

year-end report 2011

» strong full-year result «

january – december 2011

- Operating income increased by 0.3 percent to SEK 1,084.2 million (1,080.5)
- Operating profit rose by 35 percent to SEK 351.5 million (260.1)
- Profit after tax for the period rose by 32 percent to SEK 270.1 million (204.6)
- Earnings per share before dilution rose by 28 percent to SEK 1.54 (1.21)

october – december 2011

- Operating income decreased by 24 percent to SEK 266.2 million (349.8)
- Operating profit fell by 17 percent to SEK 84.4 million (101.7)
- Profit after tax for the period fell by 26 percent to SEK 58.1 million (78.1)
- Earnings per share before dilution were down 26 percent to SEK 0.33 (0.45)

- Operating profit ex. non-recurring items in the fourth quarter rose by 124 percent to SEK 93.4m (41.7)
- Focus on costs and strong net interest paved the way for the strongest full-year result in Nordnet's history
- Continued strong customer inflow in all Nordic countries
- The board of directors is proposing a dividend of SEK 0.65 per share (0.50)

net savings (january-december)

SEK 9.2 (13.9)
billion

total savings capital (31 december)

SEK 89.8 (102.2)
billion

net commission (january-december)

SEK 26 (30)
per trade

number of active accounts (31 dec)

405,500 (360,000)

number of trades (january-december)

15,311,500 (16,163,900)

cost coverage (january-december)

94 (73)
percent

read more

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ceo's statement

strong full-year result

Cost focus and strong net interest

Despite the European debt crisis and strongly declining stock markets, Nordnet's results for the 2011 full-year were the best to date in our 15-year history. Several things have contributed to this trend. Already at the end of 2010, we could see that our income and that of the sector as a whole was developing in the wrong direction and we reacted with rapid cost measures. At the same time, we have broadened our product portfolio and, compared with a year ago, we now have a more balanced mix of interest and commission income. This has, in turn, improved our cost coverage, that is, our income from sources other than commission in relation to our costs, to a comfortable level. All in all, in the current market situation, we now have a well adjusted cost level and a more stable flow of income.

An eventful year

The year 2011 turned out to be a turbulent one with considerable focus on macroeconomic events, which was reflected clearly on the world's stock markets. In the first half of the year, we saw widespread uncertainty among savers, who held off on investments and sought safe harbours. In August, the debt crisis in Europe initiated a considerable stock market decline and activity rose substantially, to then remain at high levels for almost the rest of the year – although in December a cautious stance was re-adopted by the market.

Despite the turbulence, Nordnet has a strong inflow of customers in all of its markets, reflecting the confidence people have in us as an actor in the savings market. New products introduced during the year that I would like to highlight are the Toppenlånnet loan in Sweden, which was voted Loan of the Year in December, the Investeringskonto Zero investment account in Norway, that country's first account for share and fund savings entirely without fixed fees or tax return complications. We have also implemented several important service improvements to raise customer satisfaction, including everything from simplified transfers to smarter analysis services. As evidence of our efforts, we have been voted Stockbroker of the Year in Denmark and received the award as Sweden's best banking website – both of these accolades being received for the third consecutive year!

Flexibility key to progress

The Nordic stock exchanges ended the year up and we have seen increased trading and capital inflows in January compared with December 2011. Nonetheless, we face an uncertain 2012 – the debt crisis is far from resolved and current levels of activity among savers cannot be taken for granted. We will therefore maintain our flexibility to act quickly if economic conditions should change – negatively or positively.



Jacob Kaplan
acting CEO, Nordnet



nordnet

business development

introduction

The year 2011 was pervaded by uneasy markets, mainly due to the debt crisis in Europe, and the Nordic exchanges fell by about 20 percent over the year. Net commission for the full-year was SEK 26 per trade, compared with SEK 30 in the corresponding quarter in 2010. The principal explanations behind the lower level are the stronger SEK, a lower average value per trade due to lower share prices, and the fact that customer group with the lowest commissions accounted for a larger proportion of trades.

The number of active accounts is 405,500, corresponding to an increase of 13 percent over the past twelve-month period. The number of active customers amounts to 344,000. Each customer has an average of 1.18 accounts.

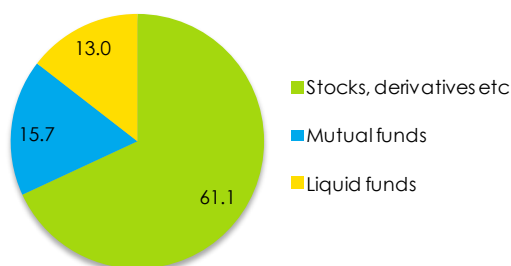
Our customers made an average of 60,800 trades per day during the period, which is a decline of 4 percent compared with the year-earlier period. In the fourth quarter, an average 60,200 trades were made per day. For the full-year, systems accessibility was 99.94 percent and for the fourth quarter, it was 99.95 percent.

Our customers' total savings capital amounted to SEK 89.8 billion at the end of the period, a decline of SEK 12.5 billion, or about 12 percent, since the start of the year. The decrease in savings capital is attributable to the considerable decline in the stock markets in the latter half of the year. Net savings during the period were SEK 9.2 billion.

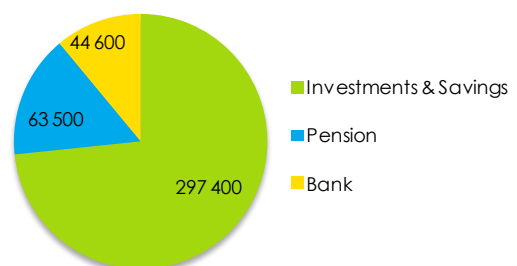
The number of accounts with fund savings was 85,400 at the end of the period, which is an increase of 4,500 since the start of the year. Savings capital in funds totalled SEK 15.7 billion, which is SEK 0.4 billion higher than at the start of 2011.

There were approximately 63,500 accounts with pension savings and endowment insurance at the end of the period, representing an increase of 12,100 accounts since the start of the year. The combined savings capital has risen by SEK 0.2 billion to about SEK 13.4 billion since the start of the year, of which some SEK 13.4 billion is in the form of endowment insurance. To date, approximately 7,200 accounts have linked up Nordnet's Occupational Pension offering in Sweden and Denmark, with a total savings capital of approximately SEK 1,130 million.

Savings capital (SEK billion)



Number of accounts



The chart shows the distribution of active accounts between the Investments & Savings, Pension and Bank product areas. Brokerage accounts are included in Investments & Savings, pension saving and endowment insurance accounts in Pension, and savings and loan accounts in Bank.

income and expenses

Full year 2011

Operating income rose by 0.3 percent over the period to SEK 1,084.2 million, thanks to increased interest income. During the period, 15.3 million trades were made, compared with 16.2 million in the year-earlier period. Net commission per trade was SEK 26, compared with SEK 30 in the year-earlier period.

Operating costs before credit losses decreased by 15 percent to SEK 691.8 million compared with the 2010 full year. The foremost explanation is the cost cutting measures implemented during the first half of 2011. These mainly entail the closure of the former eQ platform in Finland, fewer consultants, decreased investment in marketing and a review of the number of employees.

Operating profit rose by 35 percent to SEK 351.5 million and the profit after tax climbed by 32 percent to SEK 270.1 million. The profit margin was 25 (18) percent. Earnings per share before dilution rose by 28 percent to SEK 1.54 (1.21).

Cost coverage, i.e. operating income excluding transaction-related net commission in relation to operating expenses, amounted to 94 percent (73). Our goal was to achieve cost coverage of 100 percent by the end of 2011. Cost coverage for the fourth quarter was 97 percent.

Operating income excluding transaction-related net commissions rose by 17 percent compared with the previous year. The principal explanation is improved net interest. Investment in marketing decreased by 23 percent and amounted to SEK 49.5 million for the period. The acquisition cost per net new account over the period relating to marketing investment averaged SEK 1,100 (1,600).

As a stage in its Nordic strategy, Nordnet has established a local presence in all markets – most recently through a branch office in Denmark. Consequently, all of the Nordic markets now have an identical structure, which is why a new allocation model was introduced in the first quarter of 2011, whereby each country's operations bear part of the costs for the common technical and administrative platform. When analysing the comparison figures in the table below, it should be borne in mind that the figures for 2010 reflect the earlier cost allocation structure.

Table: Profit per country

January - December	Sweden		Norway		Denmark		Finland		Sold operations and other*		Group	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Operating income	665.9	484.5	169.5	184.5	78.2	87.6	170.7	190.1	-	133.8	1,084.2	1,080.5
Operating expenses	-393.0	-363.2	-130.7	-111.2	-73.8	-51.4	-135.3	-240.3	-	-54.3	-732.7	-820.4
Operating profit	273.0	121.2	38.8	73.4	4.4	36.2	35.4	-50.2	-	79.5	351.5	260.1
Operating margin	41%	25%	23%	40%	6%	41%	21%	neg	-	-	32%	24%
Number of accounts	237,300	214,700	55,700	50,100	25,600	20,600	86,900	74,600	-	-	405,500	360,000
Savings capital (SEK billion)	52.9	56.6	9.8	12.0	5.5	5.9	21.5	27.7	-	-	89.7	102.2
Number of trades	8,475,500	8,203,800	2,524,600	3,009,000	1,573,000	1,882,100	2,738,400	2,401,000	-	668,000	15,311,500	16,163,900

*Refers to the divested operations in Germany and Luxembourg and capital gains

Fourth quarter of 2011

Profit after tax for the period declined by 26 percent to SEK 58.1 million. The profit margin was 22 (22) percent. Earnings per share before dilution fell by 26 percent to SEK 0.33.

Operating income for the period amounted to SEK 266.2 million. Excluding non-recurring items the operating income amounted to SEK 275.2 million, corresponding to an increase of 6 percent compared to the year-earlier period. The year-earlier period included non-recurring income of SEK 90 million in the form of capital gains.

Operating expenses for the period amounted to SEK 181.8 million, corresponding to a decline of 17 percent compared to the year-earlier period excluding non-recurring items. The year-earlier period included non-recurring costs of approximately SEK 30 million.

Operating profit excluding non-recurring items amounted to SEK 93.4, corresponding to an increase of 124 percent compared to the year-earlier period.

In the fourth quarter, operating profit was burdened by a revaluation of SEK 9 million in the company's holding in the Burgundy exchange. The adjustment is based on an assessment of the anticipated earnings trend. Burgundy has contributed to increased competition among marketplaces, and its role in the market remains important.

During the period, the company's CEO Carl-Viggo Östlund announced that he intends to leave his position. The process of recruiting his successor is underway. Nordnet CFO Jacob Kaplan has been appointed acting CEO of the company with effect from 1 January 2012 and until a permanent CEO is appointed.

market development

During the fourth quarter, Nordnet's customers made 3,850,800 trades on all markets, corresponding to an increase of about 6,100 compared with the year-earlier period. Over the period, all of the Nordic countries were affected by the European debt crisis and the market grew turbulent. Net savings, that is, customers' deposits of cash and securities less withdrawals, amounted to SEK 1.0 billion, a decline of SEK 4.0 billion compared with the corresponding quarter in 2010.

Sweden

Trading activity among Swedish customers rose by about 1 percent compared with the corresponding quarter in 2010. However, activity decreased towards the end of the year and customers increased the cash proportion of their savings. A greater risk awareness could also be seen, with savers selling mutual fund holdings and instead favouring fixed-interest funds. Over the quarter, the number of active accounts rose by 6,300, corresponding to 2.7 percent. On an annual basis, the number of active accounts has grown by 10.5 percent. In November, Nordnet signed an agreement with AstraZeneca, to the effect that AstraZeneca employees covered by alternative supplementary pension for employees in industry and commerce [Alternativ ITP] will be able to choose Nordnet for their service pension. The agreement represents a milestone for Nordnet's service pension venture and increases our competitiveness in procurement procedures by large companies. During the quarter, nordnet.se was named Sweden's best bank website for the third consecutive year by the magazine Internetworld, and the Toppenlånet product was named Loan of the Year by the magazine Privata affärer.

Norway

Trading activity among Norwegian customers fell by about 8 percent compared with the corresponding quarter in 2010. Activity during the period was initially high but decreased in December. At the same time, customers cut back their risk by decreasing their borrowing, net selling shares and mutual funds and increasing their savings in fixed-income funds. The number of active accounts rose by 1,200 over the quarter, corresponding to 2.2 percent. On an annual basis, the number of active accounts has grown by 11.2 percent.

Denmark

Trading activity among Danish customers fell by about 8 percent compared with the corresponding quarter in 2010. As in the other countries, a high level of activity was noted initially, although this abated in December. Nordnet continues to increase its market share in both share and mutual fund savings, as well as in pension savings. Over the quarter, the number of active accounts rose by 800, corresponding to 3.2 percent. On an annual basis, the number of active accounts has grown by 24.3 percent.

Finland

Trading activity among Finnish customers rose by about 20 percent compared with the corresponding quarter in 2010. The most active customer group accounted for the largest share of trades. Over the period, Nordnet carried out a large number of activities in several Finnish cities with the purpose of increasing awareness of Nordnet. Over the quarter, the number of active accounts rose by 2,500, corresponding to 3.0 percent. On an annual basis, the number of active accounts has grown by 16.5 percent.

financial position

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

For unsecured loans, a tried and tested scoring model is used to assess the credit risk of private individuals applying for credit. The model assesses the risk associated with each loan application and provides the basis for approval and pricing. The credit risk in these lending operations is to be considered higher than in Nordnet's other operations, although this is matched by higher interest margins.

Nordnet's deposit surplus is mainly invested in covered bonds and the Nordic banking system.

At the end of the period, the group's liquid funds amounted to SEK 1,838 million, of which frozen assets amounted to SEK 165 million. Liquid funds include loans to credit institutions. In addition, the group has interest-bearing investments with a total fair value of SEK 5,172 million. The group's equity amounted to SEK 1,429 million. The equity is divided over 175,027,886 shares at SEK 8.17 per share.

As regards the financial conglomerate in which Nordnet AB (publ) is the parent company, the asset base amounted to SEK 978 million and the capital requirement to SEK 493 million, producing a capital surplus of SEK 484 million. At the close of the quarter, the capital coverage ratio amounted to 1.98, compared with 1.60 at the corresponding time in 2010.

other

parent company

The parent company is a holding company. Group-internal net interest for the 2011 full year amounted to an expense of SEK 9.2 million. This amount includes group-internal interest income of SEK 7.4 million. The parent company's operating income amounted to SEK 64.8 million and relates to internal group administrative services. The parent company's profit after financial items amounted to SEK 303.5 million. The parent company's liquid funds amounted to SEK 11.6 million, and its equity to SEK 1,142 million.

employees

As of 31 December 2011, the company had 330 full-time employees (352). The average number of full-time positions for the year was 323 (347). Full-time employees include temporary employees but not employees on parental or other leave.

significant risks and uncertainties

Nordnet's operations are influenced by a number of environmental factors, the effects of which on the group's profit and financial position can be controlled to varying degrees. When assessing the group's future development, it is important to take into account the risk factors alongside any opportunities for profit growth. A description of Nordnet's exposure to risk and handling of risks can be found in note 7 in the Annual Report for 2010. There have been no significant changes since that time.

transactions with closely related parties

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). The Emric group and its parent company Emric AB are closely related parties to Nordnet AB (publ) in that E. Öhman J:or AB is a shareholder in the company. The Emric group administers Nordnet Bank AB's unsecured loans. Nordnet has a cooperation agreement with E. Öhman J:or Fonder AB, whose private customer stock Nordnet assumed responsibility for in the fourth quarter of 2011. Until 15 September 2011, E. Öhman J:or Fondkommission AB was a closely related party to Nordnet AB (publ) in that E. Öhman J:or AB was a shareholder in the company. During the period, the Nordnet group has had business relations with Öhman J:or Fondkommission AB on the same terms as with other stockbrokers. For additional information, please see Note 6 in the 2010 Annual Report.

performance-related share programme

In accordance with decisions by the Annual General Meetings of 22 April 2010 and 28 April 2011, Nordnet has established two long-range performance-related share incentive programmes: "Performance-Related Share Programme 2010" and "Performance-Related Share Programme 2011", covering about 25 people including the CEO.

Employees who participate in “Performance-Related Share Programme 2010” and “Performance-Related Share Programme 2011” can set aside an amount corresponding to a maximum 5 percent of their gross compensation for purchases of Nordnet shares on NASDAQ OMX Stockholm during a 12-month period from the implementation of each 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, the employee can have the right to a compensation-free matching of those shares according to a predetermined amount.

Due to the Performance-Related Share Programmes 2010 and 2011, the Annual General Meeting decided to authorize the board to carry out acquisitions and transfers of shares in Nordnet AB (publ) on NASDAQ OMX Stockholm. This authorization may be exercised on one or more occasions before the Annual General Meeting in 2012. A maximum of 522,000 shares may be acquired in order to ensure delivery of shares to participants in Performance-Related Share Programmes 2010 and 2011.

future calendar events

Interim Report January–March 2012	26 April 2012
Annual General Meeting 2012	26 April 2012
Interim Report January–June 2012	18 July 2012
Interim Report January–September 2012	18 October 2012
Year-end Report 2012	February 2013

annual general meeting

The Annual General Meeting will be held on 26 April 2012 in the Studio auditorium at Kulturhuset, Sergels Torg 3 in Stockholm at 18.00 CET. Notice of the Annual General Meeting will be published on 26 March via the company website and in Post- och Inrikes Tidningar (official Swedish gazette). The nomination committee will comprise attorneys at law Fred Wennerholm (private holding), Olle Isberg (private holding) and Claes Dinkelspiel, Chairman of the board (representative of E. Öhman J:or AB, Premiefinans AB and private holding). Information on the nomination committee will be published on the company’s website: www.org.nordnet.se.

The company expects the annual report to be available at the company’s website – www.org.nordnet.se – from the week commencing 19 March 2012. As a company whose operations are primarily Internet-based, the annual report too will be web-based and therefore not be printed. Shareholders who instead wish to receive a printed business overview containing information about Nordnet’s key operations, please request this by sending an e-mail to ir@nordnet.se.

dividend

The Board of Directors proposes a dividend of SEK 0.65 per share (0.50), corresponding to 42 percent of the earnings per share. According to Nordnet’s policy on dividends, the share dividend in the long term must not amount to less than 40 percent of the profit.

presentation to analysts, shareholders and the media

Acting CEO Jacob Kaplan will be presenting the report and answering any questions on Thursday 9 February at Nordnet’s premises at Mäster Samuelsgatan 9, in Stockholm at 10.30 CET. The presentation will be made in English and can also be followed via the Internet at www.org.nordnet.se.

The information in this report is that which Nordnet AB (publ) is required to publish in accordance with the Swedish Financial Instruments Trading Act and/or the Swedish Securities Act. This information has been submitted to the market for publication on 9 February 2012 at 08.30 CET.

The board and CEO provide their assurance that this year-end report provides an accurate overview of the operations, position and earnings of the Group and the Parent Company, and that it also describes the principal risks and sources of uncertainty faced by the parent company and the companies within the group.

Bromma, 9 February 2012,

Claes Dinkelspiel
Chairman of the board

Anna Frick
Board member

Bengt Baron
Board member

Bo Mattsson
Board member

Kjell Hedman
Board member

Simon Nathanson
Board member

Tom Dinkelspiel
Board member

Ulf Dinkelspiel
Board member

Jacob Kaplan
Acting CEO

The report has not been subject to review by the auditors.

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Consolidated Income Statement (SEK million)	Note	3 months oct-dec 2011	3 months oct-dec 2010	12 months jan-dec 2011	12 months jan-dec 2010
Interest income		160.1	125.3	604.6	368.8
Interest expenses		-18.1	-13.2	-57.3	-41.0
Commission income		153.9	184.2	677.6	823.4
Commission expenses		-47.3	-61.1	-217.4	-266.2
Net result of financial transactions		3.9	3.1	31.6	43.7
Other operating income		13.7	111.6	45.1	151.9
Total operating income		266.2	349.8	1,084.2	1,080.5
General administrative expenses	1	-139.5	-198.9	-568.5	-653.8
Depreciation and amortization	2	-15.7	-20.6	-69.3	-87.7
Other operating expenses	3	-18.6	-18.8	-54.1	-68.8
Total expenses before credit losses		-173.7	-238.4	-691.8	-810.3
Profit before credit losses		92.5	111.5	392.4	270.2
Net credit losses		-8.1	-9.7	-40.9	-10.1
Operating profit		84.4	101.7	351.5	260.1
Tax on profit for the period		-26.4	-23.7	-81.3	-55.4
Profit for the period		58.1	78.1	270.1	204.6
Of which, attributable to:					
shareholders of the Parent Company		58.1	78.1	270.1	204.6
Average number of shares before dilution		175,027,886	174,792,398	175,027,886	169,475,689
Earnings per share before dilution		0.33	0.45	1.54	1.21
Average number of shares after dilution		175,027,886	175,359,562	175,027,886	171,537,967
Earnings per share after dilution		0.33	0.45	1.54	1.19
Note 1					
Personnel costs		-65.9	-83.7	-274.5	-312.5
Other administrative expenses		-73.6	-115.3	-294.0	-341.3
		-139.5	-198.9	-568.5	-653.8
Note 2					
Goodwill amortization		-	-	-	-5.4
Write-down of capitalised development expenditure		-	-	-	-0.7
Depreciation		-15.7	-20.6	-69.3	-81.6
		-15.7	-20.6	-69.3	-87.7
Note 3					
Marketing		-17.5	-17.8	-49.5	-63.9
Other operating expenses		-1.1	-1.0	-4.6	-4.9
		-18.6	-18.8	-54.1	-68.8
Consolidated Statement of Comprehensive Income		3 months oct-dec 2011	3 months oct-dec 2010	12 months jan-dec 2011	12 months jan-dec 2010
Profit for the period		58.1	78.1	270.1	204.6
Income/expenses recognized directly against shareholders' equity					
Change in value of assets available for sale		-1.5	3.8	13.3	-16.3
Tax on change in value of assets available for sale		0.4	-1.0	-3.5	4.3
Change in value of net investment hedges		-	4.2	1.6	4.2
Tax on change in value of net investment hedges		-	-1.1	-0.4	-1.1
Translation of foreign operations		-18.8	-10.5	-5.4	-105.8
Total other comprehensive income after tax		-20.0	-4.6	5.5	-114.7
Total comprehensive income after tax		38.1	73.5	275.6	89.9
Of which, attributable to:					
shareholders of the Parent Company		38.1	73.5	275.6	89.9

Consolidated Statement of Financial Position (SEK million)	31/12/2011	31/12/2010
Assets		
Loans to credit institutions	1,837.8	2,777.9
Loans to the public	4,629.7	6,016.3
Financial assets at fair value	56.9	277.9
Financial assets available for sale	5,115.1	1,681.4
Financial assets - policy holders bearing the risk	16,463.5	17,104.9
Intangible fixed assets	513.3	553.6
Tangible fixed assets	32.7	35.4
Other assets	310.5	264.4
Prepaid expenses and accrued income	102.9	80.6
Total assets	29,062.3	28,792.4
Liabilities		
Deposits and borrowing by the public	10,708.4	9,790.3
Liabilities to policyholders	16,464.7	17,107.8
Other liabilities	185.6	350.8
Accrued expenses and deferred income	98.5	126.7
Subordinated liabilities	175.7	175.7
Total liabilities	27,633.0	27,551.3
Shareholders' equity		
Share capital	175.0	175.0
Other capital contributions	471.9	471.8
Other provisions	-65.5	-71.0
Accrued profit including profit for the period	847.9	665.3
Total shareholders' equity	1,429.3	1,241.1
Total liabilities and shareholders' equity	29,062.3	28,792.4
Consolidated changes in shareholders' equity (SEK million)	31/12/2011	31/12/2010
Opening shareholders' equity	1,241.1	1,036.4
Profit for the period	270.1	204.6
Total other comprehensive income after tax	5.5	-114.7
Dividend	-87.5	-83.8
Conversion of convertible debenture loan	-	19.1
Interest adjustment of convertible debenture loan	-	-0.6
Equity provided, share programme	0.0	-
Non-cash issue	-	180.1
Closing shareholders' equity	1,429.3	1,241.1

Consolidated Statement of Cash Flows (SEK million)	3 months oct-dec 2011	3 months oct-dec 2010	12 months jan-dec 2011	12 months jan-dec 2010
Operating activities				
Cash flow from operating activities before changes in working capital	142.6	336.8	410.9	600.7
Cash flow from changes in working capital	-218.1	75.3	1,972.8	-1,427.4
Cash flow from operating activities	-75.5	412.1	2,383.7	-826.8
Investing activities				
Purchases and disposals of intangible and tangible fixed assets	-15.0	-220.9	-25.4	-254.2
Net investments in financial instruments	1,029.8	1,671.9	-3,210.8	1,554.7
Acquisitions of subsidiaries	-	-	-	-53.5
Disposals of subsidiaries	-	-22.2	-	-
Cash flow from investing activities	1,014.8	1,428.7	-3,236.2	1,247.0
Financing activities				
Cash flow from financing activities	0.0	31.5	-87.5	9.2
Cash flow for the period	939.3	1,872.3	-940.0	429.4
Cash and equivalents at the start of the period	900.2	904.6	2,777.9	2,383.9
Exchange rate difference for cash and equivalents	-1.7	1.0	-0.1	-35.4
Cash and equivalents at the end of the period	1,837.8	2,777.9	1,837.8	2,777.9
Income Statement - Parent Company (SEK million)	3 months oct-dec 2011	3 months oct-dec 2010	12 months jan-dec 2011	12 months jan-dec 2010
Net sales	9.9	7.6	64.8	33.3
Total operating income				
Other external costs	-0.6	-6.6	-7.6	-15.0
Personnel costs	-8.5	-14.6	-53.7	-56.0
Other operating expenses	-0.9	-0.2	-2.2	-0.8
Operating profit	-0.1	-13.8	1.2	-38.6
Profit from financial investments:				
Profit from participations in affiliated companies	320.5	177.4	320.5	177.3
Write-down of financial fixed assets	-	-	-9.0	-
Other interest and similar income	2.0	1.8	7.4	6.3
Interest expense and similar expense	-12.9	-4.0	-16.6	-9.5
Profit after financial items	309.5	161.5	303.5	135.5
Tax on profit for the period	-1.4	-6.7	-	-1.0
Profit for the period	308.1	154.8	303.5	134.5
Total Other Comprehensive Income - Parent company (SEK million)	3 months oct-dec 2011	3 months oct-dec 2010	12 months jan-dec 2011	12 months jan-dec 2010
Profit for the period	308.1	154.8	303.5	134.5
<i>Income/expenses recognized directly against shareholders' equity</i>				
Group contribution submitted	-	-27.5	-	-27.5
Total other comprehensive income after tax	-	-27.5	-	-27.5
Total comprehensive income after tax	308.1	127.2	303.5	107.0
Balance Sheet - Parent Company (SEK million)			31/12/2011	31/12/2010
Assets				
Financial fixed assets			1,129.0	1,147.4
Current assets			280.7	104.8
Cash and bank balances			11.6	1.0
Total assets			1,421.3	1,253.1
Shareholders' equity and liabilities				
Shareholders' equity			1,142.0	926.0
Current liabilities			279.3	327.2
Total liabilities and shareholders' equity			1,421.3	1,253.1

Capital requirements for the financial conglomerate (SEK million)	31/12/2011	31/12/2010
Shareholder's equity, Group	1,429.3	1,241.1
Plus debenture loan	175.7	175.7
Less assumed dividend for the 2011 financial year	-113.8	-87.5
Less intangible fixed assets and deferred tax receivables	-513.3	-554.6
Capital base	977.9	774.7
Capital requirement for regulated units within the banking and securities sector	465.8	455.7
Theoretical solvency requirement for non-regulated units in the largest financial sector	1.6	2.0
Capital requirement for regulated units within the insurance sector	26.0	26.4
Capital requirement	493.4	484.1
Capital surplus	484.5	290.6
Capital coverage ratio	1.98	1.60

The table above relates to the financial conglomerate consisting of Nordnet AB (publ) and all 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.

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. Furthermore, Nordnet is compliant with the Swedish Act on Annual Accounts of Credit Institutions and Securities Companies and the regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25). The interim report for the Parent Company has been compiled in accordance with the Annual Accounts Act. The accounting principles applied in this report are those described in the Nordnet Annual Report for 2010, Note 5, the section entitled "Accounting principles applied", with the exception of received group contributions which are reported as dividend in net results of financial transactions.

Financial development per quarter - Group (SEK million)	Q4 11	Q3 11	Q2 11	Q1 11	Q4 10	Q3 10	Q2 10	Q1 10
Net interest	142.0	132.4	139.3	133.7	112.1	66.8	77.8	71.0
Net commission - not trade related	17.3	19.6	15.0	14.7	16.7	15.6	8.9	23.2
Net commission - trade related	89.2	108.7	77.5	118.2	106.5	94.4	150.7	141.1
Net result of financial transactions	3.9	11.9	2.2	13.6	3.1	16.9	6.2	17.5
Other income	13.7	3.8	17.6	10.0	111.6	7.8	12.6	19.9
Operating income	266.2	276.3	251.6	290.1	349.8	201.7	256.3	272.7
General administrative expenses	-139.5	-134.4	-145.2	-149.4	-198.9	-145.6	-149.1	-160.1
Depreciation	-15.7	-17.5	-17.6	-18.6	-20.6	-19.5	-20.3	-27.2
Other operating expenses	-18.6	-13.8	-10.6	-11.2	-18.8	-12.8	-22.5	-14.7
Net credit losses	-8.1	-9.7	-11.5	-11.7	-9.7	-0.5	0.0	0.0
Expenses	-181.8	-175.4	-184.9	-190.8	-248.0	-178.4	-191.9	-202.0
Operating profit	84.4	101.0	66.7	99.3	101.7	23.3	64.4	70.6
Earnings per share before dilution	0.33	0.44	0.32	0.45	0.45	0.11	0.33	0.32
Cost coverage	97%	96%	94%	90%	98%	60%	55%	65%
Return on shareholders' equity	4%	6%	4%	6%	6%	2%	5%	5%
Capital coverage ratio	1.98	1.87	1.71	1.61	1.60	1.18	1.46	1.36
Quarterly statistics	Q4 11	Q3 11	Q2 11	Q1 11	Q4 10	Q3 10	Q2 10	Q1 10
Number of accounts at end of the period	405,500	394,700	384,000	372,400	360,000	346,800	316,000	317,800
Total savings capital (SEK billion)	89.8	86.8	102.7	106.2	102.2	96.2	91.2	96.2
Average savings capital per account (SEK)	221,400	218,700	267,400	278,300	283,900	277,300	288,700	302,700
Number of trades	3,850,800	4,185,300	3,100,100	4,175,300	3,844,700	3,672,600	4,298,600	4,348,100
Number of trading days	64	66	59	63	64	66	62	63
Number of trades per day	60,200	63,400	52,500	66,300	60,100	55,600	69,300	69,000
Number of trades per account and month	3.2	3.5	2.7	4.0	3.6	3.5	4.5	4.6
Net commission per trade (SEK)	23	26	25	28	28	26	35	32

Key figures - Group	31/12/2011	31/12/2010
Operating margin (%)	32%	24%
Profit margin (%)	25%	19%
Investments in tangible assets, SEK million	15.0	24.2
Investments in intangible assets excl. company acquisitions, SEK million	10.4	23.7
Of which, internal development expenses	3.0	1.9
Marketing, SEK million	49.5	63.9
Earnings per share before dilution, SEK	1.54	1.21
Earnings per share after dilution, SEK	1.54	1.19
Return on shareholders' equity (%)	20%	18%
Shareholders' equity per share, SEK	8.17	7.09
Dividend per share, SEK	0.65	0.50
Share price, SEK	15.60	23.30
Market capitalization at the end of the period, SEK million	2,730	4,078
Shareholders' equity, SEK million	1,429.3	1,241.1
Capital base, SEK million	977.9	774.7
Capital coverage ratio	1.98	1.60
Average number of shares before dilution	175,027,886	169,475,689
Average number of shares after dilution	175,027,886	171,537,967
Number of shares at end of period	175,027,886	175,027,886
Number of full-time employees at end of period	330	352
Customer related key financial figures:		
Number of active accounts at end of the period	405,500	360,000
Total savings capital at end of period, SEK million	89.8	102.2
Average savings capital per trade-related active account at end of period, SEK	221,355	283,909
Cash deposits at end of period, SEK million	12,887.1	11,227.5
Managed Client Funds, SEK million	109.6	113.2
Lending at end of period, SEK million	4,629.7	6,016.3
Lending/deposits (%)	36%	53%
Number of trades for the period	15,311,500	16,163,900
Number of trades per day	60,760	63,388
Number of trades per trade-related active account	37.8	44.9
Number of trades per trade-related active account and month	3.1	3.7
Average net commission revenue per trade, SEK	26	30
DART (Daily Average Revenue from Trading), SEK	2,287,500	2,885,100
Annual average income/savings capital (%)	1.1%	1.1%
Average yearly income per account, SEK	3,725	3,232
Average yearly operating expenses per account, SEK	-2,557	-2,454
Average yearly profit per account, SEK	1,168	778

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