

Nordnet AB (publ)

Interim Report

January–March 2019



Nordnet

The quarter in brief

Higher income and lower expenses provide strong earnings

The highest inflow of new customers in Nordnet's history

Strong growth in Finland and the launch of a stock lending program in Norway

Tier 1 capital is strengthened by SEK 500 million through the issue of AT1 bond

Frida Bratt the new savings economist in the Swedish market

Nordnet January-March 2019

Income

SEK **402.5** million
(340.8)

Expenses¹

SEK **-273.6** million
(-298.9)

Profit before tax

SEK **129.0** million
(41.9)

New customers

29,600
(29,200)

Net savings

SEK **7.0** billion
(11.5)

Number of trades

6,935,400
(6,745,200)

Customers

794,800
(698,500)

Savings capital

SEK **323** billion
(287)

Lending²

SEK **14.4** billion
(12.6)

¹ Total expenses including credit losses

² Excluding lending against pledged cash and equivalents

This is Nordnet

Nordnet is a digital bank for savings and investments with operations in Sweden, Norway, Denmark and Finland. With user-friendliness, availability, a broad offering and low prices, we give our customers the opportunity to realize their savings ambitions.

Vision

Our vision is for our customers to be the best investors they can be, whether they are experienced traders or beginners, are knowledgeable or need guidance, wish to spend hours on their investments every day or simply review their savings a few minutes a week.



Our business areas

Savings and investments

Nordnet's core business is savings and investments. Our customers can save and invest in different types of securities at low fees in seven markets.

User-friendliness, stability and speed are important parameters as we develop our trading platforms, whether in the form of websites, mobile apps or more advanced applications. The less-active savers can also use our digital advisory services, including Robosave, Fund Advisor and Nordnet Smart Portfolios

Nordnet operates the Nordic region's largest social investment network Shareville, with more than 200,000 members. Here, members can be inspired by, and follow, how other investors act, receiving notifications when these investors make changes in their portfolios.

Pension

In Sweden, Norway and Denmark, we offer pension savings without fixed fees and with a wide range of investment opportunities. In Sweden, we have the most complete pension solution for individuals and companies.

Loans

Nordnet offers three kinds of loans: personal loans (unsecured loans), margin lending, and residential mortgages. Personal loans are available on the Swedish market, both via Nordnet's own brand and under the brand Konsumentkredit. Margin lending with securities as collateral is available in all four of our markets and allows our customers to borrow against their securities, increasing their investments. Our residential mortgages target the Private Banking segment and are available in the Swedish market.

The English version of the Interim Report is a translation. In case of any discrepancy between the Swedish version and the English version, the Swedish version shall prevail.

Comments from the CEO

“During the period, we saw the highest inflow of new customers ever for a single quarter, nearly 30,000. In total, nearly 800,000 Nordic private savers with a total savings capital worth more than SEK 320 billion have chosen Nordnet as their financial partner today.”

2019 began with a fantastic comeback for the stock markets, which ended 2018 in a very turbulent and negative way. The quarter offered the investors broad increases on the stock market where the Nordic savers made double-digit returns from the stock exchanges in Sweden and Denmark, and nearly equal gains in Norway and Finland.

The interest for saving in shares and mutual funds is high, and most of our indicators point in the right direction. During the period, we saw the highest inflow of new customers ever for a single quarter, nearly 30,000. Net savings for the period amounts to SEK 7 billion, which is a high figure from a historical perspective. In total, nearly 800,000 Nordic private savers with a total savings capital worth more than SEK 320 billion have chosen Nordnet as their financial partner today. Our lending portfolio – with the products of margin lending, residential mortgages and personal loans – is growing at a stable and controlled pace, and at the end of the quarter corresponds to more than SEK 14 billion.

The income for the quarter amounts to more than SEK 400 million. This total includes a non-recurring item of SEK 65 million as a result of the revaluation of Nordnet's shareholding in the private finance service Tink. The expenses for the Group are 8 percent lower than the same period of the previous year. The operating profit for the period is significantly better than the same quarter last year, even excluding non-recurring income.

During the quarter, Tier 1 capital was strengthened by SEK 500 million through the issue of a so-called AT1 bond. The transaction was made for several different reasons. Firstly, we want to optimize the capital struc-

ture and strengthen our Tier 1 capital. Secondly, we are improving our possibility of continuing to grow the business. In a few months, the bonds will be listed on Nasdaq Stockholm.

Over the years, Nordnet has developed from an on-line Swedish broker to a digital bank for savings and investments with operations in the Nordic region. The largest part of our growth now comes from the markets outside Sweden. Our Finnish business is growing fantastically, and in the past 12 months, the customer base has grown by a full 23 percent. Our brand has a unique position and a strong attractiveness on the Finnish market, which combined with a high level of customer satisfaction leads to the growth of customers and savings capital at a rapid pace.

On the product side, we are continuing to make a difference to the savers. The stock lending program we launched this past autumn is now beginning to provide clear customer benefits. During the quarter, we paid out more than SEK 3 million to the savers who are participating in the program, and have also launched a corresponding product in the Norwegian market. The development of our new web platform is continuing at high speed. During the quarter, a large number of pages were implemented in our new interface, including the main menu, stock prices, business events and a new fund screener. Our plan is to roll out the new website to all customers in 2019, beginning in Norway over the summer. I can recommend you to visit the Nordnet blog where our CPO Rasmus Järborg continuously writes about the development work and describes the new functions we are launching. Also feel free to test the new website and give us feedback.



In December, we announced that we had agreed with the owners of the Norwegian bank Netfonds on the acquisition of all shares in the company. The Financial Supervisory Authority of Norway has now approved the acquisition, and the work of integrating the two services with each other is proceeding according to plan. The goal is to build Norway's best user experience in savings and investments with Nordnet's web platform and brand as a basis. The plan is for our shared customers to use the same platform beginning in summer 2019.

An important part of Nordnet's business is to inspire and engage people concerning investments. We do so in various ways – including smart tools for investments, easy-to-use services in digital advice, educational materials on the Nordnetblog and visibility in the media. At the end of January, Frida Bratt started as the savings economist in our Swedish operations, and quickly made an impression in the public debate on savings. Among other things, the trending topic #svaraomisk was started, where Frida demanded answers from the Swedish government about plans to raise taxes on

investeringssparkonto (ISK). We also continued an extensive involvement in the issue concerning a free and customer friendly move of pension savings between different companies.

And this is a lot of what Nordnet is about – always standing on the side of the savers, safeguarding financial consumers' rights against impervious structures and complex terms, and purposefully work to give our customers higher returns on their investments with us than with any other bank.

Best regards, and thank you for following Nordnet.

A handwritten signature in black ink, appearing to read 'Anders Danielsson'.

Anders Danielsson, Acting CEO
@CEONordnet

Operations



Operations

Development of the stock market

The first quarter of the year gave us positive markets around the world - a welcome and stable increase after the very turbulent end of 2018. Concern for the effects of Brexit and a trade war between the US and China did not decrease during the quarter, however, and mainly changed conditions for trade with the UK risk having a direct impact on the Nordic economies. Above all Norway exports a great deal to the UK, but the majority is oil and gas, which is expected to be struck by mild tariffs compared with other kinds of goods.

The end of the quarter was characterized by a falling fixed-interest market as a result of surprisingly dovish central banks. Both the European Central Bank and the US Federal Reserve announced that an increase in the key interest rate will be postponed, which resulted in the interest rate curve inverting for the first time since 2007. It is historically a bad sign for the economy, but other macro data paints a more positive picture.

All of the Nordic stock exchanges rose during the quarter. Denmark was on top where the OMXC20 rose 14 percent. The other countries were not far behind and Sweden's OMXS30 rose 10 percent, Norway's OBX 7 percent and Finland's OMXH25 9 percent.

Customers and savings

The number of active customers with Nordnet as at 31 March was 794,800 (698,500), corresponding to an increase of 14 percent compared with a year ago.

Our customers' total savings capital amounted to SEK 323 billion (287), an increase of 13 percent compared with the end of March the previous year.

Net savings for the period January-March 2019 amounted to SEK 7.0 billion (11.5). Calculated in relation to savings capital at the end of March 2018, net savings for the past 12 months correspond to 7 percent.

Nordnet's customers made an average of 110,100 (108,800) trades per day during the period January-

Number of customers and accounts	31/03/2019	31/12/2018	30/09/2018	30/06/2018	31/03/2018
Customers	794,800	765,200	741,800	718,000	698,500
<i>Whereof personal loans</i>	26,500	27,000	27,400	27,700	27,600
Accounts	1,054,700	1,016,300	982,400	949,800	923,300

Net savings and savings capital (SEK billion)	31/03/2019	31/12/2018	30/09/2018	30/06/2018	31/03/2018
Net savings	7.0	1.4	4.9	5.6	11.5
Savings capital	323.5	285.5	323.9	310.5	287.2

Number of trades	31/03/2019	31/12/2018	30/09/2018	30/06/2018	31/03/2018
During the period (quarter)	6,935,400	6,984,500	6,413,900	5,976,200	6,745,200
On average per day	110,100	113,600	98,700	101,300	108,800

Lending (SEK billion)	31/03/2019	31/12/2018	30/09/2018	30/06/2018	31/03/2018
Margin lending ¹	6.1	5.6	5.7	5.6	5.6
Personal loans	4.0	4.0	4.0	3.9	3.8
Mortgage	4.3	4.2	4.0	3.6	3.2
Total	14.4	13.7	13.6	13.1	12.6

¹Excluding borrowing against pledged cash and cash equivalents

March, an increase of 1 percent compared with January–March 2018.

Lending

Lending excluding lending against pledged cash and cash equivalents was up by 14 percent compared with 12 months ago, amounting to SEK 14.4 billion (12.6). Nordnet offers three types of lending – loans with securities as collateral, personal loans and residential mortgages. Nordnet has well-developed procedures for managing credit risk in these products.

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

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

Net profit

Group

January–March 2019

The operating income in the first quarter of the year increased by 18 percent, amounting to SEK 402.5 mil-

lion (340.8). Net interest income increased by SEK 8.6 million, with greater volumes in residential mortgages and margin loans contributing to increased net interest income. Net income from Nordnet's stock lending program amounted to SEK 3.3 million during the quarter. Net interest income is dampened by lower return on surplus liquidity due to zero and negative interest rates in several currencies. Net commission decreased by SEK 6.5 million mainly attributable to transaction-related expenses.

Revaluation of Nordnet's shareholdings in Tink AB increased net profit from financial transactions during the quarter by SEK 65.8 million.

Operating expenses before credit losses decreased by 8 percent compared with the first quarter last year and amounted to SEK 266.8 million (289.0). This is mainly attributable to lower expenses for consultants and marketing. Acquisition expenses of SEK 4.8 million attributable to the acquisition of Netfonds AS were charged to profit.

Operating profit increased by 208 percent to SEK 129.0 million (41.9), and the operating margin was 32 percent (12). Profit after tax for the period rose by 292 percent to SEK 118.9 million (30.3), resulting in a profit margin of 30 percent (9).

Operating income excluding transaction-related net commission income for the quarter rose by 33 percent compared with the same quarter in the preceding year. Cost coverage, i.e. operating income excluding transaction-related net commission income in relation to expenses, amounted to 103 (71) percent.

Parent Company

January–March 2019

The Parent Company is a holding company and conducts no operations beyond its role as the owner of Nordnet Bank AB, Nordnet Pensionsförsäkring AB and the Group's other companies. Operating income for January–March 2019 amounted to SEK 2.1 million (1.9) and relates to intra-Group administrative services. The loss from financial investments amounted to SEK 0.4 million (0.0) and consisted of interest expenses.

The Parent Company's loss after financial items for the period January–March 2019 amounted to SEK 3.5 million (1.5). The Parent Company's cash and cash equivalents amounted to SEK 526.2 million (1.7), and shareholders' equity to SEK 1,677.5 million (6,605.8). The change in equity is mainly attributable to a revaluation of the shareholding in Tink AB and an issue of Tier 1 capital (AT1) of SEK 500 million where the bonds have an indefinite maturity, with the first redemption after five years and runs with interest of three-month Stibor + 6.75 percent. The bonds will be listed on Nasdaq Stockholm in the second quarter. In addition, on 1 March 2019, a merger was carried out between NNB Intressenter AB and its wholly owned subsidiary Nordnet AB (publ). For more information, see the Parent Company's specification of equity on page 23 and Notes on page 25.

Development in our markets

Sweden

Income for the period January–March rose by 3 percent compared with the same period last year. Net interest income increased by 10 percent as a result of a higher volume in residential mortgages and income from the stock lending program, but was dampened by lower transaction-related income as a result of lower trading volumes.

Expenses decreased by 14 percent, due to lower expenses for marketing and a smaller sales force. The operating margin was 28 percent (14) percent.

Nordnet in Sweden had 332,300 (310,100) active customers as at the end of March 2019, corresponding to an increase of 7 percent in the past 12-month period.

Net savings for the January–March period totalled SEK 2.3 billion (7.4). Calculated in relation to savings capital at the end of March 2018, net savings for the past 12 months correspond to 3 percent.

The number of trades during the period January–March 2019 decreased by 4 percent compared with 2018.

During the first quarter of the year, Nordnet's new savings economist Frida Bratt started. Frida has been very visible in the media and in our own channels. One example is the trending Twitter topic #svaraomisk as a response to the government's plans to raise the tax on



Nordnet's employees demonstrate outside the Swedish Parliament against increased tax on savings.

investeringssparkonto (ISK). The topic gained extensive attention among the savers and the media.

The lending volume in Nordnet's residential mortgages amounted to SEK 4.3 billion (3.2) at the end of March. Margin lending was unchanged compared with the previous year, amounting to SEK 2.1 billion (2.1) at the end of March. Within personal loans (unsecured loans), the number of customers was 26,500 (27,600) at the end of March. The total lending volume was SEK 4.0 billion (3.8), with an interest income of about 5.7 percent after adjustment for loan brokering. During the year, the lending volume for personal loans to Nordnet's customers decreased by 0.5 percent compared with the start of the year.

Profit per country

January-March	Sweden		Norway		Denmark		Finland		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Operating income	176.0	171.6	52.6	50.4	56.0	64.9	52.1	54.0	402.5	340.8
Operating expenses	-120.1	-139.4	-53.2	-50.5	-45.8	-47.8	-47.7	-51.2	-266.8	-289.0
Profit before credit losses	55.9	32.6	-0.6	0.3	10.2	17.5	4.4	3.3	135.7	51.9
Credit losses	-6.6	-8.4	-0.3	-0.5	0.1	-0.5	0.1	-0.5	-6.7	-10.0
Operating profit	49.4	24.2	-0.9	-0.3	10.2	17.0	4.5	2.7	129.0	41.9
Operating margin	28%	14%	-2%	-1%	18%	26%	9%	5%	32%	12%
Number of customers	332,300	310,100	115,000	101,400	104,300	89,300	243,200	197,700	794,800	698,500
Number of accounts	484,400	444,500	164,700	138,700	133,000	114,900	272,600	225,200	1,054,700	923,300
Net savings (SEK billion)	2.3	7.4	1.1	1.3	1.8	1.7	1.9	1.2	7.0	11.5
Savings capital (SEK billion)	142.4	128.9	40.8	36.1	70.3	59.4	70.0	62.7	323.5	287.2
Number of trades	3,400,100	3,526,400	1,063,800	1,005,000	1,173,400	1,066,800	1,298,100	1,147,000	6,935,400	6,745,200
Margin lending ¹ (SEK billion)	2.1	2.1	0.9	0.8	1.3	1.2	1.7	1.6	6.1	5.6
Personal Loans (SEK billion)	4.0	3.8							4.0	3.8
Mortgage (SEK billion)	4.3	3.2							4.3	3.2

¹Lending excluding pledged cash and equivalents

Norway

During the period January-March, income increased for Nordnet in Norway by 5 percent. A higher net interest income related to higher volumes in margin lending and higher fund income contributed positively to profit compared with the same quarter of 2018.

Expenses increased by 5 percent related to expenses associated with the acquisition of Netfonds AS. On 27 March 2019, the Financial Supervisory Authority of Norway approved Nordnet's acquisition of all shares in Netfonds Bank AS and Netfonds Livsforsikring AS. At the same time, the merger between the companies was approved, where Netfonds Bank AS is merged

The little bear found his way home and index was up 0,41%.

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Nordnet

with Nordnet Bank AB, and Netfonds Livsforsikring AS is merged with Nordnet Livsforsikring AS. One major focus during the quarter and in the future is the work to integrate the two operations with each other, where we want to take the best from Netfonds and combine it with the best from Nordnet. Our goal is to build Norway's best user experience in savings and investments with Nordnet's web service and brand as a basis. The plan is for our shared customers to use the same platform beginning in summer 2019.

The operating margin amounted to negative 2 percent (1) during the period January–March.

The number of trades in the period January–March rose by 6 percent compared with the corresponding period in 2018.

Net savings for the January–March period totalled SEK 1.1 billion (1.3). Calculated in relation to savings capital at the end of March 2018, net savings for the past 12 months correspond to 8 percent.

In March, Nordnet's stock lending program was launched in the Norwegian market, and our Norwegian customers now have the possibility of extra returns on the stocks they have invested in.

At the end of March 2019, the number of active customers in Norway amounted to 115,000 (101,400), corresponding to customer growth of 13 percent over the past 12-month period.

We are continuing to improve the customer experience for our customers. During the period, the digital signing tool Scrive was introduced and a possibility to use Mobile Bank-ID in the new customer process. These two initiatives contributed to a more friction-free process to become a new customer of Nordnet.

Margin lending amounted to SEK 0.9 billion (0.8), an increase of 17 percent in 12 months.

Denmark

During the period January–March, income in our Danish operations decreased by 14 percent, mainly related to higher transaction-related expenses. Profit was also further weakened by a decrease in net interest income

related to negative return on surplus liquidity. Expenses decreased by 4 percent, mainly related to lower Group-wide expenses. Marketing costs also decreased during the quarter. The operating margin was 18 percent (26) percent.

The number of active customers at the end of March 2019 amounted to 104,300 (89,300), which is an increase of 17 percent over the past 12-month period.

Net savings for the January–March period totalled SEK 1.8 billion (1.7). Calculated in relation to savings capital as at the end of March 2018, net savings for the past 12 months correspond to 13 percent.

The number of trades during the period January–March 2019 increased by 10 percent compared with the corresponding period the previous year.

Margin lending increased by 11 percent compared with the previous year, amounting to SEK 1.3 billion (1.2) at the end of March.

In January, Nordnet Smart Portfolios were launched in the Danish market. The portfolios are based on modern asset management in cooperation with JP Morgan, combined with a digital advisory model developed by Nordnet. Nordnet Smart Portfolios are made to perform better than traditional funds through automatic adaptation to the market and advanced risk diversification over a number of different asset classes.

Finland

During the period January–March, income in our Finnish operations decreased by 3 percent, mainly due to decreased income from currency exchange related to trading abroad.

Expenses decreased by 7 percent, related to lower Group-wide expenses. The operating margin was 9 percent (5) percent.

The number of active customers as at the end of March was 243,200 (197,700), corresponding to an increase of 23 percent compared with the end of March 2018.

The customer experience was also improved in Finland during the quarter through the implementation of the

mobile identification method *Mobilivarmenne*, a built-in authentication method activated via a personal SIM card.

Net savings for the January–March period totalled SEK 1.9 billion (1.2). Calculated in relation to savings capital as at the end of March 2018, net savings for the past 12 months correspond to 6 percent.

The number of trades during the period January–March increased by 13 percent compared with the year-earlier period. Exchange traded products (ETPs) were popular among Nordnet’s Finnish customers during the quarter. During January–February, Nordnet’s ETPs accounted for 95 percent of sales in the entire market in Finland. Nordnet Markets, Nordnet’s marketplace for exchange-traded funds, had a market share of 62 percent at the end of the quarter.

Margin lending amounted to SEK 1.7 billion (1.6), an increase of 9 percent in 12 months.

During the first quarter, Nordnet arranged several events about savings and investments directed at women, together with the blogger and influencer Mimmit Sijoittaa. During these events, the participants get to learn more about the stock market, the importance of diversifying the portfolio and the advantages of the compound interest and long-term savings. Together with Mimmit Sijoittaa, we can contribute to create a more equal stock market.

Financial position

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 March amounted to SEK 1,581.0 million (821.9), of which frozen assets were SEK 94 million (86). In addition, interest-bearing investments were held with a total fair value of SEK 20,009.8 million (14,300.4).

Consolidated equity amounted to SEK 2,615.1 million (2,026.9). The change in equity is mainly attributable to an issue of Tier 1 capital (AT1) of SEK 500 million where the bonds have an indefinite maturity, with the first redemption after five years and runs with interest

of three-month Stibor + +6.75 percent. The bonds will be listed on Nasdaq Stockholm in the second quarter. For more information, see the Group’s specification of equity on page 20.

For the financial conglomerate in which Nordnet AB (publ) is the parent company, the asset base amounted to SEK 1,946.1 million (1,457.0) and total risk exposure amounts to SEK 8,983.8 million (8,826.4). As at the end of the period, the capital ratio was 21.7 percent, compared with 16.5 percent at the same time last year. For more information, see Note 7.

Cash flow

In the first quarter, cash flow from operating activities was affected negatively by decreased liquidity on customer deposits of SEK 1.7 billion. Cash flow from operating activities was also negatively affected by SEK 0.7 billion due to higher lending. During the quarter, cash flow from investing activities was positive due to divestments in bonds and other interest-bearing securities for SEK 0.2 billion. The issue of Tier 1 capital of SEK 0.5 billion has a positive impact on the cash flow from financing activities.

Employees

As of 31 March 2019, Nordnet had 494 full-time employees (508). Full-time employees include temporary employees but not employees on parental or other leave. The average number of employees for the period January–March was 505 (494).

During the first quarter, there were a few changes in Nordnet’s Group Management team and Board of Directors. Sylvia Ndikumasabo, Chief Credit Risk Officer, left Nordnet and the company’s management team on 28 February. Hannes Wadell, Chief Financial Officer, will leave Nordnet in the second quarter of 2019. He is being succeeded by Lennart Krän, acting CFO, on 1 April. A process for recruitment of a permanent CFO is ongoing.

Tom Dinkelspiel is the new Chairman of the Board of Nordnet for the companies Nordnet AB (publ) and Nordnet Bank AB as of 24 March 2019. Former Chairman Hans Larsson is continuing as a regular Board member in the same companies. Pierre Siri has with-

drawn from the Board. After these changes, the Board of Nordnet AB (publ) and Nordnet Bank AB consists of Tom Dinkelspiel (Chairman), Jan Dinkelspiel, Christopher Ekdahl, Karitha Ericson, Christian Frick, Hans Larsson and Per Widerström.

Events after 31 March 2019

On 5 April, the purchase of all shares in Netfonds AS and Netfonds Livforsikring AS was completed and Nordnet is now the owner of the companies.

CEO's signature

The CEO provide his assurance that this interim report for the period January-March 2019 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.

Stockholm 25 April 2019

Anders Danielsson
Acting CEO

A handwritten signature in black ink, appearing to read 'AD', is placed over a light gray rectangular background.

Financial statements



Financial statements

Consolidated income statement

SEK million	Note	3 months jan-mar 2019	3 months jan-mar 2018	12 months rolling apr-mar 2019	12 months jan-dec 2018
Interest income		137.3	108.6	521.1	492.4
Interest expenses		-33.4	-13.3	-134.9	-114.8
Commission income		252.9	248.2	988.6	983.9
Commission expenses		-78.7	-67.5	-299.1	-287.9
Net result of financial transactions		109.1	48.9	238.2	178.0
Other operating income		15.2	15.8	58.3	58.9
Total operating income		402.5	340.8	1,372.1	1,310.4
General administrative expenses		-219.8	-243.5	-925.9	-949.6
Depreciation, amortization and impairments of intangibles and equipment		-38.0	-24.2	-119.6	-105.9
Other operating expenses		-9.1	-21.2	-65.6	-77.7
Total expenses before credit losses		-266.8	-289.0	-1,111.1	-1,133.2
Profit before credit losses		135.7	51.9	261.0	177.2
Credit losses, net	2	-6.7	-10.0	-32.8	-36.0
Operating profit		129.0	41.9	228.2	141.2
Tax on profit for the period		-10.0	-11.6	-21.6	-23.1
Profit for the period		118.9	30.3	206.7	118.1
Of which, attributable to:					
Shareholders of the Parent Company		118.9	30.3	206.7	118.1

Consolidated statement of other comprehensive income

SEK million	3 months jan-mar 2019	3 months jan-mar 2018	12 months rolling apr-mar 2019	12 months jan-dec 2018
Profit for the period	118.9	30.3	206.7	118.1
Items that will be reversed to the income statement				
Changes in value of financial assets recognized at fair value through other comprehensive income	3.2	-6.8	-22.3	-32.2
Tax on changes in value of financial assets recognized at fair value through other comprehensive income	0.0	1.5	5.6	7.1
Translation of foreign operations	9.2	14.6	3.0	8.4
Tax on translation of foreign operations	0.0	0.5	-0.9	-0.4
Total other comprehensive income after tax	12.4	9.8	-14.6	-17.1
Total profit or loss and other comprehensive income	131.3	40.2	192.0	100.9
Of which, attributable to:				
Shareholders of the Parent Company	131.3	40.2	192.0	100.9

Consolidated balance sheet

SEK million	Note	31/03/2019	31/03/2018	31/12/2018
Assets				
Cash and balances in Central banks		772.8	544.2	1,344.2
Treasury bills and other interest bearing securities eligible for refinancing		17,882.4	15,828.0	18,260.6
Loans to credit institutions		808.2	277.7	333.0
Loans to the general public	2	15,008.8	13,211.2	14,204.5
Bonds and other interest bearing securities		1,923.4	1,480.5	1,775.7
Shares and participations		115.8	48.9	59.6
Assets for which the customers bear the investment risk		58,234.1	47,637.4	51,726.5
Intangible fixed assets		427.4	396.0	414.3
Tangible fixed assets		333.3	82.4	102.8
Current tax assets		105.3	97.2	89.1
Other assets		3,990.9	3,024.5	3,617.7
Prepaid expenses and accrued income		257.1	153.3	191.5
Total assets		99,859.3	82,781.3	92,119.4
Liabilities				
Deposits and borrowing from the general public		33,964.7	29,930.2	35,225.2
Liabilities for which the customers bear the investment risk		58,234.1	47,637.4	51,726.5
Other liabilities		4,657.2	2,870.6	2,952.8
Current tax liabilities		178.1	93.2	42.1
Deferred tax liabilities		25.0	39.3	23.2
Accrued expenses and deferred income		185.1	183.6	161.4
Total liabilities		97,244.2	80,754.4	90,131.2
Equity				
Share capital		1.0	1.0	1.0
Other capital contributions		7,321.3	6,821.3	6,821.3
Other reserves		-72.6	-58.1	-85.0
Retained earnings including profit for the period		-4,634.5	-4,737.3	-4,749.0
Total equity		2,615.1	2,026.9	1,988.2
Total liabilities and equity		99,859.3	82,781.3	92,119.4

Consolidated statement of changes in equity

SEK million	Share capital	Additional Tier 1 (AT1) capital	Other contributed capital	Other reserves	Retained earnings including profit for the year	Attributed to the owners of the parent company	Total equity
Equity brought forward 1 January 2019	1.0	-	6,821.3	-85.0	-4,749.0	1,988.2	1,988.2
Profit after tax reported in the income statement	-	-	-	-	118.9	118.9	118.9
Other comprehensive income after tax	-	-	-	12.4	-	12.4	12.4
Total comprehensive income	-	-	-	12.4	118.9	131.3	131.3
Transactions reported directly in equity							
Issue of Tier 1 capital ¹	-	500.0	-	-	-	500.0	500.0
Transaction costs in connection with issue of Tier 1 capital	-	-	-	-	-2.9	-2.9	-2.9
Interest on Tier 1 capital	-	-	-	-	-1.5	-1.5	-1.5
Total transactions reported directly in equity	-	500.0	-	-	-4.4	495.6	495.6
Equity carried forward 31 March 2019	1.0	500.0	6,821.3	-72.6	-4,634.5	2,615.1	2,615.1

¹ Issue of Tier 1 capital of SEK 500 million. The bonds have an indefinite maturity, with the first redemption after five years and runs with interest of three-month Stibor + 6.75 percent. The bonds will be listed on Nasdaq Stockholm in the second quarter.

SEK million	Share capital	Other contributed capital	Other reserves	Retained earnings including profit for the year	Attributed to the owners of the parent company	Total equity
Equity brought forward 1 January 2018	1.0	6,821.3	-67.9	-4,729.7	2,024.7	2,024.7
Profit after tax reported in the income statement	-	-	-	30.3	30.3	30.3
Other comprehensive income after tax	-	-	9.8	-	9.8	9.8
Total comprehensive income	-	-	9.8	30.3	40.1	40.1
Transactions reported directly in equity						
Effect of changed principles IFRS 9 as of January 1, 2018	-	-	-	-37.8	-37.8	-37.8
Total transactions reported directly in equity	-	-	-	-37.8	-37.8	-37.8
Equity carried forward 31 March 2018	1.0	6,821.3	-58.1	-4,737.3	2,026.9	2,026.9

Cont. Consolidated statement of changes in equity

SEK million	Share capital	Other contributed capital	Other reserves	Retained earnings including profit for the year	Attributed to the owners of the parent company	Total equity
Equity brought forward 1 January 2018	1.0	6,821.3	-67.9	-4,729.7	2,024.7	2,024.7
Profit after tax reported in the income statement	-	-	-	118.1	118.1	118.1
Other comprehensive income after tax	-	-	-17.1	-	-17.1	-17.1
Total comprehensive income	-	-	-17.1	118.1	100.9	100.9
Transactions reported directly in equity						
Effect of changed principles IFRS 9 as of January 1, 2018	-	-	-	-37.8	-37.8	-37.8
Dividend issued	-	-	-	-100.0	-100.0	-100.0
Effect of changed tax rate untaxed reserves	-	-	-	0.5	0.5	0.5
Total transactions reported directly in equity	-	-	-	-137.3	-137.3	-137.3
Equity carried forward 31 December 2018	1.0	6,821.3	-85.0	-4,749.0	1,988.2	1,988.2

Consolidated cash flow

SEK million	3 months jan-mar 2019	3 months jan-mar 2018	12 months rolling apr-mar 2019	12 months jan-dec 2018
Operating activities				
Cash flow from operating activities before changes in working capital	-31.4	221.4	18.6	271.4
Cash flow from changes in working capital	-764.9	-550.9	3,027.2	3,241.3
Cash flow from operating activities	-796.3	-329.5	3,045.9	3,512.7
Investing activities				
Purchases and disposals of intangible and tangible fixed assets	-36.2	-71.0	-161.4	-196.2
Net investments in financial instruments	243.9	549.7	-2,514.5	-2,208.7
Cash flow from investing activities	207.7	478.7	-2,675.9	-2,404.8
Financing activities				
Cash flow from financing activities	488.0	0.0	388.0	-100.0
Cash flow for the period	-100.7	149.2	758.0	1,007.8
Cash and cash equivalents at the start of the period	1,677.2	667.9	821.9	667.9
Exchange rate difference for cash and cash equivalents	4.4	4.8	1.1	1.5
Cash and cash equivalents at the end of the period	1,581.0	821.9	1,581.0	1,677.2
<i>whereof cash and cash equivalents in Central Banks</i>	<i>772.8</i>	<i>544.2</i>	<i>772.8</i>	<i>1,344.2</i>
<i>whereof loans to credit institutions</i>	<i>808.2</i>	<i>277.7</i>	<i>808.2</i>	<i>333.0</i>

Parent Company income statement

	3 months	3 months	12 months	12 months
SEK million	jan-mar	jan-mar	rolling	12 months
	2019	2018	apr-mar	jan-dec
			2019	2018
Net sales	2.1	1.9	8.4	8.2
Total operating income	2.1	1.9	8.4	8.2
Other external costs	-2.2	-1.2	-5.1	-4.1
Personnel costs	-2.7	-2.1	-15.0	-14.4
Other operating expenses	-0.4	0.0	-0.4	0.0
Operating profit	-3.1	-1.5	-20.2	-18.6
Result from financial investments:				
Result from participations in Group companies	-	-	17.6	17.6
Interest expense and similar items	-0.4	0.0	-0.4	0.0
Result from financial investments	-0.4	0.0	17.2	17.6
Profit after financial items	-3.5	-1.5	5.2	7.2
Tax on profit for the year	0.6	0.2	-1.2	-1.6
Profit for the period	-2.9	-1.2	3.9	5.6

Parent Company statement of other comprehensive income

	3 months	3 months	12 months	12 months
SEK million	jan-mar	jan-mar	rolling	12 months
	2019	2018	apr-mar	jan-dec
			2019	2018
Profit for the period	-2.9	-1.2	3.9	5.6
Total other comprehensive income	-	-	-	-
Total profit or loss and other comprehensive income	-2.9	-1.2	3.9	5.6

Parent Company's balance sheet

SEK million	31/03/2019	31/03/2018	31/12/2018
Assets			
Financial fixed assets	1,348.7	6,503.9	6,503.9
Current assets	7.6	102.4	16.7
Cash and bank balances	526.2	1.7	1.7
Total assets	1,882.5	6,608.0	6,522.3
Equity and liabilities			
Restricted equity	66.8	1.0	1.0
Non-restricted equity	1,610.7	6,604.8	6,511.6
Current liabilities	205.0	2.2	9.7
Total equity and total liabilities	1,882.5	6,608.0	6,522.3

Parent Company's statement of changes in equity

SEK million	Share capital	Other restricted equity	Share premium reserve	Additional Tier 1 (AT1) capital	Retained earnings	Profit for the year	Total
Equity brought forward 1 January 2019	1.0	-	6,340.2	-	165.9	5.6	6,512.6
Reallocation of last year's profit	-	-	-	-	5.6	-5.6	-
Profit after tax reported in the income statement	-	-	-	-	-	-2.9	-2.9
Total comprehensive income	-	-	-	-	5.6	-8.5	-2.9
Transactions reported directly in equity							
Revaluation reserve	-	65.8	-	-	-	-	65.8
Issue of Tier 1 capital ¹	-	-	-	500.0	-	-	500.0
Transaction costs in connection with issue of Tier 1 capital	-	-	-	-	-2.9	-	-2.9
Interest on Tier 1 capital	-	-	-	-	-1.5	-	-1.5
Result of merger	-	-	-	-	-5,393.5	-	-5,393.5
Equity carried forward 31 March 2019	1.0	65.8	6,340.2	500.0	-5,226.5	-2.9	-1,677.5

¹ Issue of Tier 1 capital of SEK 500 million. The bonds have an indefinite maturity, with the first redemption after five years and runs with interest of three-month Stibor + 6.75 percent. The bonds will be listed on Nasdaq Stockholm in the second quarter.

Cont. Parent Company's statement of changes in equity

SEK million	Share capital	Share premium reserve	Retained earnings	Profit for the year	Total
Equity brought forward 1 January 2018	1.0	6,340.2	0.0	265.9	6,607.0
Reallocation of last year's profit	-	-	265.9	-265.9	-
Profit after tax reported in the income statement	-	-	-	-1.2	-1.2
Total comprehensive income	-	-	265.9	-267.1	-1.2
Transactions reported directly in equity	-	-	-	-	-
Equity carried forward 31 March 2018	1.0	6,340.2	265.9	-1.2	6,605.8

SEK million	Share capital	Share premium reserve	Retained earnings	Profit for the year	Total
Equity brought forward 1 January 2018	1.0	6,340.2	0.0	265.9	6,607.0
Reallocation of last year's profit	-	-	265.9	-265.9	-
Profit after tax reported in the income statement	-	-	-	5.6	5.6
Total comprehensive income	-	-	265.9	-260.3	5.6
Transactions reported directly in equity					
Dividend	-	-	-100.0	-	-100.0
Equity carried forward 31 December 2018	1.0	6,340.2	165.9	5.6	6,512.6

Notes

On 1 March 2019, a merger was made between NNB Intressenter AB, org. reg. no. 559073-6681 and its wholly owned subsidiary Nordnet AB (publ), org. reg. no. 556249-1687, whereby NNB Intressenter AB absorbed Nordnet AB (publ) and Nordnet AB (publ) was dissolved without liquidation. NNB Intressenter AB thereby took over all assets and liabilities in Nordnet AB (publ) as of 1 March 2019. In connection with the execution of the merger, the overtaking company NNB Intressenter AB changed its company name to Nordnet AB (publ) and changed the company category from a private to a public company. The annual report for 2018 and this interim report were prepared after the execution of the merger and registration of name changes. Nordnet AB (publ), org. reg. no. 559073-6681 is now the Parent Company of the Group. For further information, see Note 46 – Events after the balance-sheet date in the Nordnet AB (publ) annual report 2018.

Note 1 Accounting principles

This Interim Report for the Group has been compiled in accordance with IAS 34, Interim Financial Reporting. In addition, the Group adheres to the Annual Accounts Act of Credit Institutions and Securities Companies and the Financial Supervisory Authority's regulations (FFFS 2008:25) and RFR 1 Supplementary Accounting Rules for Groups. The Parent Company's Interim Report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and with application of the Swedish Financial Reporting Boards RFR 2 Accounting for legal entities.

The accounting principles applied in this Interim Report are those described in the 2018 Nordnet Annual Report, Note 5, the section entitled "Accounting principles applied". The accounting principles and bases of calculation applied remain unchanged compared with the 2018 Annual Report, except for the following amendments.

As of 1 January 2019, Nordnet applies IFRS 16 Leases in its consolidated accounts. The standard has re-

placed IAS 17 Leases and determines principles for accounting, valuation and presentation of and disclosures about leases. Note 3 "New and amended standards" in the Nordnet AB (publ) 2018 Annual Report provides a brief presentation of the effects upon the implementation of IFRS 16.

Accounting principles as of 1 January 2019 IFRS 16 Leases

The application of IFRS 16 Leases means that all leases that meet the definition of leases will be reported as an asset with the right of use and as a corresponding liability in the lessee's balance sheet. The standard exempts leases with a leasing period of less than 12 months (short-term leases) and leases for assets with a low value, from recognition as an asset and liability. The costs of these leases will be recognized in the income statement as expenses. The right of use (ROU) and the liability are initially measured at the present value of future leasing payments. The standard must either be applied retroactively for the respective period in the financial statements, or retroactively without conversion of earlier periods (simplified transition method). The lessor's report will essentially remain unchanged.

The implementation of the new standard entails more assets and interest-bearing liabilities on the balance sheet. There is also a need for new estimates and assumptions that affect the valuation of the leasing liabilities. A discount rate shall be assumed for the calculation of present value and the leasing liability may be revalued depending on, for example, assessing the probability that an option will be used. This will increase volatility in the financial reporting.

The income statement presents depreciation/amortization and any impairment on the ROU and interest expenses. In the cash flow statement, the leasing payments are divided between interest paid in the cash flow from operating activities and repayment of leasing liabilities in financing activities. This entails a positive effect on the cash flow from operating activities.

The table below presents a bridge between the operating leases under IAS 17 as of 31 December 2018 and leasing liabilities under IFRS 16 as of 1 January 2019.

Commitments for operational leases as of 31st December 2018	
SEK Million	278.2
Financial leasing liabilities	5.2
Short term lease (expensed)	-2.1
Lease with low value (expensed)	-4.8
Effects of reclassification	-37.1
Discount-rate effect	-0.1
Reported leasing liabilities opening balance as of 1st of January 2019	239.3

¹ Mainly refers to the effect of non-deductible VAT and property tax

Estimates and assessments

In 2018, Nordnet appointed a project group to prepare the implementation of IFRS 16. In the measurement of future leasing payments, Nordnet went through all leases to ensure completeness with regard to the agreements. For Nordnet, rental contracts for premises and leases for cars are included, but Nordnet does not consider other contracts to be material.

Nordnet has chosen to implement IFRS 16 Leases only at the Group. The possibility, according to RFR2, to not apply IFRS 16 in legal entities has been exercised. Nordnet has applied the simplified transition method, which means that the asset in the transition period was equal with the liability, which means that no effect of the transition was presented in equity. No comparative figures have been restated.

Contracts with a shorter duration than 12 months were exempted. All rental contracts include a rental period and terms for extension. The contracts for leasing cars extend over three years. If stipulated durations are missing in our contracts, the following durations are assumed for the respective category. Premises contracts five years, Leasing vehicles three years.

Nordnet has chosen to use the rate that corresponds to a Swedish five-year government bond for our premises leases. In the contracts for leased vehicles, a variable interest rate is given.

At the transition to IFRS 16 on 1 January 2019, assets increased by SEK 239.3 million in right of use assets, which in the consolidated balance sheet are recognized as Tangible fixed assets and allocated as follows: right of use to premises and buildings SEK 234.1 million, right of use to vehicles SEK 5.2 million. An interest-bearing leasing liability is recognized in the Group's balance sheet under Other liabilities. The costs of these leases are recognized in the consolidated income statement as depreciation or interest expense. The standard has not had a significant impact on the Group's cash flow. Key performance indicators for capital effect and indebtedness are negatively impacted when recognized assets and interest-bearing liabilities increase. Nordnet's weighted average marginal borrowing rate is 0.05 percent as at 1 January 2019.

Since 1 March 2019, Nordnet is also the lessor through subletting part of office premises.

Note 2 Loans to the general public

As at 31 March 2019, SEK 650.5 million (658.5) of lending to the public involves account credits that are fully covered by pledged cash and cash equivalents in endowment insurance plans and the account type investeringssparkonto (ISK), the lending rate applied to the credits corresponds to the deposit rate on the pledged cash and cash equivalents.

Unsecured loans comprise SEK 3,931 million of lending to the public. Of lending to the public, SEK 6,768 million is secured by collateral in the form of securities and SEK 4,307 million pertains to Residential mortgages.

Credit loss reserve 31/03/2019	Stage 1	Stage 2	Stage 3	31/03/2019
Amortized cost	13,472.8	1,547.7	83.0	15,103.5
Provisions for expected credit losses	-20.7	-24.8	-49.1	-94.7
Total lending to the public	13,452.1	1,522.9	33.9	15,008.8

Credit loss reserve 31/12/2018	Stage 1	Stage 2	Stage 3	31/12/2018
Amortized cost	12,581.9	1,638.0	80.4	14,300.3
Provisions for expected credit losses	-21.4	-27.5	-47.0	-95.8
Total lending to the public	12,560.6	1,610.5	33.4	14,204.5

Lending to the general public is reported after deduction of realized and anticipated credit losses. At the end of the period, the provision for impaired credit losses amounted to SEK 94.7 million (88.7).

Note 3 Transactions with related parties

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

Nordnet Bank AB regularly enters into business relations with Öhman Group in the same way as is regularly done with other financial players. Nordnet’s no-fee index funds, the Superfonderna, are managed by E. Öhman J:or Fonder AB, a company within the Öhman Group. The agreement has been entered into on market terms. For additional information, please refer to Note 6 in the 2018 Annual Report.

Note 4 Significant risks and uncertainties

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

How risk management is conducted is described in the risk management framework. The framework describes the strategies, processes, procedures, internal regulations, limits, controls and reporting procedures related to risk management. Combined, these are intended to ensure that Nordnet can, on an on-going basis, identify, measure, guide, internally report and maintain control over the risks to which Nordnet is, or is likely to be, exposed. A detailed description of Nordnet’s exposure to risk and handling of risks can be found under Note 7 in the 2018 Annual Report.

On 27 March 2019, the Financial Supervisory Authority of Norway approved Nordnet’s purchase of all shares in Netfonds Bank AB and Netfonds Livsforsikring AS. At the same time, it was approved that the companies be merged, where Netfonds Bank AS is merged with Nordnet Bank AB, and Netfonds Livsforsikring AS is merged with Nordnet Livsforsikring AS. One major focus during the quarter and in the future is the work to integrate the two operations with each other.

Note 5 Group – Financial instruments

Categorization of financial instruments

31/03/2019	Fair value through consolidated income statement			Fair value through other comprehensive income	Non financial instruments	Total
	Amortized cost	Held for trading	Other business models			
Assets						
Cash and balances in Central banks	772.8	-	-	-	-	772.8
Treasury bills and other interest bearing securities eligible for refinancing	5,838.3 ¹	-	-	12,044.1	-	17,882.4
Loans to credit institutions	808.2	-	-	-	-	808.2
Loans to the general public	15,008.8	-	-	-	-	15,008.8
Bonds and other interest bearing securities	-	-	-	1,923.4	-	1,923.4
Shares and participations, listed	-	5.6	-	-	-	5.6
Shares and participations, non-listed	-	110.2	-	-	-	110.2
Assets for which customers bear the investment risk	1,242.8	-	50,949.0	6,042.3	-	58,234.1
Other assets	3,990.9	-	-	-	105.3	4,096.2
Accrued income	257.1	-	-	-	-	257.1
Total assets	27,918.9	115.8	50,949.0	20,009.8	105.3	99,098.7
Liabilities						
Deposits and borrowing from the general public	33,964.7	-	-	-	-	33,964.7
Liabilities for which customers bear the investment risk	-	-	58,234.1	-	-	58,234.1
Other liabilities	4,426.3	-	-	-	203.1	4,629.4
Accrued expenses	185.1	-	-	-	-	185.1
Total liabilities	38,576.1	-	58,234.1	-	203.1	97,013.3

¹ Market value SEK 5,845.5 million

31/03/2018	Fair value through consolidated income statement			Fair value through other comprehensive income	Non financial instruments	Total
	Amortized cost	Held for trading	Other business models			
Assets						
Cash and balances in Central banks	544.2	-	-	-	-	544.2
Treasury bills and other interest bearing securities eligible for refinancing	7,144.7	-	-	8,683.3	-	15,828.0
Loans to credit institutions	277.7	-	-	-	-	277.7
Loans to the general public	13,211.2	-	-	-	-	13,211.2
Bonds and other interest bearing securities	646.7	-	-	833.8	-	1,480.5
Shares and participations, listed	-	4.6	-	-	-	4.6
Shares and participations, non-listed	-	44.3	-	-	-	44.3
Assets for which customers bear the investment risk	1,266.7	-	41,587.5	4,783.2	-	47,637.4
Other assets	3,024.5	-	-	-	97.2	3,121.7
Accrued income	153.3	-	-	-	-	153.3
Total assets	26,269.0	48.9	41,587.5	14,300.3	97.2	82,302.9
Liabilities						
Deposits and borrowing from the general public	29,930.2	-	-	-	-	29,930.2
Liabilities for which customers bear the investment risk	-	-	47,637.4	-	-	47,637.4
Other liabilities	2,870.6	-	-	-	132.5	3,003.1
Accrued expenses	183.6	-	-	-	-	183.6
Total liabilities	32,984.5	-	47,637.4	-	132.5	80,754.4

cont. Note 5 Group – Financial instruments

31/12/2018	Fair value through consolidated income statement					Total
	Amortized cost	Held for trading	Other business models	Fair value through other comprehensive income	Non financial instruments	
Assets						
Cash and balances in Central Banks	1,344.2	-	-	-	-	1,344.2
Treasury bills and other interest bearing securities eligible for refinancing	6,283.0 ¹	-	-	11,977.6	-	18,260.6
Loans to credit institutions	333.0	-	-	-	-	333.0
Loans to the general public	14,204.5	-	-	-	-	14,204.5
Bonds and other interest bearing securities	28.2	-	-	1,747.5	-	1,775.7
Shares and participations, listed	-	15.2	-	-	-	15.2
Shares and participations, non-listed	-	44.4	-	-	-	44.4
Assets for which customers bear the investment risk	1,361.0	-	43,928.8	6,436.7	-	51,726.5
Other assets	3,617.7	-	-	-	89.1	3,706.8
Accrued income	191.5	-	-	-	-	191.5
Total assets	27,363.1	59.6	43,928.8	20,161.8	89.1	91,602.4
Skulder						
Deposits and borrowing from the general public	35,225.2	-	-	-	-	35,225.2
Liabilities for which customers bear the investment risk	-	-	51,726.5	-	-	51,726.5
Other liabilities	2,952.8	-	-	-	65.3	3,018.1
Accrued expenses	161.4	-	-	-	-	161.4
Total liabilities	38,339.4	-	51,726.5	-	65.3	90,131.2

¹ Market value SEK 6,316.6 million

Determination of fair value of financial instruments

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

The methods are divided into three different levels:

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

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

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

Level 3 – Financial assets and financial liabilities not measured on the basis of observable market data.

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

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

cont. Note 5 Group – Financial instruments

relevant adjustments are made to reflect a fair value, in order to correctly reflect the parameters contained in the financial instruments and to be reflected in its valuation.

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

Forward rate agreements are 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.

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

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

For lending and deposits with flexible interest rates, including lending with financial instruments or housing as collateral, which are reported at amortized cost, the carrying amount is considered to be fair value. For assets and liabilities in the balance sheet with a remaining maturity of less than six months, the carrying amount is considered to reflect the fair value.

Financial instruments are recognized at fair value

31/03/2019				
SEK million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Treasury bills and other interest bearing securities eligible for refinancing	12,044.1	-	-	12,044.1
Bonds and other interest bearing securities	1,923.4	-	-	1,923.4
Shares and participations ¹	5.6	-	110.2	115.8
Assets for which customers bear the investment risk ²	57,433.1	801.0	-	58,234.1
Subtotal	71,406.2	801.0	110.2	72,317.4
Financial assets where fair value is given for information purposes				
Cash and balances in Central Banks	772.8	-	-	772.8
Loans to credit institutions	-	808.2	-	808.2
Loans to the general public	-	15,008.8	-	15,008.8
Treasury bills and other interest bearing securities eligible for refinancing	-	5,838.3	-	5,838.3
Bonds and other interest bearing securities	-	-	-	-
Other assets	-	3,990.9	-	3,990.9
Accrued income	-	257.1	-	257.1
Subtotal	772.8	25,903.3	-	26,676.1
Total	72,179.0	26,704.3	110.2	98,993.5
Financial liabilities at fair value				
Liabilities for which customers bear the investment risk	-	58,234.1	-	58,234.1
Total	-	58,234.1	-	58,234.1

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

² SEK 6,042.3 million refers to re-investments in bonds and SEK 1,242.8 million refers to cash and cash equivalents. Securities in Level 3 valued at 0.

cont. Note 5 Group – Financial instruments

31/03/2018	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Treasury bills and other interest bearing securities eligible for refinancing	8,683.3	-	-	8,683.3
Bonds and other interest bearing securities	833.8	-	-	833.8
Shares and participations ¹	4.6	-	44.3	48.9
Assets for which the customers bear the investment risk ²	47,637.4	-	-	47,637.4
Subtotal	57,159.1	-	44.3	57,203.4
Financial assets where fair value is given for information purposes				
Cash and balances in Central Banks	544.2	-	-	544.2
Loans to credit institutions	-	277.7	-	277.7
Loans to the general public	-	13,211.2	-	13,211.2
Treasury bills and other interest bearing securities eligible for refinancing	-	7,144.7	-	7,144.7
Bonds and other interest bearing securities	-	646.7	-	646.7
Other assets	-	3,024.5	-	3,024.5
Accrued income	-	153.3	-	153.3
Subtotal	544.2	24,458.1	-	25,002.3
Total	57,703.3	24,458.1	44.3	82,205.7
Financial liabilities at fair value				
Liabilities for which the customers bear the investment risk	-	47,637.4	-	47,637.4
Total	-	47,637.4	-	47,637.4

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

² SEK 4,783 million refers to re-investments in bonds and SEK 1,267 million refers to cash and cash equivalents. Securities in Level 3 valued at 0.

31/12/2018	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Treasury bills and other interest bearing securities eligible for refinancing	11,977.6	-	-	11,977.6
Bonds and other interest bearing securities	1,747.5	-	-	1,747.5
Shares and participations ¹	14.5	-	45.1	59.6
Assets for which customers bear the investment risk ²	50,919.4	807.1	-	51,726.5
Subtotal	64,659.0	807.1	45.1	65,511.2
Financial assets where fair value is given for information purposes				
Cash and balances in Central Banks	1,344.2	-	-	1,344.2
Loans to credit institutions	-	333.0	-	333.0
Loans to the general public	-	14,204.5	-	14,204.5
Treasury bills and other interest bearing securities eligible for refinancing	-	6,283.0	-	6,283.0
Bonds and other interest bearing securities	-	28.2	-	28.2
Other assets	3,617.7	-	-	3,617.7
Accrued income	191.5	-	-	191.5
Subtotal	5,153.4	20,848.7	-	26,002.1
Total	69,812.3	21,655.8	45.1	91,513.3
Financial liabilities at fair value				
Liabilities for which customers bear the investment risk	-	51,726.5	-	51,726.5
Total	-	51,726.5	-	51,726.5

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

² SEK 6,437 million refers to re-investments in bonds and SEK 1,361 million refers to cash and cash equivalents. Securities in Level 3 valued at 0.

cont. Note 5 Group – Financial instruments

Description of valuation levels

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

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

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

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

Financial instruments are transferred to or from Level 3 depending on whether internal assumptions have changed for the valuation.

Note 6 Pledged assets, contingent liabilities and commitments

SEK million	31/03/2019	31/03/2018	31/12/2018
Pledged assets and comparable collateral for own liabilities	none	none	none
Other pledged assets and comparable collateral			
Bonds and other interest bearing securities ¹	2,343.7	2,092.8	2,197.1
<i>of which deposits with credit institutions</i>	1,971.3	1,806.6	1,926.0
<i>of which deposits with clearing organisations</i>	372.4	286.2	271.1
Contingent liabilities	none	none	none
Commitments			
Credit granted but not yet paid, unsecured loans	235.9	892.5	368.1
Funds managed on behalf of third parties			
Client funds	157.5	160.8	131.7

¹ This amount includes blocked funds of SEK 94 million (86).

In the insurance business at the balance sheet date 31 March 2019, registered assets amounted to SEK 58,234 million (47,638), for which the policyholders have priority rights.

Note 7 Capital adequacy information

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

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

Capital base and capital requirement of the financial conglomerate

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

The capital requirement for units in the insurance business is affected by the policyholders' assets. The capital requirements for the banking operations vary primarily in terms of the size and credit quality of the bank's exposures. Nordnet Pension Insurance's solvency capital requirements and capital base are calculated according to the standard model under Solvency II. The model requires assumptions that are determined by both the authorities and the Board of the insurance company.

The financial conglomerate

SEK million	31/03/2019	31/03/2018	31/12/2018
Total equity incl. Additional Tier 1 (AT1) capital	2,615.1	2,026.9	1,988.2
Less, profit that have not been subject to audit	-118.9	-30.3	-
Less demands on prudent valuation	-20.2	-14.3	-20.3
Less proposed/assumed dividend	0.0	-100.0	0.0
Total equity financial conglomerates	2,476.0	1,882.3	1,968.0
Less intangible fixed assets and deferred tax receivables	-427.4	-396.0	-414.3
Solvency capital (VIF)	661.7	533.9	622.7
<i>Less risk margin</i>	-134.2	-105.0	-121.8
Capital base	2,576.0	1,915.2	2,054.6
Capital requirement per sector			
Exposure regulated entities, insurance sector	449.0	376.1	411.5
Exposure regulated entities, the banking and securities sector	1,380.9	957.8	1,315.2
Capital requirement	1,829.8	1,333.9	1,726.7
Excess capital	746.2	581.3	328.0
Capital base/capital ratio	1.4	1.4	1.2

Solvency II figures are based on a preliminary calculation as of 31 March 2019

cont. Note 7 Capital adequacy information

The conglomerate's capital base shall cover the minimum capital requirements under the Supervision regulation and the Solvency Requirement under the Insurance Companies Act. The rules contribute to strengthening the Group's resilience to financial losses and thereby protecting customers. For the determination of the financial conglomerate's regulatory capital requirement, Law (2006:531) on special supervision of financial conglomerates and the Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2011:26) on the special supervision of financial conglomerates are applicable. The capital base and capital requirement have been calculated in accordance with the consolidation method. The Group-based accounts have been compiled in accordance with the same accounting principles as the consolidated accounts.

Capital base and capital requirements for the consolidated situation

The consolidated situation consists of Nordnet AB (publ) and Nordnet Bank AB. Consequently, the difference between the financial conglomerate and the consolidated situation is that the financial conglomerate also consolidates the insurance business.

In order to establish statutory capital requirements for the consolidated situation, the Special Supervision of Credit Institutions and Investment Firms Act (2014:968); the Capital Requirements Regulation (EU) 575/2013 of the European Parliament and of the Council; the Capital Buffers Act (2014:966), and the Swedish Financial Supervisory Authority's regulations (FFFS 2014:12) on supervisory requirements and capital buffers all apply.

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

Nordnet applies the standard method for calculating capital requirements for credit risk, which entails 17

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

The combined buffer requirement amounts to 4.4 percent of risk-weighted exposure amounts and consists of a capital conservation buffer (2.5 percent) and a countercyclical buffer (1.9 percent).

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

Internally assessed capital requirement

The minimum requirement for capital under Pillar 1 amounts to 8 percent. In addition to the minimum requirement, Nordnet maintains capital to meet the combined buffer requirement as well as to cover the total capital requirement resulting from the Bank's annual internal capital and liquidity assessment (ICLAAP) carried out under Pillar 2. This is governed by EU directive on capital adequacy 2013/36/EU Article 73 and the Financial Supervisory Authority's Regulations (FFFS 2014:12, chapter 10). The capital evaluation aims at analysing and highlighting risks that may be underestimated in calculating capital base requirements

cont. Note 7 Capital adequacy information

under Pillar 1 and identifying other significant risks to which the bank is exposed. ICLAAP also includes an assessment of the liquidity requirement in relation to future developments under both normal and stressed circumstances.

The internal capital evaluation is based on Nordnet's business plan, current and future regulatory requirements as well as different scenario analyses. The process and a summary of the results shall be reported annually to the Board and provide the basis for the Board's decisions on the conglomerate's capital planning. The Financial Supervisory Authority reviews and evaluates Nordnet's risk management and as regards sufficient capital is kept for the significant risks to which the bank is exposed.

In addition to the minimum capital requirement and the buffer requirements, Nordnet has calculated the internal capital requirement for the consolidated situation to be SEK 271.3 million (236.4). This is considered to be a satisfactory capital situation with regard to the activities that Nordnet conducts. Capital ratio is monitored continuously and, if necessary, results are reviewed during the current financial year by the company's external auditors, to be included in the capital base.

cont. Note 7 Capital adequacy information

The consolidated situation

SEK million	31/03/2019	31/03/2018	31/12/2018
Common Equity Tier 1 (CET1) capital: instruments and reserves			
Capital instruments and the related share premium accounts	6,440.9	6,628.8	6,628.8
Retained earnings	-4,806.0	-4,915.9	-5,037.1
Accumulated other comprehensive income (and other reserves)	246.6	241.3	234.4
Independently reviewed interim profits net of any foreseeable charge or dividend	-	-100.0	51.4
Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,881.6	1,854.2	1,877.5
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
Additional value adjustments (negative amount)	-20.2	-14.3	-20.3
Intangible assets (net of related tax liability) (negative amount)	-415.2	-382.9	-401.5
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	-	-	-
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-435.5	-397.2	-421.7
Common Equity Tier 1 (CET1) Capital	1,446.1	1,457.0	1,455.7
Additional Tier 1 (AT1) capital: instruments			
Capital instruments and the related share premium accounts	500.0	-	-
of which: classified as equity under applicable accounting standards	500.0	-	-
Additional Tier 1 (AT1) capital	500.0	-	-
Tier 1 capital (T1 = CET1 + AT1)	1,946.1	1,457.0	1,455.7
Tier 2 (T2) capital	-	-	-
Total capital (TC = T1 + T2)	1,946.1	1,457.0	1,455.7
Total risk weighted assets	8,983.8	8,826.4	8,510.5
Capital ratios and buffers			
Common Equity Tier 1 (as a percentage of total risk exposure amount)	16.1%	16.5%	17.1%
Tier 1 (as a percentage of total risk exposure amount)	21.7%	16.5%	17.1%
Total capital (as a percentage of total risk exposure amount)	21.7%	16.5%	17.1%
Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	8.9%	8.7%	8.8%
of which: capital conservation buffer requirement	2.5%	2.5%	2.5%
of which: countercyclical buffer requirement	1.9%	1.7%	1.8%
of which: systemic risk buffer requirement	-	-	-
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-	-	-
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	8.1%	8.5%	9.1%
Amounts below the thresholds for deduction (before risk weighting)			
Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	126.5	126.5	126.5

Information is provided only for the buffer requirements that have come into effect.

cont. Note 7 Capital adequacy information

SEK million	31/03/2019	31/03/2018	31/12/2018
Risk weighted exposures			
Exposure to credit risk according to the standardized method	6,636.5	6,669.5	6,291.5
Exposures market risk	214.4	11.6	73.6
Exposure operational risk	2,132.9	2,145.4	2,145.4
Total risk weighted exposures	8,983.8	8,826.4	8,510.5
Capital requirement			
Credit risk according to the standardized method	530.9	533.6	503.3
Market risk	17.2	0.9	5.9
Operational risk	170.6	171.6	171.6
Capital requirement Pillar 1	718.7	706.1	680.8
Capital requirement Pillar 2	271.3	236.4	267.6
Buffer requirement	390.9	368.8	366.7
Total capital requirement, incl. buffer requirement	1,380.9	1,311.3	1,315.2

Financial development per quarter

Group, SEK million	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17
Net interest	103.9	95.0	91.4	95.9	95.3	94.0	95.8	96.3
Net commission - not trade related	54.8	62.4	56.2	58.6	52.4	49.2	43.0	37.6
Net commission - trade related	119.5	125.6	110.0	102.4	128.3	127.9	108.2	110.1
Net result of financial transactions	109.1	43.5	42.9	42.6	48.9	45.9	34.4	36.9
Other income	15.2	20.9	5.0	17.2	15.8	16.0	8.8	16.0
Operating income	402.5	347.4	305.5	316.7	340.8	333.0	290.3	296.9
General administrative expenses	-219.8	-255.4	-219.4	-231.3	-243.5	-239.3	-190.4	-232.4
Depreciation	-38.0	-28.1	-24.5	-29.0	-24.2	-20.4	-24.2	-23.0
Other operating expenses	-9.1	-18.3	-21.0	-17.3	-21.2	-13.3	-13.9	-11.3
Net credit losses	-6.7	-4.7	-11.6	-9.7	-10.0	-7.4	-9.2	-9.2
Expenses	-273.6	-306.6	-276.5	-287.3	-298.9	-280.4	-237.7	-275.9
Operating profit	129.0	40.8	29.0	29.4	41.9	52.6	52.6	21.0
Operating margin %	32%	12%	9%	9%	12%	16%	12%	13%
Cost coverage	103%	72%	71%	75%	71%	73%	72%	72%
Return on shareholders' equity	9%	6%	7%	7%	7%	8%	10%	12%
Quarterly statistics	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17
Number of active customers at end of the period	794,800	765,200	741,800	718,000	698,500	669,300	640,200	616,100
Number of active accounts at end of the period	1,054,700	1,016,300	982,400	949,800	923,300	884,500	837,700	801,400
Net savings (SEK billion)	7.0	1.4	4.9	5.6	11.5	4.0	4.1	5.6
Total savings capital (SEK billion)	323	286	324	310	287	272	267	260
Average savings capital per active account (SEK)	306,700	280,900	329,700	326,900	311,000	308,000	319,300	324,000
Number of trades	6,935,400	6,984,500	6,413,900	5,976,200	6,745,200	6,944,200	6,350,300	6,026,000
Traded value cash market, SEK million ¹	199,900	202,400	183,000	183,900	205,500	201,300	178,400	177,400
Number of trading days	63	62	65	59	62	63	64	58
Number of trades per day	110,100	113,600	98,700	101,300	108,800	111,100	99,200	103,900
Average net commission revenue per transaction (SEK)	17	19	17	17	19	18	17	18
Number of trades per active trading account	7.1	7.4	7.1	6.8	8.0	8.7	8.4	8.3
Number of trades per active trading account and month	2.4	2.5	2.4	2.3	2.7	2.9	2.8	2.8
Cash deposits at end of period, SEK million	41,249.8	43,022.8	40,919.8	40,553.6	35,980.2	34,341.2	33,773.1	32,988.0
Managed Client Funds, SEK million	157.4	131.6	125.5	135.1	159.8	182.7	174.9	182.5
Lending at end of period, SEK million	15,008.8	14,204.5	14,474.3	13,887.8	13,211.2	11,852.1	11,295.5	10,864.3
Lending excluding pledged cash and cash equivalents	14,358.3	13,730.1	13,682.4	13,147.5	12,552.7	11,437.6	10,380.9	10,140.5
Lending/deposits	36%	33%	35%	34%	37%	35%	33%	33%

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

Key figures

Key figures - Group	31/03/2019	31/03/2018	31/12/2018
Operating margin (%)	32%	12%	11%
Profit margin (%)	30%	9%	9%
Cost/income ratio	68%	88%	89%
Return on shareholders' equity (%)	9%	7%	6%
Return on assets (%)	0.2%	0.2%	0.1%
Shareholders' equity, SEK million	2,615.1	2,026.9	1,988.2
Capital base, SEK million	1,946.1	1,457.0	1,455.7
Capital coverage ratio	21.7%	16.5%	17.1%
Investments in tangible assets, SEK million	5.8	44.4	84.0
Investments in intangible assets excl. company acquisitions, SEK million	30.4	26.5	112.1
Of which, internal development expenses, SEK million	9.5	7.2	32.5
Number of full-time employees at end of period	494	508	526
Customer related key financial figures	31/03/2019	31/03/2018	31/12/2018
Number of active customers	794,800	698,500	765,200
Number of active accounts at end of the period	1,054,700	923,300	1,016,300
Net savings, SEK billion	7.0	11.5	23.5
Total savings capital at end of period, SEK billion	323	287	286
Average savings capital per active account at end of period, SEK	306,700	311,000	280,900
Number of trades for the period	6,935,400	6,745,200	26,119,800
Number of trades per day	110,100	108,800	105,600
Average net commission revenue per trade, SEK	17	19	18
Annual average income/savings capital (%)	0.5%	0.5%	0.4%
Average yearly income per account, SEK	1,626	1,606	1,368
Average yearly operating expenses per account, SEK	-1,078	-1,362	-1,172
Average yearly profit per account, SEK	548	244	196

Definitions

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

Active account

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

Active customer

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

Amount traded

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

Cash market

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

Capital base¹

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

Capital ratio¹

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.

Core Tier 1 capital¹

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

Core Tier I ratio¹

Core Tier 1 capital divided by total risk-weighted exposure amount.

Cost coverage

Non-transaction-related income relative to expenses.

Deposits

Deposits including deposits attributable to liabilities in the insurance business.

Lending

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.

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.

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

Definitions

Operating expenses¹

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

Operating margin

Operating profit in relation to operating income.

Personal loans

Unsecured loans.

Primary capital contributions¹

Capital instruments and associated share premium reserves that meets the requirements set out in Regulation (EU) No 575/2013 and may thereby be included in Tier 1 capital.

Profit margin

Profit for the period in relation to operating income.

Return on assets

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

Return on equity

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

Risk exposure amounts¹

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 business, and not to exposures that have been directly deducted from the capital base.

Solvency capital (NPV)¹

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

Solvency capital requirements (SCR)¹

Estimated capital requirements as per Solvency II regulations.

Tier 1 capital¹

The sum of Core Tier 1 capital and primary capital contributions.

Tier 1 capital ratio¹

Tier 1 capital divided by total risk-weighted exposure amount.

Total savings capital

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

Trades

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

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

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