18.9	-10.1	-8.2	-10.5	-11.9	-11.4
Net credit losses	-7.3	-6.3	-8.3	-9.8	-8.0	-11.8	-11.8	-10.5
<b>Expenses</b>	<b>-205.6</b>	<b>-206.7</b>	<b>-209.7</b>	<b>-209.1</b>	<b>-192.5</b>	<b>-196.4</b>	<b>-191.4</b>	<b>-187.0</b>
<b>Operating profit</b>	<b>84.0</b>	<b>86.9</b>	<b>89.2</b>	<b>113.2</b>	<b>97.9</b>	<b>101.2</b>	<b>136.3</b>	<b>95.6</b>
Earnings per share before dilution	0.40	0.39	0.41	0.50	0.43	0.49	0.62	0.46
Operating margin %	29%	30%	30%	35%	34%	34%	42%	34%
Equity per share, SEK <sup>1</sup>	10.85	10.44	11.21	10.72	10.38	9.95	10.60	9.98
Share price, SEK	28.20	26.00	34.70	41.00	31.30	33.20	33.00	28.20
Cost coverage	87%	89%	84%	92%	93%	97%	101%	95%
Return on shareholders' equity	16%	17%	17%	20%	20%	19%	17%	16%
Capital coverage ratio	16.7%	16.2%	15.2%	15.4%	16.5%	14.8%	15.1%	16.2%

  

Quarterly statistics	Q3 16	Q2 16	Q1 16	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14
Number of active customers at end of the period	545,600	523,200	507,100	490,400	476,000	462,500	449,900	432,600
Number of active accounts at end of the period	705,600	673,800	650,500	627,500	607,000	588,500	570,800	544,600
Net savings (SEK billion) <sup>2</sup>	3.3	4.2	2.6	1.0	3.3	0.3	8.2	4.5
Total savings capital (SEK billion)	225	205	197	200	185	191	193	166
Average savings capital per account (SEK)	318,900	303,900	302,300	318,800	305,300	324,600	338,700	305,200
Number of trades	5,425,800	5,404,000	5,893,800	5,734,100	4,798,800	4,391,500	4,907,400	4,061,800
Sales trading cash market, SEK million <sup>3</sup>	186,300	184,400	198,300	211,600	183,800	176,900	199,000	155,400
Number of trading days	66	62	60	62	66	58	62	61
Number of trades per day	82,200	87,200	98,200	92,500	72,700	75,700	79,200	66,600
Average net commission revenue per transaction (SEK)	20	20	21	23	23	25	27	26
Number of trades per active trading account	8.7	9.0	10.2	10.3	8.9	8.4	9.8	8.5
Number of trades per active trading account and month	2.9	3.2	3.4	3.4	3.0	2.8	3.3	2.8
Cash deposits at end of period incl. Cash deposits in insurance	29,366.3	28,969.9	25,296.9	23,726.7	25,412.6	25,851.7	22,550.7	19,725.6
Managed Client Funds, SEK million	265.8	251.3	219.1	199.7	238.7	223.8	201.7	165.5
Lending at end of period, SEK million	9,192.0	8,211.4	7,875.0	7,278.1	7,282.2	6,770.8	6,566.3	5,785.6
Lending excluding pledged cash and cash equivalents	8,515.3	7,638.5	7,399.2	7,086.4	6,608.8	6,215.2	6,158.7	5,619.6
Lending/deposits	31%	32%	31%	31%	27%	28%	27%	27%

<sup>1</sup> Excluding minority

<sup>2</sup> Net savings during the period January 2015 through September 2016 include a transfer of 11.4 SEK billion out of Nordnet due to the reduction in the collaboration with Söderberg & Partners. Read more in the development of our markets, Sweden.

<sup>3</sup> Cash market to trade in shares, 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. Corresponding fee, the stability fee (Stabilitetsavgift in Swedish) that was in force until 2015 has also been moved from general administrative expenses to net interest income. Historical comparative numbers and key figures have been adjusted accordingly.

# Key figures

Key figures - Group	30/09/2016	30/09/2015	31/12/2015
Operating margin (%)	29%	37%	36%
Profit margin (%)	24%	29%	29%
Cost/income ratio	71%	63%	64%
Return on shareholders' equity (%)	16%	20%	20%
Return on assets (%)	0.5%	0.5%	0.6%
Earnings per share before dilution, SEK	1.20	1.55	2.05
Earnings per share after dilution, SEK	1.20	1.54	2.04
Shareholders' equity per share, SEK <sup>1</sup>	10.85	10.38	10.72
Dividend per share, SEK	-	-	1.30
Share price, SEK	28.20	31.30	41.00
Market capitalization at the end of the period, SEK million	4,936	5,478	7,151
Shareholders' equity, SEK million	1,891.3	1,816.2	1,870.1
Capital base, SEK million	1,259.4	1,187.0	1,140.6
Capital coverage ratio	16.7%	16.5%	15.4%
Average number of shares before dilution	174,384,363	175,027,886	174,950,604
Average number of shares after dilution	174,798,719	175,386,484	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	3.8	6.9	11.1
Investments in intangible assets excl. company acquisitions, SEK million	29.0	23.5	30.1
Of which, internal development expenses, SEK million	16.8	6.3	8.1
Number of full-time employees at end of period	440	420	427
<b>Customer related key financial figures</b>	<b>30/09/2016</b>	<b>30/09/2015</b>	<b>31/12/2015</b>
Number of active customers	545,600	476,000	490,400
Number of active accounts at end of the period	705,600	607,000	627,500
Net savings, SEK billion	10.2	11.8	12.9
Total savings capital at end of period, SEK billion	225	185	200
Average savings capital per active account at end of period, SEK	318,900	305,300	318,800
Number of trades for the period	16,723,600	14,097,700	19,831,700
Number of trades per day	89,200	75,800	80,000
Average net commission revenue per trade, SEK	20	25	24
Annual average income/savings capital (%)	0.6%	0.6%	0.6%
Average yearly income per account, SEK	1,764	2,098	2,093
Average yearly operating expenses per account, SEK	-1,179	-1,234	-1,243
Average yearly profit per account, SEK	584	863	850

<sup>1</sup> 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) and EU 241/2014.

## 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 (VIF) \*\*  
 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.

\* Alternative performance measures

\*\* Definitions according to IFRS, 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.

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